



Christian Credit Union Ltd. DIFFERENCE

Spring 2001

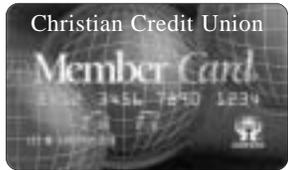
NEW

Expect more from your member card...

Have you ever arrived home after a day of Christmas shopping - after dealing with long line-ups and the parking lots that go on forever - only to discover that something you just bought is damaged? Have you ever worried that the washer/dryer set you recently purchased might suddenly decide not to work only a week after the warranty expires?

Relax. You're protected against misfortunes like loss, theft, damage, fire and breakage for a full 90 days after purchase every time you use your Member Card® Debit Card to make that purchase. If you use your member card, you'll also have the security of Extended Warranty, which can double the manufacturer's warranty up to one year longer. And, best of all, there are no forms to fill out, no applications and no extra costs! Just remember to keep your receipt, so if there is a need for a claim, you'll have a record.

For full details, check out the Certificate of Coverage included in your March account statement. If you would like further information or a copy of the certificate, please contact the Christian Credit Union at 426-7165 or, if you live out-of-town, phone us toll free at 1-877-426-0506.



Christian Credit Union Wins Performance Excellence Awards



The Christian Credit Union took home two awards presented at the Annual General Meeting of Credit Union Central Alberta held in Calgary on April 6, 2001.

The first award, the Advertising and Promotional Campaign Award for Credit Unions with assets less than \$100 million, was given in recognition of our "How You Can Make a Difference with Your Deposits" campaign. Our marketing message featured "thinking guy" and emphasized Christian Credit Union's three main differences:

1. Profit sharing of \$1.9 million (1990-2000),
2. Preferred financing of \$6 million to Christian schools, churches and homes for the elderly and disabled, and our
3. 100% deposit guarantee by the Credit Union Deposit Guarantee Corporation of Alberta

We promoted this message by advertising nationally in *Christian Courier*, *Christian Renewal*, *Clarion* and *Reformed Perspective*. Locally, the advertisements appeared in the Fall 2000 issue of the Christian Credit Union's "Difference" newsletter, various Christian school publications, the Alberta Men's Choir program and Emmanuel Home's newsletter. A special thank you to Ray Dykstra and the staff of Inkwell Communications who helped develop and print the advertising and the newsletters.

The second award, the Best Long Term Performance Award recognizes the top Credit Union for outstanding profitability over the past 5 years. This is 4th consecutive year that the Christian Credit Union has been singled out to receive this award from among seventy-six Credit Unions in Alberta.

We'd like to give a big thank-you to you, our new and long-time members, for your tremendous support. We'd also like to commend the staff at the Christian Credit Union for their outstanding dedication and effort.

Peter Lindhout



General Manager

General Manager's Message

It was with great pleasure that I was able to attend the Credit Union Central of Alberta Annual Meeting and accept two awards on the Credit Union's behalf. Both of these awards are an excellent reflection of the dedication of our staff and the support we receive from you, our members.

Recently the Christian Credit Union was featured in a provincial marketing newsletter, *Together, High-touch, High-tech*, which was distributed to over 700,000

households in Alberta. This magazine emphasized the "high-touch" and "high-tech" nature of credit unions. Credit unions continue to be "high-touch" because we are committed to friendly and personalized service; we care about our members and our communities. But credit unions are also becoming more and more "high-tech"; we have the technical capabilities that allow our customers to access their accounts safely and easily whether they are in Beaumont or in Bangladesh. If you use the internet, our telephone banking service, or your member card at an Automated Banking Machine, you can access your account from virtually anywhere in the world. Check out the recent enhancement to our Member Card® Debit Card and the different features of internet banking and telephone banking as they are explained throughout this issue. As many credit union members already know these features can save you a lot of time and money. In fact, our members save travel time and gas money by performing over 15,000 transactions electronically each month!

One of our key success factors is the quality of our staff. We have just received word that our Business Development Officer, Jim Hummel, Certified Financial Planner, was the top sales person of Ethical Funds in Alberta. Congratulations Jim!

On a final note, on behalf of the Board of Directors, staff and members, I would like to extend a special thank you to Alice Nicholson for her 20 years of outstanding service. Her dedication and enthusiasm is an example to us all.

**IN
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High-Tech: try out these automated banking services

Check out these exciting features and bank without even visiting the Christian Credit Union. You can access us from home, from the mall and from almost anywhere throughout Alberta and the World.

With your Member Card® Debit Card you can:

- Pay cash without carrying cash with Interac® Direct Payment 
- Get cash at Automated Banking Machines (ABM) worldwide
- Deposit and transfer funds at over 300 ABM s through the Alberta Regional Network including Capital City Savings and Credit Union and Alberta Treasury Branches
- Obtain your account balance

Warning

Beware of "white label" ABMs which are usually found in corner stores, gas bars and strip malls. A surcharge of \$1-\$2 is charged in addition to the Interac® fee.

- Gain peace of mind with an Automatic 90 day Purchase Protection and Extended Warranty on items purchased.

With our telephone banking service  you can:

- Pay your bills
- Get up-to-the-second account and loan balances
- Inquire about specific transactions
- Get a full transaction history
- Perform account transfers
- Make loan payments
- Access information on Credit Union branch location and hours.

With Internet banking at www.cuanytime.com® you can:

- Obtain up to the minute balances for your account
- Transfer funds between your accounts
- Review your account history
- Search your account by transaction number or amount
- Pay your bills
- Post date bill payments (allow 2-5 days for payment processing)
- Export data to Quicken® and Microsoft Money®
- View Ethical Funds® and CU Mastercard® balances and history.



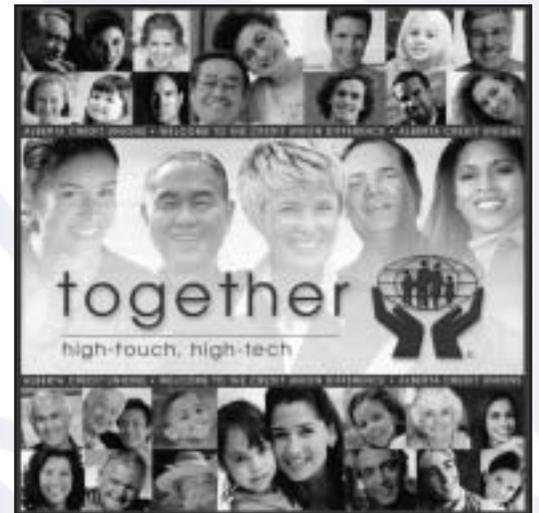
Christian Credit Union featured in *Together, High-Touch, High-Tech* Newsletter

On page seven of the recent *Together, High-Touch, High-Tech* newsletter, under the heading of "community involvement", the Christian Credit Union's very successful and long-running Christian School program was singled out and highlighted. The article reads:

"Christian Credit Union raises funds for Christian Schools by applying a matching formula to the savings patterns of young members who have "Fat Cat" and "Head Start" savings accounts. Not only does Christian provide the funding, the credit union regularly sends out a staff person to participating schools so that young members can do their banking!"

Together, High-Touch, High-Tech was distributed by the Edmonton and Calgary Sun newspapers, smaller newspapers, and through direct mail. Free copies are available at the Christian Credit Union or call 426-7165 or toll free, out of town, 1-877-426-0506 if you'd like us to send you one.

You can also view more information about Alberta Credit Unions via the website located at www.albertacreditunions.com.



Hummel goes Platinum! #1 in province

Jim Hummel, CFP, Business Development Officer and Mutual Fund Investment Specialist was awarded the President's Club Platinum award for being the top sales person in the province of Alberta for Ethical Funds in 2000, achieving gross sales of over \$1 million. Congratulations! Ethical Funds®, with assets of \$3.1 billion, is Canada's largest family of socially responsible mutual funds. The funds invests in companies that adhere to ethical principles such as non-tobacco, non-pollution, non-child labour and attempt to influence corporations through dialogue and shareholder's resolutions.

Christian Credit Union helps finance King's University College choir robes

Together with our strategic partner, Co-operative Trust Company of Canada, the Christian Credit Union was able to provide \$1,500 towards the purchase of choir robes for the King's University College Choir. The Choir recently completed a tour of northern BC and celebrated their return home with a concert in Edmonton.



The Christian Credit Union's 48th Annual Meeting

Over 160 members attended the 48th Annual General Meeting on Friday, January 26, 2001 at Edmonton Christian High School. After a delicious meal served by the ladies auxiliary, the Annual General Meeting was held which highlighted strong financial performance and several resolutions.

Jim Cupido and Jack Talman entertain the guests.



Mr. Kranenburg, an original Board member and oldest member in attendance, accepts bottle of wine from John Veldkamp, Commercial Loans Officer.



Mrs. Wierenga, the first account holder, accepts bottle of wine from Peter Lindhout, General Manager.



John & Rie VanEtten accept a box of King peppermints and flowers for John's outstanding service on the Credit Committee for over 25 years.

Please join us for our Special Celebration of the Christian Credit Union 50th Anniversary at the Winspear Centre on February 15, 2002. Watch for further details in future issues of the Christian Credit Union Difference newsletter.

Alice Nicholson celebrates 20 years at the Christian Credit Union!



In every organization there are people who just seem to know just what to do to keep the operation running smoothly and efficiently. These people can adjust quickly to change and have a knack for adapting and using emerging technologies to their

best advantage. Alice Nicholson is one of those people. In this issue of our Difference newsletter we'd like to tell you a little more about Alice and let you know just how important she is to us at the Christian Credit Union.

In June, 1981, Mr. VanGinhoven hired Alice Nicholson (Slomp). Alice was already familiar with the Credit Union as her sister had previously worked for the Credit Union and an ex-roommate, Joanne Spronk (Veenstra) was already employed at the Credit Union. At the time, there were 9 members on staff. Alice was

hired as a teller and she soon distinguished herself as such with her knowledge of members and their account numbers. Sometimes it seems like Alice has memorized the account number of every member she's ever had! To this day, many members (who have trouble remembering their one number) will ask Alice what their account number is. Alice's knowledge of our customers and staff is reflected in her recent promotion to Office Supervisor.

Alice is also our Data Coordinator. She enjoys the challenge of problem solving, especially when it comes to complex computer problems and member issues. Her expertise at "troubleshooting" is well known; she often receives distress calls from other Credit Unions and even from the Credit Union Central Support Department. Over her twenty years here at the CCU Alice has witnessed at least 6 total system changes ranging from the installation of our first in-house computer to the hook-up to a centralized system. She has also experienced a change in banking from primarily over-the-counter service to debit cards, telephone and internet banking.

When we asked Alice about the most memorable events in her twenty years service here at the CCU, she cited a low and a high; a robbery which occurred about 15 years ago and the celebration of Mr. VanGinhoven's 25th anniversary. The challenges that Alice foresees on the horizon for the Credit Union are the joint goals of keeping pace with the changing technology and keeping service personal.

Alice is a busy mother to Christine, who is turning 6 in May. Christine attends kindergarten at West campus at Edmonton Christian School; she loves school and she loves her cat. Alice has kept herself busy by volunteering for many organizations and she continues to volunteer by heading up the Counting Committee at West End Christian Reformed Church and by being the treasurer for the General Workers Local of the Christian Labour Association of Canada.

Thank you Alice for your many years of dedicated and outstanding service. We appreciate your efforts!

PLANNER'S CORNER



RRSPs - more than retirement!

Over the past number of years, the government has introduced two alternative uses of Registered Retirement Savings Plans: 1st time Homebuyer's Plan and the Lifelong Learning Plan.

Both warrant consideration.

Jim Hummel, CFP

HomeBuyer's Plan (HBP)

The HBP allows each borrower, who has entered into a contract to buy or build a home, to withdraw up to \$20,000 from their RRSP for any purpose. No withholding tax is deducted. An RRSP provides the benefit of a tax refund which can create a down payment, add to a down payment or provide funds required for some other purpose such as lawyer fees and other closing costs. Eg. A \$5,000 RRSP contribution x 35% (marginal tax rate) = \$1,750 Refund.

Certain terms and restrictions apply. Funds "borrowed" must be repaid to an RRSP within 15 years or the portion of the RRSP not repaid (1/15th) must be included in your current income come tax time. Applicants must not have owned a home in the past 5 years and funds must be on deposit 90 days prior to withdrawing funds. The home must be owner/occupied so the plan cannot be used to purchase a rental property.

Lifelong Learning Plan (LLP)

The LLP allows the applicant to withdraw RRSP funds for her own or for her spouse's education (provided the educational program is of at least 3 months in duration). The maximum amount that can be withdrawn over 4 calendar years is \$20,000. Not more than \$10,000 can be withdrawn in any one year from RRSP. These funds are repayable over a period of 10 years subsequent to the completion of your educational program. There is no limit to the number of times a person can qualify as long as the previous RRSP withdrawal is repaid. This plan is similar to the Home Buyer's Plan in that the funds must be on deposit for 90 days before any withdrawals are made.

Strategies to help you take advantage of these programs:

- 1 Young people should start contributing to an RRSP as soon as possible. For those young adults who take a year or two off prior to continuing their education, contributions to an RRSP will reduce taxes payable and will usually generate a tax refund. When these young adults pursue their post secondary education, they can then withdraw the funds under

the LLP. If the person decides not to go to school, the funds can then be used to purchase a first home or to finance retirement.

- 2 Married couples should consider spousal RRSP contributions, especially if one spouse may have reduced income in the future. As the HBP and LLP ultimately require repayment, these funds should be withdrawn from the RRSP belonging to the spouse with the lowest income. To best illustrate this strategy an example appears below:

Joe and Mary, recently married, would like to purchase their first home. They are both employed and making the same income. They would like to start having children in about 2 years time. They have \$10,000 to invest. Joe makes a spousal RRSP contribution of \$5000 to Mary's name. Mary also makes a regular RRSP contribution of \$5,000 to an RRSP in her name. Both contributions together generate a combined income tax refund of \$3,500 (35% marginal tax rate). After 90 days, Mary withdraws her RRSPs (a total of \$10,000) under the HBP to assist the couple in purchasing their first home. Joe and Mary decide to use the income tax refund for closing and renovation costs.

Two years later, Joe and Mary have their first child, Precious. Mary decides to stay home with Precious while Joe is employed full time. Each year, \$666.67 or 1/15 of the HBP is repayable. If Mary decides not to repay her RRSP, \$666.67 would be included as current income in her yearly tax return. The tax consequences of non-repayment is now minimal as Mary has no other income. This would not be the case if Joe had to make an RRSP repayment, as he would be taxed at his highest marginal tax rate.

The biggest drawback to both programs, is the loss of the compounding effect due to withdrawing the funds from an RRSP for the HBP and LLP. This "loss" has to be weighed against the goals of buying your first home and pursuing post secondary education.

For further information on these programs, please call me at 499-1137 or email jhummel@alberta-cu.com.

Operation Eyesight International

Do you have old glasses that take up cupboard space? Don't throw them out! Donate them to Operation Eyesight International. The Christian Credit Union has a drop off box for previously worn glasses. On behalf of the Credit Unions, Operation Eyesight International distributes the glasses to the poor in developing countries who otherwise could not afford eye glasses. Give the gift of sight and donate those previously worn glasses.



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