

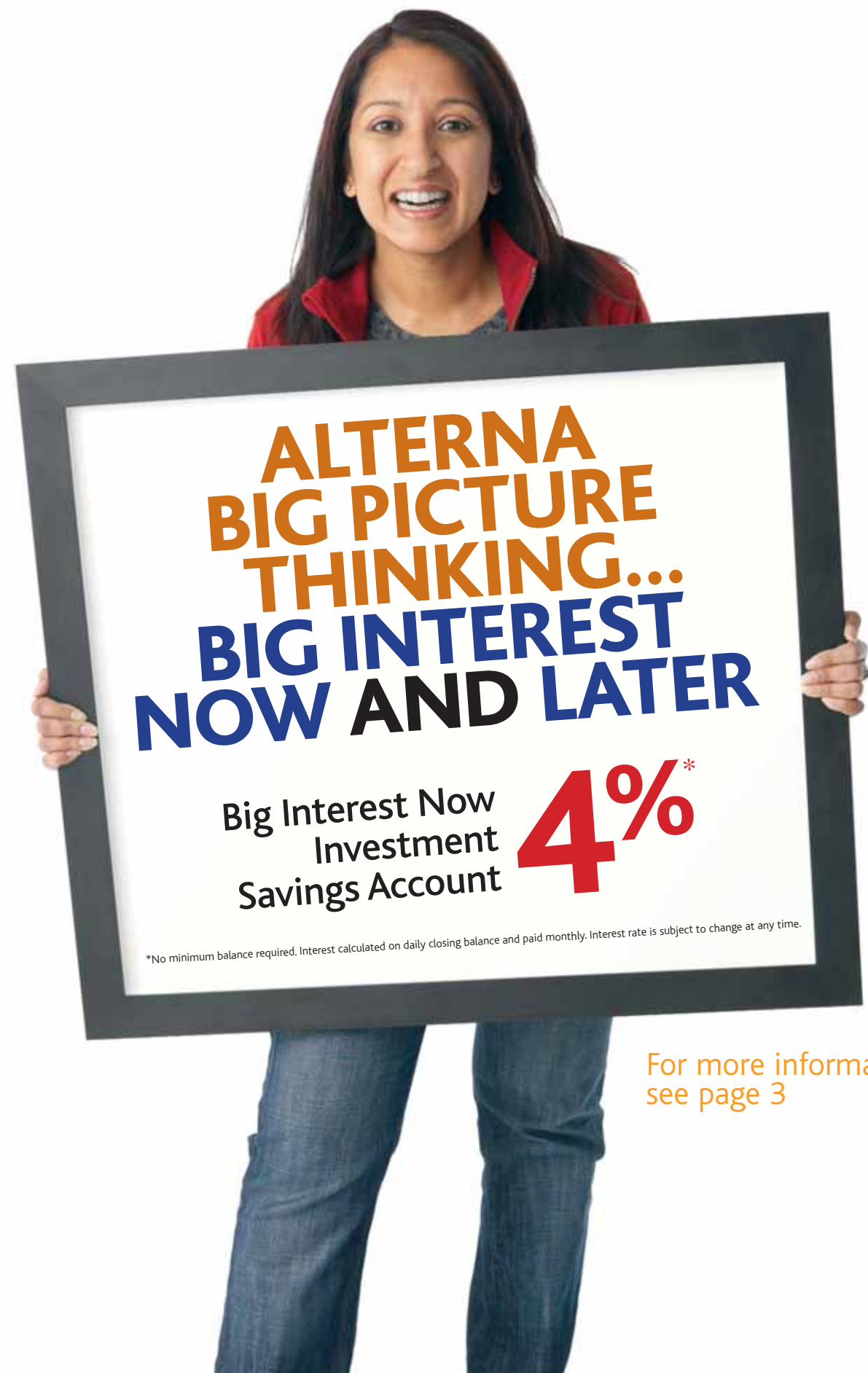


Winter 2008



SCOOP!

Your Newsletter



**ALTERNA
BIG PICTURE
THINKING...
BIG INTEREST
NOW AND LATER**

Big Interest Now
Investment
Savings Account **4%***

*No minimum balance required. Interest calculated on daily closing balance and paid monthly. Interest rate is subject to change at any time.

For more information
see page 3

100th
Anniversary

A Century of
Cooperation

Happy Birthday Alterna!

In 2008, we are 100 years old. This Special Edition SCOOP Newsletter introduces some of the upcoming events and activities we have planned for the celebration. It also tells the story of how we came to be, and presents a timeline to guide you through the innovations, developments and milestones that mark our history.

See pages 5 to 8.

inside :

- 4 Greener Lifestyle
Powering Socially
Responsible Investing
- 8 Vote for your
Alterna CSR Idol
- 11 Business Solutions:
A Recipe for Success

Do you prefer to receive this newsletter electronically? Email scoop@alterna.ca





From Your Board Chair

Earl Campbell

Dear Members:

In 1908, a small group of civil servants founded the Civil Service Savings and Loan Society, the first Canadian credit union outside of Quebec. That credit union evolved and has become what we know today as Alterna Savings. This means that the year 2008 is a very memorable and significant one for us all, as we celebrate our 100th anniversary.

With this extended special edition newsletter, we launch our series of special events and activities planned to highlight the occasion. I would like to invite you to take part in the celebrations. You will see our theme mentioned throughout the year: "A Century of Co-operation". It serves to remind us of our deep roots within the community, of our long term commitment to our members and of our continuing engagement in the values and philosophy of the co-operative movement. To help us mark the occasion, we have a designated email address for you to share your memories and stories. Please send them to: celebration@alterna.ca.

I also take this opportunity to invite you to join us on Monday, April 21, 2008 for our Annual General Meeting. On display will be memorabilia, photos and other artifacts representing many of the credit unions that formed Alterna Savings. You will find information about the AGM on page 8 of this newsletter.

In advance of this year's AGM, you will have the opportunity to vote electronically or in-branch between March 10 and April 15, 2008. The vote will include the election of Directors and the Alterna Corporate Social Responsibility Idol, along with some changes to our by-laws. These are the result of a number of Board recommendations adopted as part of our continuing journey to streamline and improve governance, thus increasing the effectiveness of the committee structure. The Board is also pleased to have recently approved its 2008-2012 Strategic Plan, 2008 Annual Operating Plan and 2008 budget.

I invite each of you to participate in this special AGM and 100th anniversary celebrations.

Yours co-operatively,

Earl Campbell
Chair, Alterna Savings
Chair_President@alterna.ca



From Your President & CEO

John Lahey

Happy New Year to you and yours!

I am very excited about starting this new year as we celebrate the 100th anniversary of the Alterna group. I join Earl Campbell, Chair of our Board of Directors in extending a special invitation for you to take part in the commemorative events which will occur throughout the year.

I am also happy to say that Alterna is starting the year as a fully integrated credit union, operating together as one. In November, I had the opportunity to meet many of you in Toronto, Ottawa, Pembroke and Kingston during our Member Town Hall meetings. I was impressed with your engagement and I enjoyed the insightful comments and suggestions that you brought forward. All ideas have been provided to the Board and Senior Management Team as input into the operational plan for 2008 and beyond.

Another activity that took place at the end of last year was Alterna's United Way fundraising campaign. Once again, employees joined forces to collect funds to benefit the communities we serve. Money was raised through employee and member contributions, and during many events that took place in our branches and corporate offices. I am very proud to report that our employees' contribution for 2007 exceeded \$42,000.

I look forward to 2008, as our plans for the year focus on improvements to services across the organization. We continue to be committed to providing an excellent experience for our members and clients.

Sincerely,

John Lahey
President & CEO
Alterna Savings and Alterna Bank
CEO_President@alterna.ca

Member Democracy at Work – Town Hall Meetings

Last November, 165 members attended the Town Hall meetings held in Ottawa, Toronto, Pembroke and Kingston.

The goal of the sessions was to ensure that you, our member-owners, had an opportunity to provide your input into the future direction of your credit union. The meetings began with an introduction and "state of the credit union" address from John Lahey, President & CEO.

Following that, members were asked to break out into groups to discuss their vision for Alterna over the next 10 years. Members provided their ideas as they relate to products and services, community involvement and where and how they do business. The feedback that we collected is exactly the kind of honesty that we were looking for.

Participants said they would like to see an increased focus on the youth market. Many members also stressed the importance of maintaining the personal service and attention from our staff. All of the results of these brainstorming sessions will be considered by the Board of Directors and Senior Management Team as part of their annual planning cycle.

To quote one member, "The effort which a credit union such as Alterna puts into member involvement is a precious investment. Thank you for your work". While we appreciate this comment, we should be thanking you, the member, for your candour. As a member-owned co-operative, we are accountable to you.

To that end, we thank all participants for taking the time to help us shape the future of Alterna.

Spare Change and Donations

Remember to ask us about the Spare Change program if you don't already contribute. Also, watch for the list of donation recipients in our next newsletter.

Organizations wishing to be considered for the next round of donations must submit applications by **April 30, 2008**.

For more details, see:



ALTERNA BIG PICTURE THINKING... BIG INTEREST NOW AND LATER

Big Interest Now
Investment
Savings Account **4%***

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That's Alterna's Big Picture Thinking

Keeping an eye on your big picture is easy at Alterna. We deliver big interest on short term savings and exceptional advice on long term planning. Whether you are a seasoned investor, or a first time contributor, Alterna has the products and expertise to meet your needs.

Advice and Planning – Where it all begins

Our Credential® Investment Professionals are here to listen and help you develop a plan to reach your goals. Wherever you are at, we will take the time to review your big picture and point your investment strategy in the right direction.

RRSPs and Term Deposits

Alterna offers a range of RRSPs and term deposits with a variety of features and benefits. Let us assist you in finding the product that suits your needs.

Big Interest Now New! Investment Savings Account-4%*

We are pleased to introduce our Investment Savings Account. Earn a very big interest rate! And more good news: there's no minimum balance required and your funds can be accessed at any time. It's also RRSP and RRIF eligible.

Mutual Funds and Socially Responsible Investments

Benefit from a wide variety of options including socially responsible investments (SRI) and thousands of leading mutual funds**, through Credential Asset Management Inc. or Credential Securities Inc. at Alterna. We can help you create an investment strategy that fits your values, based on SRI expertise you can trust.

Growth and Security with the Market Tracer†

Like the stock market, but not the ups and downs? Our Market Tracer Index Linked Term Deposit may be perfect for you. You'll get the security of a guaranteed investment with the highest return possible through exposure to the markets.

Investing for tomorrow with an RRSP Line of Credit

Borrowing to invest may be a smart decision (with rates as low as Prime), and it's a simple application process. We have a variety of options available including RRSP Lines of Credit that you can access each year without having to reapply. Talk to us about your unique financial situation.

My Big Picture

Test your financial knowledge at alterna.ca and enter for your chance to win a \$500 Alterna term deposit^ to kick-start your investments!

Call us or drop by your local branch to talk about your big picture today.

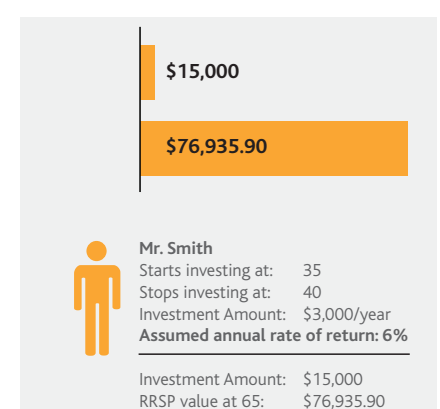
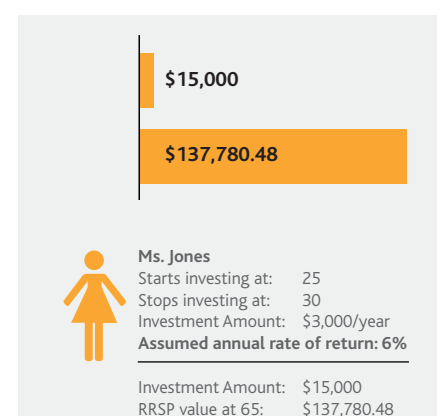
1.877.560.0100
Toronto: 416.252.5621
Ottawa: 613.560.0100
Gatineau: 819.595.6980
mybigpicture@alterna.ca
alterna.ca

^ Complete contest rules available at alterna.ca.

RRSP Deadline: February 29, 2008

The value of starting to invest early

Ms. Jones and Mr. Smith both invest the same amount (\$3,000 per year for 5 years for a total of \$15,000) and they both have the same annual rate of return (6%). But Ms. Jones started investing when she was 25 years old. At 65, she will have accumulated nearly \$61,000 more than Mr. Smith who started investing at age 35.



Greener lifestyles powering socially responsible investment



*By Eugene Ellmen
Executive Director
Social Investment Organization*

Canadians are switching to greener lifestyles in record numbers, with sales booming in hybrid cars, organic food, fair trade coffee and energy-efficient lighting.

This revolution is being felt in the financial industry, with growing numbers of investors putting their money where it counts for both personal wealth and a better world.

This trend, called socially responsible investment (SRI), is growing dramatically in Canada, partly driven by consumers who are connecting their purchasing power with their investing power.

Research earlier this year by the Social Investment Organization – the national voice for SRI in Canada – found \$503 billion in assets invested in Canada according to SRI guidelines, an incredible increase from only \$65 billion two years earlier.

Most of this increase was due to large public pension funds adopting SRI guidelines. But a significant share of this increase was also due to increased demand for SRI by average Canadians managing their personal savings and investments, including RRSPs. This growth is a direct result of the choices that Canadians are making to support sustainable and socially

responsible goods and services. Canadians, as consumers, are feeling increasingly empowered through their ethical purchasing decisions. As a result, they are beginning to question why the same kinds of decisions can't be made in other areas of their lives where they make economic decisions. This is leading them to look for socially responsible investments that respect the environment and create better human communities.

A survey published this past October by Investors Group found that 82 per cent of Canadians plan to change their behaviour and adopt green practices. One of the drivers of this new mentality is the growing link between what's good for the globe and what makes sense for the pocketbook.

As numerous observers have pointed out, products and services with a sustainability focus make financial sense. Often products that reduce energy, use fewer resources, or are manufactured from recycled materials cost less or last longer than similar non-sustainable products. Sustainability and social responsibility don't necessarily involve trade offs with the environment or human well-being.

This is fueling the boom in home energy savings, for example. The Investors Group survey showed that 63 per cent of respondents

said they would be willing to spend up to \$10,000 on home renovations to reduce annual energy costs by 25 per cent.

Investors Group found that this change in consciousness is having an impact on the investment intentions of Canadians. More than three-quarters (76 per cent of those surveyed) said that investing in renewable energy is the morally right thing to do, while 64 per cent also said such investments make financial sense with the potential for good returns.

In further research, Investors Group found that the majority (56 per cent) of respondents believe that environmental considerations are important when choosing responsible investments. Other factors ranked as important when making socially responsible investment decisions include prohibitions against: child labour (79 per cent); poor human rights practices (70 per cent); weapons (53 per cent); and alcohol or tobacco investments (42 per cent).

Many so-called "experts" in the financial community believe that socially responsible investment is a niche that appeals to a small minority of left-leaning Canadians. As the Investors Group research shows, SRI is very much a mainstream trend, appealing to the core values of Canadians.

Yet, SRI still represents only a fraction of the total money under management. The Social Investment Organization study estimates that – even at more than \$500 billion – SRI barely represents 20 per cent of total funds under management in Canada.

So why is there such a large disconnect between what Canadians would like from their financial services, and the reality of where their assets are invested? In basic terms, it looks like the financial industry simply hasn't asked Canadians what they want.

In a study done three years ago by the respected opinion research company GlobeScan, 66 per cent of Canadian investors said they have never discussed the corporate social responsibility performance of the companies in their portfolio with their financial advisor.

Thirteen per cent said they had brought it up with their advisor; 11 per cent said they had considered it but not brought it up; two per cent said they didn't know and one per cent said both they and their advisor brought it up.

Only eight per cent of respondents – about 1 in 12 – said their advisor brought it up with them.

With growing numbers of Canadians connecting the dots between ethical purchasing and socially responsible investment, it's time that the financial industry asked Canadians whether they would prefer investments that linked bottom line results and global betterment. The answer would be a resounding YES!

Eugene Ellmen is Executive Director of the Social Investment Organization, the national association for socially responsible investment. Alterna Savings is a sustaining member of the SIO. For more information, visit socialinvestment.ca.

If you would like to know more about socially responsible investments, talk to your Alterna Credential® Investment Professional

We will be happy to meet you at the branch location most convenient for you.

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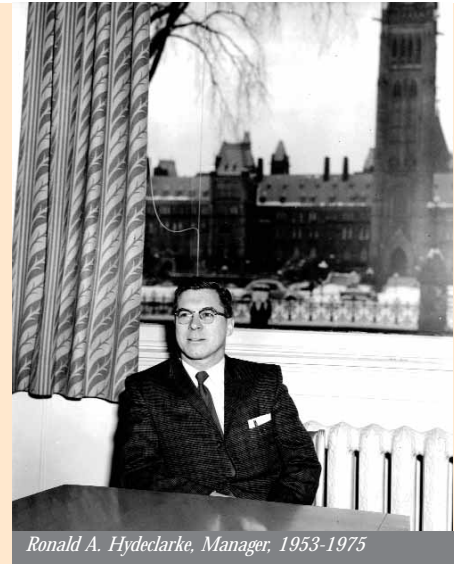


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100

Alterna Savings

A CENTURY OF COOPERATION



Ronald A. Hydeclarke, Manager, 1953-1975



CS CO-OP employees - 1960s

Annual General Meeting

We invite you to join us at our upcoming Annual General Meeting on **Monday, April 21, 2008** (see p. 8 for details). This year's theme is built on the 100th anniversary and will include special speakers and activities to mark this event. We are very excited to have the opportunity to share memorabilia, photos and other artifacts that we have recently re-discovered in our archives. These are rarely seen objects, so we especially encourage any history buffs to visit our historical display at the AGM. We are also preparing a special Centennial Annual Report which will include more interesting tidbits, historical facts and stories of our past.

Your Story

Throughout the year, we will be collecting stories, pictures and memorabilia of the credit unions which created Alterna. We would love to hear your stories about the credit union.

- Do you remember when you opened your first account?
- What things were like "back then"?
- Are you a retired employee or former member of the Board?
- Do you have a story or an interesting piece of information about your branch?
- Do you have old pictures, cheques, mortgage documents, annual reports or other artifacts you could share with us?

Please write to us with your story at celebration@alterna.ca.

In 2008, Alterna celebrates a very special milestone: "A Century of Cooperation". Several special events and activities will take place throughout the year to mark our credit union's centennial.

We are quite proud to say that we were the first Canadian credit union to be established outside of Quebec. From the very beginning, in 1908, it was the spirit of mutual effort, harmony and assistance that drove our founders to persevere as they realized their vision.

With this newsletter, we introduce the special Alterna logo and theme that will help us make this a memorable year. The theme and logo portray our

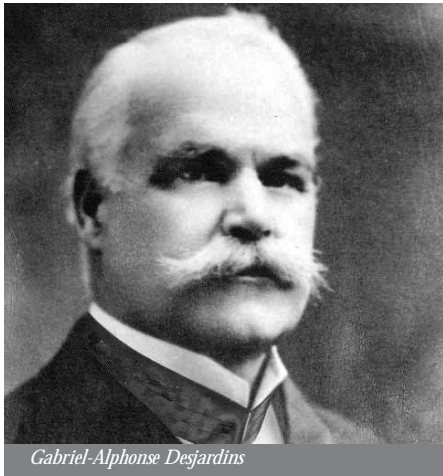
deep and long-time roots in the communities we serve, along with the co-operative spirit on which these were built. Read our story – The Birth of Alterna – on the next page to learn more about how it all started.

Throughout the year, also watch the website and other venues for stories and facts about our first 100 years in the community. We have put together a 100th Anniversary Committee composed of Board members, employees and members at large. They have planned several activities and events to commemorate the occasion and bring our extensive history to light.

100th Anniversary Celebration Events

Our birthday is on Wednesday, September 3rd, 2008. This day marks the founding of Alterna Savings. Mark your calendars, as special events will be taking place throughout our communities around that time. More information will be available in the Spring. We sincerely hope that you will join us.

The Birth of Alterna



Gabriel-Alphonse Desjardins

“Two Hundred Per Cent”

In May 1908, a periodical promoting the interests of the employees of the civil service featured a stirring article. Titled “Two Hundred Per Cent”, it outlined the astronomical interest rates charged by private lenders – the infamous “loan sharks”. The article’s author pled for the protection of our civil servants because these loans had such disastrous financial implications for its victims. Banks and loan companies often preferred to spend their time, energy and sympathy on large loans rather than mere \$100 loans.

At the time, Gabriel-Alphonse Desjardins worked with the federal government. He was already a pioneer of the credit union movement in Quebec and was among the senior members of the civil service who formed a

committee to remedy the situation. Four months after the article appeared, The Civil Service Savings and Loan Society became Canada’s first credit union outside of Quebec. In its early years, it was often referred to as “the Society” until it became The Civil Service Co-operative Credit Society Limited (“CS CO-OP”) in 1928.

Uprising

At first, it took great effort for the Society to receive legal status.

The difficulty was with the Charter that the Society received from the province of Ontario in 1908. It was simply not suitable for a co-operative organization. No other provincial legislation or Charter existed to meet the needs of the Society. Since legislation was already in place in Quebec, officials considered establishing their head office in Hull, just across the river from Ottawa. However, some felt that this would not be a bold enough approach and they searched for other solutions.

An article written in the 1920s by Otto Waugh /James Lawler (“*Pioneer Credit Co-operators*”) recounts that after hearing that the Society was looking for alternatives, an official in Toronto threatened to take the directors to jail if they operated outside of their charter. One of the directors responded that “it would be the



The University of Toronto Employees’ Credit Union became known as UNICOLL Credit Union in 1975

finest thing in the world to go to jail for the crime of helping his fellow citizens and for taking part in a campaign which the province of Ontario was waging against loan sharks”. This very threat encouraged many to take part. As the story goes, within 10 minutes, enthusiasts had covered the table with cheques and bills to back and support the Society.

In the end, directors chose to wait until the province created a charter appropriate to their needs. Until then, they operated as a voluntary association and individual members took-on the risk and responsibility of operating a financial institution.

Crisis Averted

Despite the Great Depression, the credit union managed to grow steadily. Success was partly attributed to salary cheque

deductions. This privilege was granted to the Society by the Federal Government in 1933 for two purposes. Deductions ensured that loans were repaid regularly and on time; members could also move funds to their accounts to save “in a painless way”. Real trouble struck in 1953 when the Society declared a shortage of \$135,000. An investigating committee made up of senior government officials recommended that the Canadian Parliament provide a loan of \$100,000 to rescue the Society. Despite the bail-out offer, the Society put in place a deficit financing program, appointed more efficient administration and adopted a new set of by-laws. The deficit was eliminated within two years, the credit union was once again solvent and the loan was never used.

Alterna Through the Years

Major events, breakthroughs and innovations shaped and coloured Alterna Savings over the past 100 years.

1908 - The Civil Service Savings and Loan Society is founded on September 3, 1908.

1928 - The Society is incorporated as The Civil Service Co-operative Credit Society, Limited (CS CO-OP) by the legislative assembly of Ontario and granted “Charter No. 1” under the Credit Unions Act (the charter was in effect until 2005).

1933 - The federal government grants salary cheque deduction privileges to CS CO-OP.

1949 - The University of Toronto Employees’ Credit Union (later to evolve as Metro Credit Union) is formed with 111 members and \$1,012 in assets.

1950 - Jet Power Credit Union (later to merge with Metro Credit Union) is formed for the employees of A.V. Roe working in Malton.

1953 - The Canadian Parliament offers a loan of \$100,000 to CS CO-OP after it declares a shortage of \$135,000. New measures are implemented and the loan is never used.

1956 - Secur Savings & Credit Union Limited begins serving Scarborough’s teachers.

1966 - CS CO-OP opens for business in its current premises at 400 Albert Street.

1973 - University of Toronto Employees’ Credit Union change their name to University and Colleges Credit Union (Toronto) Limited.

1975 - University and Colleges Credit Union is now referred to as Unicoll.

1976 - Ryerson Polytechnical Credit Union joins Unicoll.

1977 - CS CO-OP’s by-law amendments remove geographical limits, making any employee of the federal government or an approved agency eligible for membership, regardless of employment location.

1978 - The Ontario Share and Deposit Insurance Corporation is set-up to insure each credit union member’s account up to \$20,000.

1982 - CS CO-OP introduces the first ABM network in the Ottawa region.

1983 - Unicoll purchases the Sherwood Bond of Association which allows anyone in the Toronto area to join the credit union.

1985 - Through the acquisition of the Federal Civil Servants Credit Union (North Bay), CS CO-OP establishes its first location outside the National Capital Region.

1986 - Unicoll acquires Tech Toronto.

1987 - Unicoll acquires the staff of the Toronto Board of Education Staff Credit Union.

1988 - Unicoll acquires Etobicoke Community Credit Union.

1990 - Unicoll introduces off-line Interac services and Mastercard, and acquires Holy Angels Parish Credit Union.



Jet Power Credit Union is formed in 1950 for the employees of A.V. Roe working in Malton



Metro Credit Union celebrates its 50th anniversary in 1999



CS CO-OP boardroom

The number of members jumped shortly after World War II and continued to increase steadily afterwards.

It took 42 years for savings to reach the first \$1 million in 1950 but, just 14 years later, savings had expanded to an impressive \$15.6 million.

“The promise of great things”

At about the same time, other groups of employees in different parts of the province were realizing similar dreams. Jet Power Credit Union was formed in 1950 for the employees of A.V. Roe working in Malton. A.V. Roe was the home of the famous “Avro Arrow” and expanded to serve many airline and related industry employees in the West End of Toronto.

In Scarborough, Secul Savings & Credit Union Limited began serving Scarborough’s teachers in

1956 and continued to do so for the next 38 years.

Another credit union, the University of Toronto Employees’ Credit Union, was founded on August 13, 1949. In his opening remarks at the first Annual General Meeting the following year, President Bill Brown commented on the great accomplishments of its members during a very short time:

“The growth of the Credit Union has far surpassed the wildest dreams of the optimists, and has astonished the reasoning of the pessimists. Starting with absolutely nothing but faith in an ideal, our members have saved over \$13,000 [in one year] which in turn has permitted over \$10,000 to be used by them for provident and productive purposes. That only by the unstinted services of a few of their fellow employees can such a project get started so that all may

reap the benefits of co-operative banking and that the future holds the promise of great things in the co-operative way of living”.

After just a little more than 25 years of operations, the University of Toronto Employees’ Credit Union became the University and Colleges Credit Union. Shortly thereafter, it was referred to as Unicoll.

A Growing Family

Some of the optimism of the early years waned as credit unions faced a challenging economic period in the late 1970s and early 1980s. However, these co-operatives remained committed to the spirit of cooperation and that “faith in an ideal” on which they were all founded.

Throughout the 1970s, 80s and 90s, CS CO-OP, Unicoll and Jet Power Credit Unions continued to grow. As smaller credit unions

dissolved and joined these organizations, their bond of association expanded to accept a wider group of members over larger territories.

When Secul merged with Unicoll in 1994, the new entity became Metro Credit Union. Jet Power Credit Union and Metro Credit Union merged four years later and, finally, Metro Credit Union and CS CO-OP joined forces in 2005 to become... Alterna Savings.

Today, Alterna is a proud contributor to the communities it serves. Approximately 85 cents of every dollar deposited into the credit union is reinvested into our local communities in the form of personal and small business loans and mortgages. We pride ourselves in the manner in which we can facilitate global thinking while allowing members and communities to bank locally.



1991 - Unicoll goes on-line with Interac and acquires Graphic Communications Credit Union.

1992 - CS CO-OP introduces electronic services cards that give members access to Interac Direct Payment.

1993 - Unicoll acquires Crown Life Employees Credit Union and introduces **Ethical Funds**[®]. CS CO-OP introduces MagicTouch telephone banking and the Flexi Term Mortgage.

1994 - Unicoll merges with Secul Savings & Credit Union, new CEO, Howard Bogach joins the team and, on November 1st, the credit union name is officially changed to Metro Credit Union Limited. CS CO-OP opens the Merivale branch in Ottawa and becomes the first custodian selected by the Government of Canada for a self-funded leave program.

1995 - Metro Credit Union acquires Lakeshore (Etobicoke) Community Credit Union. CS CO-OP launches its first web site.

1996 - CS CO-OP partners with the Canadian Space Agency and the Canadian Snowbirds to introduce Air Miles on regular and gold MasterCard plans.

1997 - Metro Credit Union launches Financial Advisory Services and the TeleService Centre.

1998 - Metro Credit Union merges with Jet Power Credit Union. CS CO-OP celebrates its 90th birthday and opens membership to virtually all Ontario residents.

1999 - Metro Credit Union celebrates its 50th anniversary and acquires Oshawa Group Credit Union and Jumbo Credit Union. CS CO-OP acquires the Pembroke branch of the Caisse Populaire Ste-Anne-Laurier d’Ottawa Inc. Flagship South Keys branch offers CS CO-OP’s first drive-through ABM.

2000 - Metro Credit Union relocates the 245 College Street branch to 800 Bay Street, consolidates its corporate offices to 165 Attwell Drive and introduces Household Relationship Pricing. CS CO-OP converts its

subsidiary CS Loan Corporation into a Schedule II Bank called CS Alterna Bank.

2001 - The newest CS Alterna Bank branch opens in Gatineau, joining existing branches in Ottawa, Hull and Aylmer.

2002 - CS CO-OP joins THE EXCHANGE[®] ABM network, providing members access to over 1,300 ABMs across the country; CS CO-OP also issues Preferred Shares to raise \$15.6 million.

2003 - A re-branding initiative trims the name CS Alterna Bank to Alterna Bank and gives both organizations a facelift.

2004 - Metro Credit Union and CS CO-OP conclude successful merger negotiations to form Alterna Savings and Credit Union Limited.

2005 - April 1st –Alterna Savings opens for business offering services to members across Ontario.

2008 – Alterna celebrates its 100th anniversary.

You're Invited:

Annual General Meeting April 21, 2008

If you are a member of Alterna Savings, you are part of a democratic organization that embraces the co-operative principles and philosophy. Alterna Savings' Annual General Meeting is the perfect opportunity to participate.

A Century of Cooperation

This year marks the 100th anniversary of the credit union. For the occasion, we will have special events including an historical display where you can view memorabilia, pictures and artifacts of the many credit unions which formed Alterna. Reminisce

about the past and see how it all started.

Time and Location

Mark your calendars for Monday, April 21, 2008. Pre-AGM activities begin at 4:30. The AGM meeting is at 7pm.

Ottawa:

Ottawa Congress Centre, Congress Hall, 55 Colonel By Drive.

Toronto:

Metro Toronto Convention Centre, Constitution Hall, North Building, 255 Front Street West.

Voting

This year, we are asking our members to vote on some changes to our by-laws. For your convenience, you can cast your vote electronically in advance of the Annual General Meeting. Between March 10 and April 15, 2008, visit any branch location or vote online at alterna.ca.

Of course, you can also exercise your democratic right in person at the meeting. More information about elections and voting will be available in March.

Seminar

Learn from the experts themselves at the pre-AGM seminar. Hosted by Alterna's Financial Advisory Services, this is a popular event. Advance registration is required.

Community Information Fair

To share the co-operative spirit and connect with other member businesses and organizations, why not visit the Community

Information Fair? To register your organization, please email susan.henry@alterna.ca before March 31st, 2008.

More Information

Information packages including the meeting agenda and financial statements will be available 10 days prior to the meeting on our website. Watch for complete information about the meeting, elections and electronic voting passcodes. You can check your statement, alterna.ca or your branch in March for all the details. Registration also begins in March.

We look forward to seeing you at our Annual General Meeting!

Vote for your Alterna CSR Idol

Your vote counts!

A panel of judges has selected the top three nominations. Now it's your turn. It's up to you, our members, to decide which nominee will be the Alterna Idol. Read on to learn about our nominees. Then, between March 10 and April 15, 2008, cast your vote as part of the 2008 AGM.

In our last edition of SCOOP, we introduced the Alterna Corporate Social Responsibility (CSR) Idol Program. So many Alterna employees dedicate their spare time and effort to improving the communities where we live and work. For our centennial year, we have launched a new program to recognize one of those exemplary individuals.

The deserving person, the "Alterna Idol" will be chosen by you, our members.

Travelling with the Canadian Co-operative Association, this will be a chance of a lifetime for the winner to work with a credit union in a developing country and share knowledge and experience.



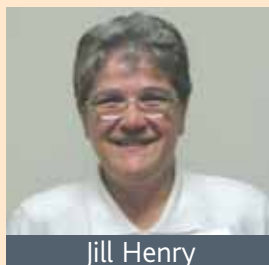
Francine Dick,
**Estate Planning/
 Insurance Specialist,
 Financial Advisory
 Services:**

Chair of Parkdale Collegiate Institute's School Advisory

Council, Francine has organized the council's business meetings to include a series of mini-forums for parents for the upcoming year on Internet Safety, What Next After High School and more. Francine is also very active in the Jewish Community in West Toronto. She conducts services for children on Rosh Hashanah and Yom Kippur. She also conducts a Passover Seder for the community. She has coached rookie ball at the local park and leads hikes throughout southern Ontario for an outdoor club. She is a member of the Roncesvalles-Macdonell Residents' Association and in 1988 ran for Toronto City Council.

Francine's co-workers said:

"Francine is the definition of community. Francine's biggest contribution was starting a community pot-luck Passover Seder that attracts anywhere from 60-70 people. The tone is one of involvement, warmth and fun. Francine makes the old stories meaningful and relevant to our modern world. Francine is also a single mom who has done an amazing job bringing up her three children who are now mostly in university. I'm not sure how she found the time to care for her children, go to work and for her community."



Jill Henry,
**Payroll Representative,
 Human Resources:**

In addition to her regular duties as President of the National Capital Kin Club two years

running, Jill has assisted with a skate-a-thon on the canal, with fundraising gift wrapping at Westgate Mall and organized and led a Fall Leadership Conference for the Kin Service Club. She has also assisted with a Bicycle Exchange Program and a Bowl-a-thon in support of Cystic Fibrosis research. Jill serves as Chairperson and Treasurer for her Church where she leads meetings and performs accounting/bookkeeping throughout the year. She is also the Chairperson of the Annual Church Picnic in her community. She is a very active volunteer in her small community and is seen helping out at every local fundraising initiative.

Jill's colleague at the Kin Club said:

"To use the words dedication and commitment would be an understatement to describe Jill's involvement in the community. Jill has always been there doing whatever is needed to make a difference. Jill is reliable and dependable and mirrors what it truly means to be a volunteer."



Cathy McLeod,
**Fraud Analyst,
 Finance Department:**

For the past 7 years, Cathy has volunteered as a front line worker at the Distress Centre of Ottawa and Region,

a 24 hour confidential telephone service that assists individuals who require resources, support or who are experiencing a crisis. Cathy is also a member of the Crisis Intervention Team which provides back-up to volunteers on the line, crisis diffusion and liaison with outside agencies. In addition, she is a Peer Tutor at Sage Youth, a charity that provides literacy, academic and life-skills instruction to high risk youth throughout the school year. Cathy has also organized, played and coached 3 different teams registered in the Ottawa Sport and Social Club league.

Cathy's manager at the Distress Centre said:

"Cathy is a dedicated, conscientious member of our team. She has a highly developed sense of giving back to the community. She knows that what we do has a tremendous impact on people's lives. At the ultimate, this service saves lives. In order to do that we need people like Cathy to listen to those who are in pain and in their darkest hour. Cathy is truly attentive to others and is willing to put their need before her own."

Alterna: Credit Union or Bank?

We often get asked: “Is Alterna a bank, or is it a credit union?” Well that’s a very good question, and the answer is... well... we’re both.

We started as a credit union, built on the co-operative principles and the vision of our founders 100 years ago. Today, we are still a credit union based upon the same principles envisioned by our founders. Alterna Savings’ 150,000 members also own a bank called Alterna Bank. A short review of our history will help explain why.

CS CO-OP, one of our credit union predecessors mainly served employees of the federal public service in Ottawa. However, many of those public service employees also lived and worked just across the river in Gatineau, Hull and other neighbouring communities, in the province of Quebec. Credit unions are legislated under provincial regulations therefore are only allowed to operate within one province. To ensure that we could offer mortgages and loans to members living in Quebec, CS CO-OP created a subsidiary company named CS Loan Corporation.

In 2000, CS CO-OP turned CS Loan Corporation into a Schedule II Bank called CS Alterna Bank (which now operates under the name “Alterna Bank”).

CS CO-OP was among the first credit unions in the country to own a bank. Since banks are regulated under federal legislation, they can operate throughout Canada. With its Bank, CS CO-OP could now reach people living in Quebec and offer services similar to what was available to their colleagues through the credit union in Ontario. We could now offer services to people living in other provinces who wished to take advantage of the Alterna difference.

When CS CO-OP, the credit union, merged with Metro Credit Union in April 2005, the new entity adopted the name “Alterna Savings and Credit Union Limited” (operating as “Alterna Savings”) and continued its ownership of Alterna Bank. Although legally separate, Alterna Savings and Alterna Bank operate day-to-day as one entity called the Alterna Group. We serve the majority of our members through the credit union - the parent company.

So, if you are a member of Alterna Savings, you own Alterna Bank. If you are a “client” of Alterna Bank, you’ll be happy to know that your bank is built upon the same co-operative principles as the credit union.

Although most Alterna Savings and Alterna Bank products and services are similar, there are some differences. For example, Alterna Savings’ members can only use branches located in Ontario while Alterna Bank’s clients can use the Alterna Bank branches located in the province of Quebec and our Alterna Savings agency branches in Ottawa (more Alterna Bank agency branches will be coming to Ontario in the future). Additionally, some offerings and community programs are only available in one or the other entity and deposit insurance is slightly different (see below). Finally, only members of Alterna Savings can vote at the Annual General Meeting (AGM).

If you are wondering whether you should open an account with Alterna Savings, Alterna Bank – or both – give us a call. We will review your banking needs and help you decide if Alterna Savings or Alterna Bank is best for you.

Maximizing your deposit insurance protection *with* Alterna

One advantage of doing business with Alterna is that we can help you plan your investment portfolio to maximize your deposit insurance protection. This is helpful, especially if you have high levels of savings and you wish to split them between Alterna Savings and Alterna Bank.

Alterna Savings is a member of the Deposit Insurance Corporation of Ontario (DICO) while Alterna Bank is a member of the Canadian Deposit Insurance Corporation (CDIC). It is not necessary to apply for deposit insurance because your deposits are automatically covered

according to the conditions and maximums that are in place and according to whether your deposits are with Alterna Savings or Alterna Bank. DICO and CDIC have different eligibility requirements (i.e. not all types of deposits are covered) and some additional conditions may apply. Visit www.dico.com and www.cdic.ca for all the details.

Your Alterna Credential® Investment Professional can also help you understand deposit protection and plan your investment portfolio for peace of mind. Contact us today.

Gala Hommage



Lynne Mallette, Roger Sauvé, Sylvie Dagenais, Jennifer Edgar and Jeannine Sicard

Kudos to our Alterna Bank employees in Gatineau and Hull! On November 25, 2007, they received an award for their community contributions from Marc Bureau, mayor of Gatineau at the 4th annual “Gatineau Ville en Santé” (“Gatineau, Healthy City”) gala. This event took place at the salle Odysée de la Maison de la culture, in front of a crowd of over a 100 along with dance and musical numbers.

The ceremony is a testament of the contribution of individuals, groups or organizations who “refuse to be spectators but who engage in concrete action to establish a project that improves the quality of life of Gatineau residents”. Our team of employees was selected by a committee of members of the media who recognized Alterna Bank as an organization that went beyond its core mission.

The judges were impressed with a fundraising barbeque Alterna Bank employees held in 2006 to benefit the Journée de rêve Roger Monderie. Roger Monderie is a well-known local hero who, each year, makes dreams come true for children and families in need. The barbeque organized by Alterna Bank received local media coverage which also helped raise awareness.

Alterna Bank employees were pleased to contribute to this initiative because it can change the lives of deserving children who most need it. Roger Sauvé, Regional Manager, Alterna Bank Quebec explained that they decided to organize this fundraiser because they were touched by what Mr. Monderie has been doing. “The “Day of Dreams” is organized for the children of the region and Mr. Monderie needs the support of as many people as possible so that he can give them special treats and make the dreams of even more children come true. Alterna Bank’s participation not only provides financial support but we hope that it will also encourage the public and other businesses to get engaged.”



Ted Brown

Ted Brown Appointed Manager, Community Account Services

It is with pleasure that we inform you that Ted Brown joined the Alterna team as Manager, Community Account Services at the beginning of January, 2008.

As you may know, Ted was a former employee of Metro Credit Union where he established, built and maintained our Cooperative Housing Investment Pool. He was also the account manager for our non-profit membership segment. Over the last few years, Ted has served Alterna as a Board member. Ted submitted his resignation to the Board and is working out of our Bay Street Community Banking Centre serving the needs of our cooperative membership. We are very pleased and fortunate to have someone of Ted’s caliber on our staff to provide members with an exceptional level of member service.

Working with Community Partners for Social Justice in Ottawa

Community Micro Loan Program Officially Launched with Ottawa Event

The partnership between the Ottawa Community Loan Fund (OCLF) and Alterna to offer micro-credit in Ottawa was officially announced at an event on October 23rd at Ottawa City Hall. Alterna has been working with the OCLF since February 2007 to provide small loans to micro-businesses, social enterprises and new Canadians for educational training.

Over 60 community members were in attendance, including City Councillors, members of the Ottawa Chamber of Commerce, local leaders in the non-profit sector, and program participants. Two recipients of loans spoke about how micro-credit has benefited them: entrepreneur Noel Tarabocchia of XSCREAM Video and Andre Schauz who received a training loan for a program at Crossroads Training Academy. He shared his story:

“Thanks to the loan, I could afford the costs of a training program. I circulated my resume less than twelve hours after graduating and, within a few hours, three employers called to set-up a job interview. My first interview led to a job and I am now able to repay the loan to Alterna Savings. Today, I can better support myself and my children. I was able to see and

experience first hand how this community works together to help others make a positive change.”

John Gordon, President of PSAC, also announced the Alterna Community Alliance Housing Fund at that time. A tasty breakfast was provided by Krackers Katering, a social enterprise and several local media outlets covered the event.

Micro-credit provides financing to individuals, business and organizations who would not otherwise be able to obtain credit through traditional sources. Micro-loans help local residents reach their potential and contribute to a strong economy.

“Our partnership with OCLF is part of our commitment to developing the communities we serve. Micro-credit is a powerful anti-poverty tool used around the world, and it can make a difference in Ottawa and Toronto,” says Susan Henry, Alterna’s Manager of Community Economic Development.

The Community Micro Loan Program has been operating in Toronto since 2001. To date, it has issued 433 loans for a total of \$1.4 million to micro-entrepreneurs.

Alterna and PSAC Partner to Create Affordable Housing Fund

Alterna Savings and the Public Service Alliance of Canada (PSAC) have recently partnered to address Ottawa’s affordable housing shortage. The pension fund of Canada’s largest federal public service workers’ union has invested \$2 million at Alterna Savings to create the “**Alterna Community Alliance Housing Fund**”.

The first such investment by a pension fund in the country, the funds will be invested at Alterna into a 5 year term deposit. They will then be used for 2nd mortgages for developers or other groups to build, maintain or expand affordable housing projects in the National Capital Region.

The Ottawa Community Loan Fund, a non-profit organization that provides community-focused financing, will be responsible for screening the projects to ensure they meet the following criteria:

- Affordable to those most in need of housing
- Affordable in the long term
- Constructed by unionized workers

Other preferred criteria include energy efficient housing and wheelchair accessibility.

Ottawa has been suffering from an affordable housing shortage, with the waiting list for social housing currently at over 11,000. The City of Ottawa is also far from meeting its affordable housing target of 25%, with less than 15% of housing being affordable for families with an annual income under \$58,000.

“Alterna Savings is very proud to be working with PSAC and OCLF to address this growing community need in Ottawa. We would love to see the fund grow to \$100 million dollars over time, and look forward to other pension groups and foundations participating in this program,” said Kimberley Ney, Senior Vice President, Marketing, Communications and Corporate Social Responsibility, Alterna Savings.

If you are interested in obtaining more details on the program, please contact:

Kimberley Ney at Kimberley.Ney@alterna.ca

In the Greater Toronto Area



Join all GTA Alterna Savings employees and “Do Right in White” by wearing something white and donating \$4 on Thursday, January 31, 2008. One hundred per cent of the proceeds from this innovative awareness campaign will support Windfall Clothing Service, one of the GTA’s most cost-efficient, anti-poverty charities. As Canada’s only new clothing bank, Windfall collects and distributes – free of charge – clothing and other basic-needs items to over 90 social service agencies. Visit www.ww4w.ca for an updated list of “Do Right in White” events throughout the month of January. Donations can be made at any Alterna Savings branch in Toronto or online at www.ww4w.ca.

WW4W Wedding

Dress Auction – Getting married and on a budget?

Join the WW4W team on January 18 to 20, 2008 for its Annual Wedding Dress Auction at the Total Wedding Show at the International Centre (International Centre - 6900 Airport Rd. Mississauga). Stunning designer wedding gowns, mother-of-the-bride dresses, flower-girl dresses and bridal accessories will be up for grabs at incredible prices – 50% to 70% off. Save money, help those in need and look beautiful on your special day!



Alterna has once again partnered with Ottawa’s Majic 100 radio station to salute exceptional teachers in the National Capital area. Majic receives many worthy nominations from parents, students and co-workers for special educators who go above and beyond to make a difference. Once a week, a teacher is chosen from these nominations to receive the Golden Apple Award. Alterna Savings grants these winners a \$500 bursary to put towards a school club, sports team or activity of their choice. Congratulations to this year’s winners!

Recent Golden Apple Recipients:

- Mrs. Kelly Hamilton**, Vincent Massey Public School, Ottawa
- Ms. Carole Sweeny**, Immaculata High School, Ottawa
- Matthew Minter**, Sir Wilfred Laurier Secondary School, Orleans
- Lorraine Carriere**, Fallingbrook School, Orleans
- Mrs. Sharon Doggett**, St. Joseph’s Catholic High School, Nepean
- Madame Josée Huneault**, St. Luke School, Nepean
- Mrs. Wendy Armstrong**, Stonecrest Elementary School, Woodlawn
- Mr. Craig Gibson**, Fitzroy Centennial Public School, Kinburn

The program continues until the end of the school year. To nominate a teacher, go to www.majic100.fm.

Save Money — and the Environment too

There are so many simple ways to reduce your environmental footprint. From turning off the lights when you leave the room to composting, everyone can take part. But when you are ready to make some bigger changes to your home, the Ontario Ministry of Energy and Natural Resources Canada can help you save money. Below are some of the ways you can make your home more energy efficient and be eligible for a home retrofit grant.

1. Replace your hot water system with a more efficient unit.
2. Install a solar powered hot water heating system.
3. Install a drain water heat recovery unit.
4. Replace your heating equipment with a geothermal heat pump.
5. Install a heat recovery ventilator that is certified by the Home Ventilating Institute (www.hvi.org).
6. Install an efficient heating and cooling system.
7. Improve home insulation in your attic, exterior walls, basement and crawl spaces.
8. Perform air sealing to improve the air tightness of the home.
9. Replace doors, windows and skylights with models that are ENERGY STAR® qualified.
10. Replace your toilet with a low-flush or dual-flush toilet.

To be eligible for a grant, you must contact a licensed auditor before you undertake any changes. A list of auditors can be found at www.energy.gov.on.ca.

Alterna also offers special rates to help you finance energy retrofits and upgrades. Please contact us for details.

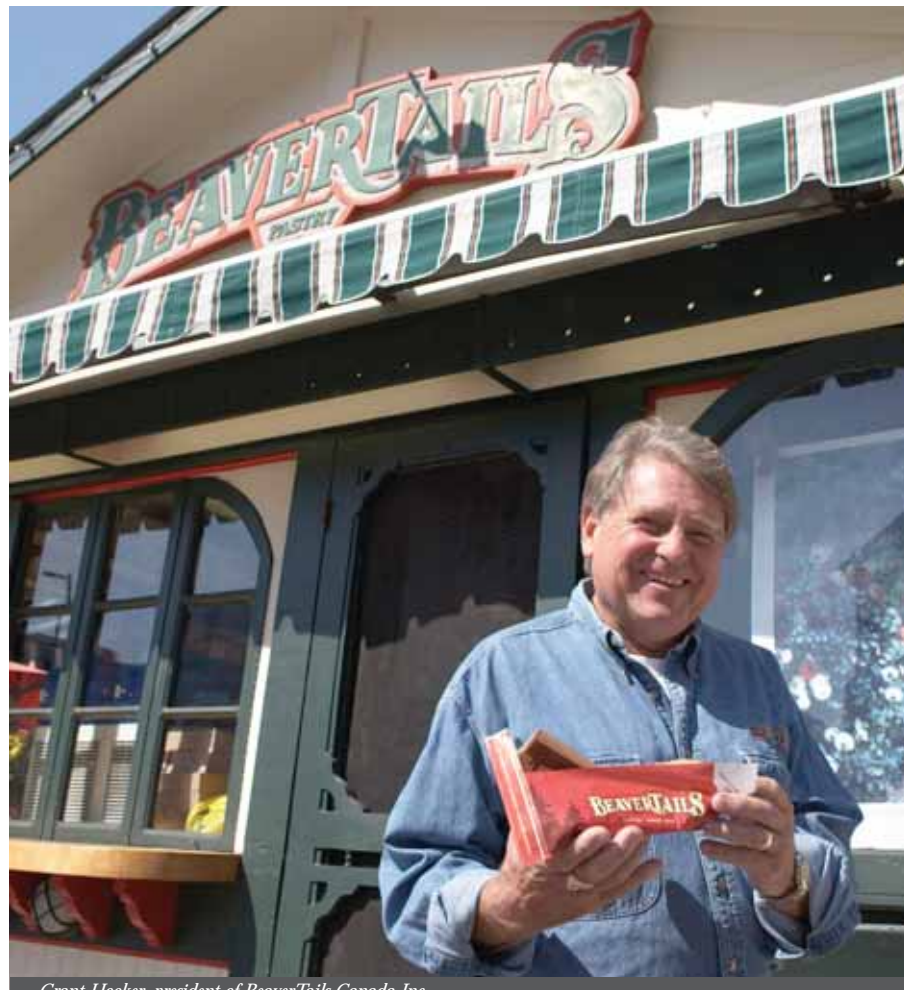


Information courtesy of Village Technologies

Special Shares Dividends

We are pleased to inform you that members who hold Series 1 Class A Investment Shares (former CS CO-OP) received a dividend in September 2007. Future dividend payments will be made each year subject to declaration of the dividend by the Board at a minimum rate of 5.63%. In January 2008, members with Series 2, Class A Investment Shares (former Metro Credit Union) also receive a dividend of 5.63% paid on balances as of December 31, 2007. In addition, Alterna Savings will pay a 1% dividend on Bonus Shares to be paid in the form of more Bonus Shares to eligible former Metro Credit Union members. The dividend will be calculated on year-end balances, and will be for the period January 1, 2007 to December 31, 2007.

Business Solutions: A Recipe for Success



Grant Hooker, president of BeaverTails Canada Inc.

Anyone who visits Ottawa has not truly experienced the city until they have tasted a BeaverTail® pastry. No, don't call PETA, they are not serving up pieces of our national emblem, only deliciously unique whole wheat pastries based upon a family recipe stretched to the size and shape of a beaver's tail. They are served fresh and piping hot with your choice of toppings from cinnamon and sugar to garlic butter and cheese.

Grant Hooker and his wife Pam sold their first BeaverTail in 1978 at a music festival they helped organize. Since establishing a permanent location in Ottawa's ByWard Market, their franchise company, BeaverTails Canada Inc. has expanded to over 100 sites in Canada, the US and abroad.

As owners of a growing business, the Hookers often felt like they had no identity with the big banks. When Alterna sponsored a festival at which Grant Hooker was selling his wares, he was thrilled to discover a credit union to meet his needs. The Hookers found that the value of their "sweat equity" was finally being recognized.

The Hookers are very pleased with the warm service they receive. "Alterna stepped up to the plate in a spectacular way and financed our restructuring with a line of credit that helped me sleep at night," said Grant Hooker, "and now, thanks to that support, I am happy to report that we don't need it!"

Alterna is very proud of BeaverTails Canada Inc.'s success and is thrilled to count them among our business members!

www.Beavertailsinc.com



i will

build my business with Alterna

Business Investment Savings Account **4.25%⁺⁺**

Card Payment Processing Made Simple

Alterna business members: it's easy to accept card payments from your customers.

Alterna has more than 4,000 business members who benefit from a wide range of Alterna products and services. And what we offer are products and services specifically designed to help our members meet their business objectives.

Thanks to our local expertise, you can also count on personal and responsive advice to fit your needs, whether you have 100 employees or none at all. Alterna employees work and live in the same community you do, so we know the particular challenges you face in your market.

At Alterna, we also understand that you need to focus on your business. That's why we focus on helping you do that.

We recently introduced the Business Investment Savings Account to help your investments earn you more money. This account delivers an exceptionally high rate of return and your funds are not locked-in⁺⁺. There is no minimum balance and it is flexible – you can easily access your money when you need it.

Alterna's suite of products and services includes everything else you need: custom mortgages

specifically designed for your business, loans and lines of credit, business accounts and card payment processing (see Moneris right). But being a business owner is also about you! We will give you advice on selecting the personal account to fit you.

You can learn more about the credit union difference for your small or medium business at: canadascrreditunions.com.

Or, make an appointment with us today.

++some conditions apply. Interest rate subject to change.

Card payment processing is vital to your business. Our partner, Moneris Solutions, offers a single point of contact for accepting Visa[®], MasterCard[®], Amex[®] and Interac[®] payment. With competitive credit and debit card rates and reliable service and support, Moneris offers businesses of any size, type, or industry, a variety of cost-effective solutions to enhance the customer experience and build your bottom line. Whether you want to accept payments face-to-face, over the phone, or online, Moneris has the solutions to meet your needs.

Business Networking Café

Profit from the power of teamwork and learn how to build business support groups at no cost to you.

January 29th 6:30 – 8:00

Lynda Morris (Niclyn Consulting) on technology, bookkeeping and taxation

February 25th 6:30 – 8:00

Steve Hopkins (Motivational Speaker) on working with different personalities in your business setting

March 26th 6:30 – 8:00

Lynda Morris (Niclyn Consulting) on selling on line

April 28th 6:30 – 8:00

Laurie Stephens on how to get the media to promote your business

May 27th 6:30 – 8:00

Pamela Stewart, Director Marketing & Communications (Alterna Savings) on branding.

Immediately following our key note speakers, we will be working with the Mentors Circle to share ideas and form business connections.

All sessions are at the Centre for Social Innovation, 215 Spadina Ave. Suite 400 Toronto, ON

Register in advance with Susan Henry, Manager Community Economic Development, by emailing Susan.Henry@alterna.ca or call 416.252.5621



Find out more about how Moneris products and services can help your business.

www.moneris.com, or 1.866.382.7947



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**Interest is calculated daily and paid monthly. Rate is subject to change at any time.*

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+The return or "interest" you earn on the Market Tracer[®] is based on the growth of a recognized market index. Returns are not guaranteed. The Market Tracer is a 3-year non-redeemable term deposit with a minimum investment of \$500.

Alterna Savings is a member of the Deposit Insurance Corporation of Ontario.

CS Alterna Bank is a member of the Canada Deposit Insurance Corporation.

Alterna refers to Alterna Savings and Credit Union Limited ("Alterna Savings") and its wholly owned subsidiary CS Alterna Bank ("Alterna Bank").

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Ottawa: 613.560.0100

Alterna Bank TeleService Centre
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Gatineau: 819.595.6980
Ottawa: 613.560.0120

Website and Online Banking
alterna.ca



Alterna Savings

BUSINESS SOLUTIONS



Alterna Bank