



Annual Report 2011



COURTNEY VERBEEK  
MEMBER – CLEARBROOK BRANCH  
(COVER) SMALL THINGS

#### MY PERSPECTIVE

*My desire was to get people to focus a little more on the ordinary and a little less on the extraordinary, sometimes we fail to notice how much beauty the smaller things behold.*



CASSIDY SEMENIUK  
MEMBER – AGASSIZ BRANCH  
OTHELLO TUNNELS

#### MY PERSPECTIVE

*What inspired me to take this picture was the sheer beauty of the Othello Tunnels. They are a dark and mysterious place, with many hidden secrets throughout.*

## One purpose. Many perspectives.

Having a purpose is important; it provides direction and determines what we focus on. At Prospera, our purpose is to make a meaningful difference in the financial well-being of our members and the communities we live in. Every day, people of all ages and from all walks of life come through our doors and we do our best to serve them. We work with our members in a purposeful way to clearly identify both their needs and their goals and to create a Roadmap to success. Why do we do it? As a co-operative enterprise, we have a vested interest in our members' success, just as our members have a vested interest in ours. Together we share a common purpose.

Our communities value us and we are all proud to be part of the neighbourhoods where we live, work and strive to improve. Knowing what we believe in: accountability, teamwork, integrity, respect, focus and innovation and living those values every day in every aspect of our business served us

well in 2011. Whether we were helping a member struggling with debt create a Roadmap and regain control over their financial situation; partnering with a community gallery to provide free art classes for families to enjoy together, or introducing new technology to enhance the service we provide to members; our values helped us stay focused on our members and allowed us to continue to make a difference in our communities.

2011 was a year filled with highs and lows as economies everywhere struggled to deal with the effects of ongoing difficulties in both the European Union and the United States. It was a challenging year around the globe but we were fortunate to weather the storm and stay the course. Members continued to give us best in class scores for service, with a significant increase in those who told us we exceeded their expectations.

Prospera Credit Union has a unique perspective, we approach things differently—certainly differently than the banks—and even differently from other credit unions. We're not a one-size-fits-all organization and that's what sets us apart. Our annual survey results reinforce that we are on the right path, by showing that members value our commitment to building strong relationships with them and providing expert advice to help them get where they want to go.



### Sound Advice, A Personal Touch

A member since 1971, Eduard Gesang joined Prospera (then Edelweiss Credit Union) on the advice of a friend and he's never felt the need to go elsewhere for his personal financial needs. Whether he is taking care of day-to-day transactions like paying bills, checking on his investments or accessing his safety deposit box, Eduard likes the personal approach that he gets at the South Granville branch where everyone knows him by name.

"It's not like a big bank, people get to know you," says Eduard, who prefers to do all of his transactions face-to-face in the branch. "I usually deal with Sanka Beatovic and I trust the advice she gives me. If she is not sure about something, she always checks it with someone else and she is very friendly. I wish more people were like this."

Despite a couple of branch moves over the years and a name change when Edelweiss merged with Fraser Valley to become Prospera Credit Union, Eduard's loyalty to his credit union has never wavered.

"At the beginning, I didn't like the new name," he admits. "But I think they have done well by joining up with Fraser Valley Credit Union and the location of the branch now has really great parking facilities. Most times, you can park for free, which is important because I prefer to take my bills to the bank and talk to them and take care of things. It's a great reason to get out and go somewhere which is a necessary thing as you get older."

For Eduard, having a good relationship with people he can trust to give him sound advice is worth a lot.

### MY PERSPECTIVE

*I joined the credit union in the 70s because a friend of mine suggested that I should. It's not like a big bank, people get to know you and you know everybody there; I like dealing with people face to face. This has been my credit union for 35 years and I definitely would recommend Prospera Credit Union to other people.*

We are creative problem solvers. The economy is volatile and uncertain. As your credit union, we need to be resourceful and innovative to help you stay on top. We appreciate that each member is unique and that everyone has a different perspective—dreams, plans and goals that they want to achieve. We strive to listen, learn and understand the world from your perspective before offering practical advice on how to make those dreams a reality.

The world of technology is always changing and we're continually evolving to better serve members. This year we made it easier and more secure for our members to conduct financial transactions with the launch of our new Prospera chip debit cards and an upgrade to ensure that all of our systems and ATM's are chip-compliant.

We also introduced our first mobile App. "ATM Finder" is an ATM locator App for

iPhone, Android and BlackBerry users that makes it quick and easy for our members to find an ATM when they need one.

We continue to build out our services based on our member-centric approach. We want to work on things that matter to members and using this approach allows us to make decisions that matter to members too.

One of those decisions was investing in online statements a couple of years ago. Although we knew it had an upfront cost, we also realized that printing fewer bank statements would be advantageous for several reasons. First of all, it would save paper. Secondly, it would save on mailing costs. Third, and most importantly, it would reduce the risk associated with sending a paper statement through the mail. We knew it was the right thing to do, we also knew that our members look to us to make sound decisions like this every day and we now have close to 15,000 members receiving their statements this way.

Similarly, we're always looking for new ways to make a difference. One of our newest initiatives allows members to open additional accounts and purchase term deposits on-line, making it easier and more convenient for members to manage their financial life on their own terms.

WE LOVE TO SEE THOSE SMILES! IT'S THE NUMBER ONE REASON PROSPERA HOSTS A VARIETY OF FREE COMMUNITY EVENTS EVERY YEAR.



IT'S THE ABSOLUTE GREATEST THING TO GET TO WORK SIDE-BY-SIDE WITH YOUR FAMILY EVERY DAY, TO SHARE YOUR SUCCESSES AND KNOW THAT THEY WILL CONTINUE ON WITH WHAT YOU'VE BUILT.



administrative side. "It's the absolute greatest thing to get to work side-by-side with your family every day, to share your successes and know that they will continue on with what you've built," says Tom.

After Gerhard retired, Tom started dealing with a new Commercial Account Manager, Raj Sheenh.

A whole new line of business expanded the company even further in 2011, and this time all it took was one phone call to Prospera to finance the new equipment that was needed.

"Wow, just one phone call," marvels Tom. "It's kind of a nice feeling to know the relationship that you've built means something. We've earned it, but it's still a nice feeling."

With the addition of CrossFit Abbotsford (an intensive Navy Seal style training program that has really taken off around the globe), Tom and his business have once again outgrown their location and will soon be looking to expand into a much larger multi-purpose facility.

"The next phase is going to be millions of dollars and Raj and I have already started talking about that," says Tom with a big smile on his face. "We've got big plans for the future."

## The Most Important Investment

It can be tough to find someone who is willing to look at the world from your perspective. When Tom McAleese came to Prospera seven years ago, he did not have much hope that he would be able to walk out with the money he needed to get his dream off the ground. Formerly a competitive power lifter, Tom was working a full time job as a commercial baker in addition to operating his Tai Chi school and personal training and health consulting business out of a basement gym in Mission and he'd already approached every bank he could think of.

They all said no.

"I had a really strong business plan when it came to what I knew I could do with a fitness and rehab business," explains Tom. "I just didn't have a good handle on the numbers at that point."

Tom was surprised when Prospera said yes and he walked out with a \$30,000 line of credit. He was even more surprised when his Prospera Commercial Account Manager, Gerhard, talked more about people than he did about numbers. "The numbers will come," he told Tom. "We have to have faith in the people."

Like many of the entrepreneurs who come to Prospera for assistance in realizing their dreams, we recognized in Tom the kind of determination you just can't say no to.

Tom's business has come a long way since then. A year later, when a building became available in downtown Abbotsford that would make a perfect home for the Fraser Valley School of Tai Chi and Core Fitness & Rehab, Tom signed the lease with an option to buy. Two years after that, he became the proud owner of the building at well below its assessed value. It was an excellent business decision and Gerhard was impressed, but not at all surprised, by Tom's success.

The business continued to grow and Tom's two sons, Matt and Shane, got involved. One on the sports medicine side and the other on the personal training and

## HEARTS AND SOLES

Open your closet and look down. What do you see? Shoes, right? Quite a few pairs of shoes, maybe even several pairs that you don't wear anymore.

Now imagine what life would be like if you had no shoes. Millions of people on this planet don't, leaving them vulnerable to injury and disease.

Making a meaningful difference in our communities and the world beyond is important to us and sometimes that means giving up our shoes to help those who have none.

In 2011, Prospera Credit Union branches in the Okanagan together with the corporate office in Abbotsford, stepped up and became collection points for people to drop off shoes for the international charity Soles4Souls, which collects new shoes to give relief to victims of abject suffering (such as the Tsunami victims in Japan and earthquake victims in Haiti) and collects used shoes to support micro-business efforts aimed at eradicating poverty in countries all over the globe.

Altogether, Prospera collected more than 1,000 pairs of shoes in 2011, with Kelowna Mission Park accounting for almost half of all donations. This year, all 16 of Prospera's branches will be participating in this grassroots initiative to help others.



### A Little Help Can Mean A Lot

While many people would take the perspective that education is an investment we make in ourselves, Crystal Koblenky knows that sometimes it takes more than our own resources to get the education needed to build a better life.

As a single mom to ten-year-old Felix, Crystal wants to be a good role model and have the ability to provide a comfortable, nurturing environment for her son. She also wants to show him that it's possible to fulfill his dreams, whatever they may be.

With a background in design and graphics, Crystal's own dream is to work in the digital animation industry. As the recipient of one of Prospera's Educational Awards in 2011, today she's one step closer to realizing that dream. Crystal applied for an educational award to help pay for an intensive course in digital animation at the Vancouver Film School which she completed in December.

"Education is very expensive and specialized training is even more expensive," says Crystal, who is very appreciative of the support she received from Prospera. "It's amazing to realize that not just your family and friends support you, but others in the community as well. The Prospera Educational Awards are proof of that. It's a great feeling to know that people you haven't even met are willing to invest in you and encourage you to keep learning and bettering yourself."

#### MY PERSPECTIVE

*It's good to encourage people to keep learning and better themselves and from my perspective, knowing that not just a few people support me, like my friends and family, but that there are people in the community who are willing to invest in me and help me reach my goals, that's a great feeling.*

KYM RECENTLY TURNED 40 AND SHE COULDN'T BE MORE OPTIMISTIC ABOUT THE FUTURE. WITH ALL OF THE EXTRA MONEY SHE'S BEEN ABLE TO SAVE USING HER ROADMAP, SHE THOUGHT IT WAS TIME TO TREAT HERSELF TO SOMETHING SPECIAL, SO SHE HEADED TO PARIS WHERE SHE ENJOYED THE CELEBRATION OF A LIFETIME.



### Mapping a New Course

Kym came to Prospera a few years back, fresh out of a relationship and with debt to the sky; she didn't know where to turn. A friend who is a member of Prospera referred her to his trusted Prospera financial advisor.

Kym made an appointment and that's when she says her life transformed. Darren Fraser, Wealth Management Manager for the Okanagan Region, completed a Roadmap plan with Kym, determined her debt load and referred her to a lending specialist for a loan to consolidate her debt. As she freed up more income through debt consolidation, Darren encouraged Kym to open a savings plan. Kym was on her way, paying down her debt and saving two per cent of her net income, with a goal to eventually save ten per cent.

Darren also showed Kym how she could use her Roadmap plan to reach two more dreams that she had shared. The first was to buy her own home within five years and

the second was to retire at age 65. When she first came to Prospera, Kym often joked she was on the Freedom 95 plan.

At Kym's next annual meeting, she felt she was doing better financially. Her loan principal was decreasing nicely and she was able to increase her biweekly savings to six per cent. With her updated Roadmap, Kim was thrilled to learn her retirement date had decreased to age 64 with the extra savings.

Last year, Kym came in for her annual review once again. She had been aggressively working on paying off her debt and had also received a raise and an unexpected bonus. It was time to fulfill one of her dreams. Darren referred Kym to a Prospera lending specialist who had her mortgage approved within the hour and Kym became a homeowner three years earlier than planned.

This year when Kym came in for her Roadmap check up, she was bubbling with excitement over how much she absolutely loves her new place. She also said, "I'm ready to increase my savings to the ten per cent level." Once Kym's Roadmap was updated with her new savings target, she was delighted to learn her retirement date had decreased even further, to age 61.

## Community perspectives: Giving back to our communities is an essential part of our success. It's what we do.

Our communities mean the world to us and we love nothing more than to collaborate with non-profit organizations and charity partners that are working to make life better for everyone.

In 2011, Prospera contributed more than \$550,000 to community partners through sponsorships, donations and fundraising. Our staff are also passionate about being actively involved in the communities where we live and work and have dedicated many hours to volunteering for great programs and events throughout the year.

Helping you get where you want to go is important to us, whether we're supporting education or giving you a ride to the fair.

Prospera's Educational Awards Program provides up to \$20,000 in scholarships and each year we choose to support some very

special members who have made a significant impact in their schools and local communities as well as mature students who have had to balance a lot of competing demands to make time to further their education.

For the 2011 Agassiz Fall Fair, Prospera arranged free parking and provided a free community shuttle to take people to the fair grounds so more people could enjoy this fun community event. It may seem like a small gesture, but the smiles we saw that day told us it meant a lot.

We really love to see those smiles. That's why we host a number of free events throughout the year including our annual Skate Party in Chilliwack. We also organize and sponsor free movie nights in a number of communities from the Okanagan to Surrey, where we partner with local non-profit groups to give them an opportunity to raise money and awareness for their worthy programs.

In addition to our own events, we help many other charities and grassroots groups make their events more successful by providing tents, volunteers, fun activities or just about anything else they need from us.

KAREN MASSIER  
MEMBER – CLEARBROOK BRANCH  
TRAIN STATION



### MY PERSPECTIVE

*I felt a connection being in the birthplace of BC and thinking of what sorts of interesting people would have travelled on the railroad and stopped in Fort Langley to conduct their business.*



COMMUNITY MATTERS TO US. THE PROSPERA SPONSORED TOURNAMENT BATS FOR A CAUSE RAISED MORE THAN \$40,000 FOR THE BC CHILDREN'S HOSPITAL FOUNDATION IN 2011.

## EXPANDING HORIZONS

Today's financial world is highly complex even when compared to a decade or two ago. With debit and credit cards replacing cash for most transactions, it's much too easy for young people to run into financial difficulty long before their earning potential catches up to their spending habits.

During a roundtable discussion at the Mission branch in late 2010, Regional Manager Sean Melia and his team talked about some of the financial challenges facing young adults today and how confusing it must be to be inundated with so many conflicting messages. The team tossed around ideas of how they could add value for young people in the community to help them understand the financial process and make better financial decisions.

After some discussion, they came up with an idea: to approach the local high school in Mission and see if they could present a financial literacy workshop to help educate students in the local community.

With a green light from administrators to talk to grade ten students, the team set about developing a presentation that would be interesting and engaging for a teenage audience and cover topics such as understanding what financial institutions do, what credit is, how you get credit and how to maintain good credit. They also wanted to explain to students about the different types of accounts available, how to open an account, how to budget and why budgeting is so important to long-term financial stability. To make the presentation more interactive, they developed a game to play with the students.

"We were pleasantly surprised with the response we received from students," says Sean Melia, whose team presented the workshop at the school on three different occasions in addition to one presentation to a community group. "At the end of each session, we had a question and answer period and there were always questions. Sometimes the questions were surprising, the kids were obviously awake and paying attention. It was great to see."

Even better, following their successful trial run, Sean met on several occasions with the superintendent and others within the Mission School District who are now working on a financial literacy program to be added to the curriculum in 2013. We think it won't be long before other school districts follow suit.

## Playing for a Purpose

Some of the community events we were involved with this year included the Okanagan International Children's Festival, Canada Day celebrations, the Chutzpah! Festival, Chilliwack Christmas in the City, Vernon Winter Carnival and the Mission Candlelight Parade.

We continued to strengthen our community partnerships in 2011 by being actively involved with organizations including Big Brothers Big Sisters, Mission, Chilliwack and Abbotsford Hospice Societies, Success by 6, BC Children's Hospital Foundation, The Centre for Child Development, Union Gospel Mission, local food banks and many others.

We're very proud to say that our 2011 United Way staff-led campaign raised more than \$81,000 and involved more than 50 percent of our staff. As the largest contributor to the United Way of the Fraser Valley, we know that we're making a meaningful difference in the lives of people in our communities every day and that's just the way it should be.

It feels good to go to bat for a worthy cause, particularly when that cause is the BC Children's Hospital Foundation. Now in its fourth year, Bats for a Cause is an annual wood-bat mixed softball tournament sponsored by Prospera that takes place in Kelowna and continues to grow in popularity.

The inspiration came from Prospera's Regional Manager for the Okanagan, Angela McLean O'Heir, who has been playing ball in her hometown since the age of seven; in 2011 the tournament raised \$40,000 in one weekend, with fifteen teams participating. Two of those teams, the Prospera Bears and the Prospera Dodgers, are comprised of employees from Prospera's four Okanagan branches.

Billed as a totally fun community event put on in partnership with the Kelowna Adult Softball Association, it's not surprising that the biggest prize in the tournament goes to the team that raises the most money for BC Children's Hospital Foundation.

"You can't use big machines on little bodies," says Angela, talking about her motivation for organizing the tournament. "And when we were presented with the stats on how many Okanagan kids use Children's Hospital each year, we knew we could get the community behind us. Now every year we're raising more money."

To say that Angela and her dedicated team of volunteers live and breathe the event from start to finish wouldn't be an understatement. "Our target is to get regular people involved, having a good time and doing good for the community," she says. With a \$500 entry fee and a commitment to raise a minimum of \$1,000 per team, the target for the 2012 tournament is \$50,000 and more than 20 teams going to bat for kids in BC.

## Our Communities A Long-term Investment

We love knowing that we're making a difference in the lives of others. For more than 16 years (beginning with Edelweiss Credit Union), Prospera has been providing an annual donation to the German Canadian Benevolent Society of BC and every year we receive a letter from the society telling us how our contribution has positively impacted someone's life.

In 2011, we received another letter of thanks with the following words: "The Society is very fortunate to have the support of its members and friends. Thanks to your donation, this year the money will be used to buy a ceiling lift for a resident's room to ensure the safe transfer of the resident. We thank you most sincerely for your support."

Supporting each other, we believe that's what community is all about.

## Sharing the Warmth

The weekly Olive Branch dinners that take place in the community of Agassiz every Tuesday evening truly are a coming together of neighbours. For four years, these dinners have provided up to 25 guests, together with the volunteers



### The Big Picture

When Kaycee and Caleb Frisk got married last summer, they knew their number one financial goal was to buy a house, but with a student loan and other debt, they didn't know how to get started. They approached Kaycee's bank where an advisor signed Kaycee up for a monthly RSP contribution but didn't really listen to their concerns or ask any questions about their current situation or their goals.

"The guy didn't listen to us at all and we just wanted to get out of there," says 22-year-old Kaycee, recalling the experience.

Frustrated and confused, the couple, who are expecting their second child in a few weeks, decided to see what Caleb's credit union had to offer. They stopped in at Prospera's Surrey Centre branch where they were directed to Wealth Management Specialist Nami Kim.

"We talked to Nami and she suggested we do a Roadmap after we told her how we want to buy a house in five years," explains Kaycee. "When she had gathered all the information and looked at our situation, she pointed out that we don't have a will or power of attorney or anything. We also thought we had life insurance, but it was actually just accident insurance, it was a pretty eye opening experience. We ended up being there for two hours and she put everything into perspective. There were a lot of things we hadn't thought about."

As part of the Roadmap process, Nami showed Kaycee and Caleb how they could pay down their debt, manage their spending more effectively and start saving for the house of their dreams. She also gave the couple some homework to do.

### MY PERSPECTIVE

*When we left Prospera, we felt good and we had lists of things we needed to do, a whole pyramid of things to do. Now Caleb has actual life insurance, we're getting our will sorted out and Nami helped us to find an extra thousand dollars of income we did not realize we had and it is all going towards savings. Kids grow up so fast, I'd love to just have a house that they can grow up in. Now that I know we can really do it, every day I'm excited that we're saving towards a home and we have a plan for the future.*

who organize and prepare the food, with an opportunity to sit down and enjoy a hot meal and good conversation.

The program is a collaboration between six local churches, Agassiz Community Services and the Healthy Communities program, all of which came together after identifying a need. The purpose of the dinners is to reach out to those in the community who don't often have the chance to share in a home-cooked meal and the company of others—no matter if they are young, old, or anywhere in between.

"Many of the seniors who live alone tell us this is the only hot meal they get during the week," says Olive Branch volunteer Sylvia Pranger. "A lot of them are lonely as well so they really look forward to getting together. And it's a great experience for those of us who plan and prepare the meals, we're really getting to know our community better."

Many hands make light work and that certainly applies to the Olive Branch dinners, which rely solely on volunteer efforts and donations of food and services from local businesses and farmers. When Prospera learned that the program could serve more meals if only they had a commercial dishwasher, there was no question such a donation would have an impact on the community.

"We never dreamt we would get the full amount we needed for the dishwasher in one shot," says Sylvia. "We're so grateful to Prospera for this phenomenal gift."



Photography by Davina

PROSPERA'S SUPPORT OF SUNDAY FAMILY ARTS AT THE REACH GALLERY MUSEUM IN ABBOTSFORD ALLOWS FAMILIES TO ENJOY FREE INTERACTIVE WORKSHOPS WITH PROFESSIONAL ARTISTS FROM THEIR OWN COMMUNITY.

### WE BELIEVE IN MAKE BELIEVE

Kids just wanna have fun...and we think every kid should. That's why we're the Volunteer Sponsor for the Okanagan International Children's Festival, providing every one of the hundreds of volunteers at the festival with a free festival t-shirt in addition to sponsoring wristbands for the approximately 10,000 visitors to the festival and presenting a fun craft project.

In 2011, the Prospera activity tent and our "Paint Your Own Piggy Bank" craft was voted the most liked and attended activity by visitors to the festival. Now that's the kind of response that puts a smile on our faces!

## Management perspectives: Our part in prosperity.

### What inspires us?

Inspiration is everywhere. From financially empowering our membership, to ensuring that our employees couldn't imagine working anywhere else or doing good things in our communities, there is so much that inspires us.

Making a meaningful difference in the financial well-being of our members and our communities isn't just something we say, it is a commitment that influences everything we do. A commitment to provide the highest level of service coupled with expert advice to help our members accomplish their most important dreams. A commitment to invest in our communities in ways that will have a positive and lasting impact. And a commitment to continue to strengthen the relationships we have with our members and our communities... That's the Prospera Way.

Our employees are equally as important to us. We know that without their talent and dedication, we couldn't succeed. Offering our employees a great place to come to work every day where they have a unique opportunity to make a difference in the lives of others and their community is a key part of how we do business.

We are inspired too by our co-operative heritage. We're proud of where we came from and we work hard to live our values of integrity, respect, accountability, teamwork, focus and innovation every day, in everything we do.

We believe in the power of cooperation; that working together makes us stronger and it is upon this foundation that we are building a bright and prosperous future.

BRENT DAVIS  
MEMBER – WEST OAKS BRANCH  
AUTUMN IN ALDERGROVE



### MY PERSPECTIVE

*For me, taking photographs and trying to see things from a different perspective gives me an incredible sense of peace. This particular image just explodes with brilliant colour and that is what attracted me to this setting. We don't need to go to an art gallery to see beauty. Nature has provided art everywhere for free if we choose to see it.*

## Message from the Chair

Throughout 2011, Prospera continued to build on the values that are at the heart of our co-operative tradition. From the Board's perspective this required a renewed understanding of what it really means to be a co-operative and a deepened appreciation of the value and importance of our members. While we continue to focus on financial strength and organizational effectiveness to serve our membership as a whole, we are also dedicated to building a unique relationship with each one of you to help you achieve your individual goals and define financial well-being on your own terms.

Concern for community is another important part of the Prospera Credit Union culture and this is evidenced not just through our extensive community investment program, but also by the many volunteer hours that our people contribute to our communities to make a truly meaningful difference in the lives of others. We love to share the good work that our community partners are doing and help them get the attention they deserve. In 2011, we began an initiative to establish a Community Wall in each one of our branches to feature information about our partnerships with organizations like Big Brothers Big Sisters, the United Way and Junior Achievement.

2011 was a reflective year in which we really solidified our direction and focused on our values, a year that prepared us well for 2012, which has been declared

the "International Year of Co-operatives" by the United Nations. During what has become an ongoing and prolonged global economic crisis and period of historically low interest rates, Prospera has continued to achieve balanced growth by helping individual members meet their financial goals. We did this by building community support and awareness and by committing to helping small businesses achieve their goals and drive our local economies. Our forbearers built our Credit Union because they lived the values of honesty, openness and caring by putting member needs first. Today, we still live by those same values and in 2012 we will join the world in celebrating the Year of Co-operatives by helping to "Build a Better World": one member, one business and one dream at a time in our own local communities.

I would like to sincerely thank Directors Myles Bruckal and John Charlesworth who both moved on to pursue other personal endeavors this past year. Their contributions in the boardroom were greatly appreciated.

On behalf of the Board I want to thank you, our members and employees, for your loyalty, trust and confidence in the strategic direction the Board and Management have set. I sincerely hope you will share in our excitement and join us in celebrating the International Year of Co-operatives.

*"Co-operatives are a reminder to the international community that it is possible to pursue both economic viability and social responsibility."*

— **Ban Ki-moon, UN Secretary General**



ANGELA KAISER,  
CHAIR, BOARD OF DIRECTORS

BRUCE HOWELL,  
PRESIDENT & CEO

## Message from the President & CEO

We are here to make a meaningful difference in the financial well-being of our members. Every day our focus and our commitment to you is to add value, improve service and manage the business in a prudent manner.

During 2011, we undertook three large initiatives aimed at improving member value. We sold our general insurance assets to Westland Insurance, we moved our Abbotsford Branch, and extensively renovated our Agassiz location.

Prospera Insurance Agencies has long been an important and strategic part of our business. While we ran a good agency with outstanding staff and service, in an industry that has been consolidating over the past number of years, it became increasingly difficult to get the best product and pricing for our members. After an extensive review of our options, we determined that we would best serve our members' interests by selling our agency to a large player with similar values to ours. We needed to be satisfied that our members and our employees would be better served now and in the future and found that answer in the Westland Insurance Group which acquired our insurance business on May 1, 2011. The significant financial value built up in the business over the years is reflected in the gain of \$6,492,000, which has been retained in the business and further strengthens our capital base.

With this acquisition Westland now has 36 offices across BC and will have a market presence near many more Prospera branches than our agency did. As a result, Prospera members will have access to insurance products at better pricing.

Abbotsford has grown significantly in recent years. A great deal of that growth has been in East Abbotsford where many of our members live. We've been looking for a few years to locate a branch in the area to better serve our members and in 2011, we found an excellent location on DeLair Road. We moved our branch on Essendene Avenue to this new location in November, a move that has been very well received both by our members and the community. We are also pleased that this new branch gives us the opportunity to improve service to members by having Personal Banking, Business Services and Wealth Management staff in one convenient location.

As the only financial institution in the growing community of Agassiz, we are committed to serving the needs of our members and the community. In 2011, we completely renovated our Agassiz branch, which enabled us to enhance the services we offer within the community including the addition of Business Services and Wealth Management staff as we did in Abbotsford.

Organizational effectiveness and prudent financial management is a key focus. During what turned out to be another challenging year, Prospera increased member assets by \$125 million while maintaining strong liquidity and increasing its capital ratio.

I want to thank each and every member of Prospera's staff for their continued dedication to making a meaningful difference in 2011 to the well-being of our members and our communities.

Looking ahead, Prospera is focused and ready to rise to the challenges we will face in 2012 as we continue to build on our strengths and work together to serve you, our valued members.

## Management's Responsibility for Financial Reporting

February 16, 2012

Management is responsible for preparing the accompanying financial statements and is responsible for their integrity and objectivity. The financial statements are prepared in conformity with International Financial Reporting Standards and include amounts based on informed judgments and estimates of the expected effects of current events and transactions.

The Board of Directors oversees management's responsibilities for financial reporting. An Audit Committee of non-management directors is appointed by the Board of Directors to review the financial statements and report to the directors prior to the approval of the financial statements.

Management is also responsible for maintaining systems of internal control that provide reasonable assurance that financial information is reliable, that all financial transactions are properly authorized, that assets are safeguarded, and that the Credit Union adheres to legislative and regulatory requirements. These systems include the communication of policies and the Credit Union's code of ethics and business conduct throughout the organization. Management continually monitors the systems of internal control for compliance. In addition, internal controls are actively reviewed and evaluated by the Credit Union's internal auditors.

The Audit Committee also conducts such review and inquiry of management and the internal and external auditors as it deems necessary towards establishing that the Credit Union is employing appropriate systems of internal control, is adhering to legislative and regulatory requirements and is applying the Credit Union's code of ethics and business conduct. Both the internal and external auditors have full unrestricted access to the Audit Committee, with and without the presence of management.

The Financial Institutions Commission of British Columbia conducts a periodic review of the Credit Union's affairs to determine if the Credit Union has operated within the provisions of governing legislation and to ensure that the interests of members are safeguarded.

PricewaterhouseCoopers LLP has been appointed as independent auditors to examine and report on the financial statements and their report follows.

  
Bruce Howell  
President & Chief Executive Officer

  
Waheed Hirji  
Chief Financial Officer

## Independent Auditor's Report on Condensed Consolidated Financial Statements

### To the Members of Prospera Credit Union

The accompanying condensed consolidated financial statements of Prospera Credit Union, which comprise the condensed consolidated statement of financial position as at December 31, 2011, and the condensed consolidated statements of income and comprehensive income, retained earnings and other reserves for the year then ended are derived from the audited consolidated financial statements of Prospera Credit Union for the year ended December 31, 2011. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated February 16, 2012.

The condensed consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the condensed consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of Prospera Credit Union.

### Management's Responsibility for the Condensed Consolidated Financial Statements

Management is responsible for the preparation of the condensed consolidated financial statements.

### Auditor's Responsibility

Our responsibility is to express an opinion on the condensed consolidated financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements."

### Opinion

In our opinion, the condensed consolidated financial statements derived from the audited consolidated financial statements of Prospera Credit Union for the year ended December 31, 2011 are a fair summary of those financial statements.

  
PricewaterhouseCoopers LLP

Chartered Accountants  
Vancouver, BC, February 16, 2012

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (EXPRESSED IN THOUSANDS OF DOLLARS)

	DECEMBER 31 2011	DECEMBER 31 2010	JANUARY 1 2010
<b>Assets</b>			
Cash and cash equivalents	29,078	13,491	8,348
Interest bearing deposits with financial institutions	147,229	155,285	151,356
Loans to members	1,931,132	1,821,887	1,751,794
Derivative financial instruments	3,691	2,360	3,108
Investments	14,702	5,690	6,048
Property, premises, equipment and intangibles	12,158	11,412	12,861
Other assets	5,337	8,555	9,406
<b>Total Assets</b>	<b>2,143,327</b>	<b>2,018,680</b>	<b>1,942,921</b>
<b>Liabilities</b>			
Borrowings	69,924	42,000	118,000
Member deposits	1,961,715	1,880,862	1,738,358
Accounts payable and accrued liabilities	13,253	11,129	11,003
<b>Total Liabilities</b>	<b>2,044,892</b>	<b>1,933,991</b>	<b>1,867,361</b>
<b>Members' Equity</b>			
Members' equity shares	4,983	5,343	5,611
Retained earnings and other reserves	93,452	79,346	69,949
<b>Total Members' Equity</b>	<b>98,435</b>	<b>84,689</b>	<b>75,560</b>
<b>Total Liabilities and Members' Equity</b>	<b>2,143,327</b>	<b>2,018,680</b>	<b>1,942,921</b>

## CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME, AND RETAINED EARNINGS AND OTHER RESERVES YEAR ENDED DECEMBER 31 (EXPRESSED IN THOUSANDS OF DOLLARS)

	2011	2010
Interest income	89,263	86,240
Interest expense	37,001	33,840
<b>Net interest income</b>	<b>52,262</b>	<b>52,400</b>
Loan impairment expense	2,000	2,000
Net interest income after loan impairment expense	50,262	50,400
Other income	19,872	14,984
<b>Net interest income and other income</b>	<b>70,134</b>	<b>65,384</b>
<b>Non-interest expenses</b>		
Salaries and employee benefits	28,713	28,995
Other non-interest expenses	23,792	23,932
	<b>52,505</b>	<b>52,927</b>
<b>Income before dividends on member shares</b>	<b>17,629</b>	<b>12,457</b>
Dividends on member deposit shares	831	900
<b>Income before income taxes</b>	<b>16,798</b>	<b>11,557</b>
Income tax expense	2,397	1,522
<b>Net income</b>	<b>14,401</b>	<b>10,035</b>
<b>Other comprehensive loss</b>	<b>(148)</b>	<b>(483)</b>
<b>Comprehensive income</b>	<b>14,253</b>	<b>9,552</b>
<b>Retained earnings and other reserves, Beginning of the Year</b>	<b>79,346</b>	<b>69,949</b>
Net income and other comprehensive income	14,253	9,552
Dividends on members' equity shares, net of tax	(147)	(155)
<b>Retained earnings and other reserves, End of the Year</b>	<b>93,452</b>	<b>79,346</b>

Approved by the Board of Directors:

Karen Laing



Angela Kaiser



The management of Prospera Credit Union is responsible for the integrity and fair presentation of the condensed consolidated financial statements and other information in the Annual Report. The complete consolidated financial statements are prepared in accordance with International Financial Reporting Standards, including amounts based on estimates and judgments. Financial information and operating data presented elsewhere in this Annual Report are consistent with that in the complete consolidated financial statements. Readers are cautioned that these condensed consolidated financial statements do not include all disclosures required for complete and fair presentation. A copy of the full Prospera Credit Union consolidated financial statements will be available by April 17, 2012 at [www.prospera.ca](http://www.prospera.ca) or in branch.



LEFT — OKANAGAN INTERNATIONAL CHILDREN'S FESTIVAL: ORGANIZERS TOLD US THE PROSPERA CRAFT TENT, WHERE CHILDREN GOT TO PAINT THEIR OWN PIGGY BANK, WAS THE HIT OF THE 2011 FESTIVAL.

RIGHT — CINEMA UNDER THE STARS: FAMILIES COME OUT TO ENJOY THE ENTERTAINMENT AND OUR COMMUNITY PARTNERS BENEFIT FROM DONATIONS ACCEPTED AT 13 FREE MOVIE NIGHTS PRESENTED BY PROSPERA CREDIT UNION THROUGHOUT THE SUMMER.



## Corporate Governance

Prospera's Board and Management are committed to acting responsibly, ethically and with the highest standards of integrity to ensure that Prospera's activities are continually structured and delivered in a manner that allows us to meet the needs of our members.

To achieve this, sound corporate governance business practices and policies have been adopted by the Board and cascaded throughout all levels of the organization.

We strive to ensure that our governance is of the highest standard, while at the same time practical and transparent to our members.

The Board's governance responsibilities include, but are not limited to:

- Board composition and committee structure;
- Approval and monitoring of the strategic plan;
- Selection, evaluation, development and succession planning of the President and Chief Executive Officer (CEO);
- Decision-making framework;
- Board assessment;
- Risk assessment; and
- Accountability and transparency mechanisms.

The Board's governance model has been developed over time and is a blending of practices that are deemed to be most appropriate for Prospera. These practices include the following principles, which have been adopted by the Board:

- The Board governs and Management manages. The Board's role is to ensure that Prospera has the appropriate Management in place. Day-to-day management is the responsibility of the CEO, who reports to the Board of Directors.
- The Board follows a consent agenda which includes items such as minutes and items of information that are provided to members in advance of the meeting. These items are accepted as read and agreed to unless a member requests an item be removed from the consent agenda and added to the agenda for discussion.
- The Chair and the CEO are the official spokespersons for the Credit Union and a decision made by the Board is a decision that is publicly supported by all directors.
- Only the Board can make decisions that are binding on the organization; however, the Board may elect to delegate these responsibilities to its standing and ad hoc committees.
- The Board has committed to transparency in its overall governance of Prospera.
- The Board's Governance Manual is reviewed bi-annually and any revisions or additions are approved by the Board.

### BOARD COMPOSITION + STRUCTURE

As specified in the Credit Union's Rules, the Board is comprised of nine, shareholding members each elected by the membership for three-year terms. The Directors may bring special expertise and points of view but they do not represent a particular constituency.

Much of the Board's groundwork takes place at the Committee level and the 2011 assignments were as follows:

### CONDUCT REVIEW + GOVERNANCE

Angela Kaiser – Chair  
John Charlesworth  
Karen Laing  
Myles Bruckal

### INVESTMENT + LENDING

Karl Noordam – Chair  
Larry Thurston  
Eric Nadin  
Myles Bruckal

### AUDIT

Karen Laing – Chair  
Karl Noordam  
Larry Thurston

### HUMAN RESOURCES

John Charlesworth – Chair  
Angela Kaiser  
Eric Nadin

### NOMINATIONS + ELECTIONS

Tracy Gray – Chair  
John Charlesworth  
Sylvia Pranger

### MEMBER/COMMUNITY RELATIONS

Sylvia Pranger – Chair  
Larry Thurston  
Tracy Gray

\* The Chair of the Board is an ex-officio member on all Committees.

The Board meets at least eight times annually and regularly convenes 'in-camera' sessions.

The Board provides for its own succession, training and development, including effective orientation programs and ongoing training and development initiatives.

At least annually, the Board assesses its own performance and conducts an independent evaluation to ensure that it is functioning at an optimal level.

### OVERSIGHT RESPONSIBILITIES

The Board of Directors is responsible for the stewardship and oversight of the management of the Credit Union. These responsibilities include the review and approval of:

- The organizational structure;
- Human resources and compensation policies and practices, including those pertaining to succession planning;
- Business objectives, strategies and plans, and regularly monitoring their execution;
- Financial statements and related disclosures;
- Significant risk management policies and practices on an annual basis, and obtaining assurances that they are adhered to and effective;
- Liquidity, funding and capital management policies and plans, and obtaining assurances that approved policies and plans are adhered to and effective;
- Communication and disclosure policies;
- Dividend Resolutions for the various classes of shares on a quarterly basis, or as required; and
- Policies and practices for dealing with conflicts of interest.

## Your Board of Directors

### MY PERSPECTIVE

#### ANGELA KAISER — CHAIR

*We are a community based financial institution that has been built on the co-operative principles. We are here to serve and help our members and to make a meaningful difference in our local communities.*

#### TRACY GRAY

*We genuinely do care about our members and this is the core of our beliefs when we are making important decisions in the organization.*

#### KARL NOORDAM

*Prospera continues to strive for excellence in 'touching' our members in a meaningful way to allow them to achieve their financial dreams and goals. A committed and caring Prospera staff makes all the difference in assisting our members to fulfill those dreams.*

#### JOHN CHARLESWORTH

*At Prospera Credit Union, we have a long history of financial support to major community projects, however the real contribution comes from time, talent and leadership which staff contribute in the community.*

#### LARRY THURSTON

*Prospera Credit Union puts its members and employees personal and financial well-being ahead of its own financial goals, the horse before the cart if you will. The rationale behind this approach is that if those around you are successful, you will be as well.*

#### KAREN LAING

*We strive to make a meaningful difference in the financial well-being of our members and provide a strong co-operative contribution to the communities we serve.*

#### ERIC NADIN

*Prospera Credit Union is truly committed to helping members reach their financial goals and investing time and support to volunteer organizations in our communities. I'm proud to be part of a dynamic and collaborative team that is helping shape the future direction of Prospera.*

#### SYLVIA PRANGER

*I am so pleased to be a part of Prospera Credit Union, an organization that is committed to all of the communities it serves, even my small community of Agassiz, where there is no other financial institution. Prospera's staff continually give back to organizations both large and small in their communities, partnering with others to provide assistance in a meaningful way to organizations that are close to the hearts of our members.*

#### MYLES BRUCKAL

*From its co-operative roots, Prospera Credit Union naturally and easily engages in its community. It always has and always will.*

TRACY GRAY



SYLVIA PRANGER



ERIC NADIN



KARL NOORDAM



JOHN CHARLESWORTH



KAREN LAING



ANGELA KAISER



MYLES BRUCKAL



LARRY THURSTON



GINNIE FREDE  
MEMBER – SARDIS BRANCH  
THE PRECIPICE – MT. LADY

It isn't what we say that makes a difference in the world, **it's what we do.**

**BRANCHES**

**SOUTH GRANVILLE BRANCH**  
3088 Granville Street  
Vancouver, BC V6H 3J8  
604 734 5774

**LANGLEY BRANCH**  
500 – 6339 200th Street  
Langley, BC V2Y 1A2  
604 533 5477

**OCEAN POINTE BRANCH**  
102 – 1688 152nd Street  
Surrey, BC V4A 4N2  
604 585 3155

**SURREY CENTRE BRANCH**  
13747 – 104th Avenue  
Surrey, BC V3T 1W6  
604 588 0111

**ABBOTSFORD BRANCH**  
34630 DeLair Road  
Abbotsford, BC V3G 2E3  
604 853 3317

**MISSION BRANCH**  
101 – 32423 Lougheed Hwy  
Mission, BC V2V 7B8  
604 826 3644

**CHILLIWACK BRANCH**  
45820 Wellington Avenue  
Chilliwack, BC V2P 2C9  
604 792 3301

**AGASSIZ BRANCH**  
1810 No.9 Hwy  
Agassiz, BC V0M 1A0  
604 796 2202

**FLEETWOOD BRANCH**  
100 – 15288 Fraser Highway  
Surrey, BC V3R 3P4  
604 589 3211

**WEST OAKS BRANCH**  
40 – 32700 South Fraser Way  
Abbotsford, BC V2T 4M5  
604 853 3430

**SARDIS BRANCH**  
7565 Vedder Road  
Chilliwack, BC V2R 4E8  
604 858 7080

**CLEARBROOK BRANCH**  
100 – 32071 South Fraser Way  
Abbotsford, BC V2T 1W3  
604 850 0091

**MISSION PARK BRANCH**  
15 – 3151 Lakeshore Road  
Kelowna, BC V1W 3S9  
250 979 6400

**PROSPERA CENTRE BRANCH**  
100 – 2106 Harvey Ave  
Kelowna, BC V1Y 6G8  
250 869 3600

**VERNON BRANCH**  
910 – 4400 32nd Street  
Vernon, BC V1T 9H2  
250 550 7500

**PENTICTON BRANCH**  
402 Main Street  
Penticton, BC V2A 5C4  
250 770 8500

**CORPORATE OFFICE**  
500 – 32071 South Fraser Way  
Abbotsford, BC V2T 1W3  
604 850 0999

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info@prospera.ca

**WEBSITE**  
www.prospera.ca

**TOLL FREE**  
1 888 440 4480



**FACEBOOK**  
www.facebook.com/ProsperaCreditUnion



**YOUTUBE CHANNEL**  
www.youtube.com/prosperacreditunion

**MY PERSPECTIVE**

*The crisp mountain air that fills my lungs; the rugged terrain that has endured centuries of erosion; the windblown clouds that build in intensity across the heavens; the seemingly endless vast expanse of unexplored peaks that lie before me. From this vantage point at the summit of Lady Peak, my perspective of the world is new and fresh and I am once again inspired to press on and reach new summits within my own life.*

By living our values every day, Prospera Credit Union makes a meaningful difference in the financial well-being of our members and our communities. **It's what we do.**

integrity | respect | accountability | teamwork | focus | innovation

