

Financial market turbulence and you

Like most Canadians, credit union members are worried about the current turmoil in the financial markets. Many want to know if their credit union remains sound and reliable, and whether their deposits are safe. The answer to both questions is: **yes**.

Here's why you can continue to count on your credit union, Nelson & District Credit Union:

- The credit union system is thriving and continues to grow. Assets of the B.C. system stood at more than \$42 billion at year-end 2007, up almost 60 percent in just the past five years.
- Credit unions in Canada have high deposit levels sourced mainly from local credit union members rather than global capital markets. This provides a stable deposit base relative to other financial institutions in Canada, the U.S. and elsewhere. In B.C. alone, credit unions have \$37 billion on deposit, representing growth of almost 50 percent over the past five years.
- Credit unions and other Canadian financial institutions do not offer sub-prime mortgages – a chief cause of the current turmoil in the U.S.
- Credit unions loan prudently in communities where we live, work and serve. As a result, our loan delinquency rates are exceptionally low by historical standards.
- Credit unions have more than 150 percent of the capital reserves required by regulators. Eighty percent of these are retained earnings, which are funds accumulated from years of profitable operation.
- Credit unions maintain required liquidity levels, ensuring funds are available to meet obligations to depositors at any time, including during periods of financial market upheaval.
- The provincial government of B.C., through the regulator, the Financial Institutions Commission of B.C., provides strong oversight of credit unions.
- The Credit Union Deposit Insurance Corporation of British Columbia (CUDIC), a provincial corporation administered by the Financial Institutions Commission, an agency of the B.C. government, provides deposit insurance for deposits at credit unions.
- As announced by the Office of the Premier October 22, 2008, the Province intends to provide unlimited deposit insurance protection on deposits to British Columbia's credit unions.
- The complete news release from the office of the Premier can be viewed at: www2.news.gov.bc.ca/news_releases_2005-2009/2008OTP0260-001612.htm#
- Current details on deposit insurance are available at the Financial Institutions Commission website at www.fic.gov.bc.ca/responsibilities/cudic/overview.htm

Video

Central 1 Credit Union has also developed a short video with commentary with the following employees:

Richard Thomas
Senior Vice President, Government Relations & Corporate Secretary, Central 1

Charles Milne
Vice President, Treasury & Funding, Central 1

Helmut Pastrick
Chief Economist, Central 1

This video provides a British Columbia and Ontario credit union perspective on the recent market turbulence. Key points covered include:

- Credit union stability
- Economic situation
- Credit union regulations and deposit insurance You can view the video at: http://www.youtube.com/watch?v=OiiI9_CKZzA