

March 10, 2010

Member-owners rewarded as Servus Credit Union delivers first year success

(Edmonton, Alberta) – Servus Credit Union topped \$10 billion in assets, paid a record \$42.2 million in Profit Share and won a national management award during fiscal 2009, some of the accomplishments the Board of Directors and management will report to member-owners at their Annual General Meeting on March 16, 2010.

“On November 1, 2008 we amalgamated three successful organizations to create Servus Credit Union Ltd., a credit union that is big enough to compete but small enough to care,” stated William J. (Bill) Anhorn, Chair of the Servus Board of Directors. “One year later the results show how the merger created greater value for our member-owners: better capitalization, access to a province-wide branch network, increased Profit Share, continued community support and a stronger credit union to serve Albertans.”

In a year marked by recession, a liquidity crisis that caused many financial institutions to fail, and a very low prime rate that squeezed margin income, Servus posted solid financial results:

- Loans rose by 6.6% to \$8.9 billion
- Deposits grew by 6.9% to \$9.3 billion
- Operating income (before patronage and income taxes) remained steady at \$90 million
- Assets reached \$10.2 billion
- Operating expenses fell by 3.1% or \$7.7 million

“Our financial performance enabled Servus to increase its Profit Share to members by 28% over the combined total paid past year,” explained Garth Warner, President and Chief Executive Officer. “At the same time our employees continued to provide the excellent personal service credit unions are famous for. Servus earned an outstanding score of 86% overall satisfaction with service in an independent survey of Alberta financial institutions by Synovate.”

Servus Credit Union also earned national recognition by being named to the Platinum Club of Canada’s 50 Best Managed Companies program. The award is based on a rigorous and independent process that evaluates the caliber of management abilities and practices and recognizes success in achieving the highest standards of business strategy and performance.

About Servus Credit Union Ltd.

Servus Credit Union is a full service member-owned financial institution serving more than 400,000 members through a network of more than 100 locations in 62 Alberta communities. On November 1, 2009 Servus will mark its first anniversary as the first province-wide credit union in Canada, with more than \$10 billion in assets. The credit union provides a complete line of banking services, including registered accounts, financing, investments, insurance, commercial banking, 24-hour on-line and telephone banking. Servus Credit Union member-owner deposits including accrued interest are 100% guaranteed by the Credit Union Deposit Guarantee Corporation. Operations are managed through the Edmonton head office with regional offices in Lloydminster and Red Deer. For more information, call toll-free 1-877servuscu (1.877.378.8728) or visit www.servus.ca.

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Fiscal 2009 Highlights

Serving Member-Owners

- From Day 1 members could bank at more than 100 locations in 62 Alberta communities.
- \$42.2 million in Profit Share (patronage and dividends) paid to members, \$9.1 million more than the combined total of last year, a 28% increase
- Opened six new branches: two new locations in Calgary, second locations in Sherwood Park and Fort McMurray, a third site in Grande Prairie and a relocated spot in Sylvan Lake.
- Made new loans of \$2.3 billion to Alberta individuals and businesses, standing by our member-owners during the recession
- Earned outstanding scores for customer service in an independent survey by Synovate:
 - 86% overall satisfaction with member service
 - 86% satisfaction with branch service
 - 81% satisfaction with online banking

Achieving financial targets

- Grew loan portfolio by 6.6% to \$8.9 billion
- Grew deposits by 6.9% to \$9.3 billion
- Surpassed \$10 billion in assets (\$10.2 billion)
- Reduced operating expenses by 3.1% or \$7.7 million
- Posted strong operating income of \$90 million (before patronage and income taxes) despite recession, margin challenges
- Increased member equity by 10% to \$764.7 million
- Exceeded national and international capitalization standards

Engaging Employees

- In the first employee survey since the amalgamation employees gave Servus an engagement score of 82%, indicating a very high level of commitment to Servus and the actions that support organizational success.
- Earned national recognition as a member of the Platinum Club of Canada's 50 Best Managed Companies program, which recognizes success in achieving the highest standards of business strategy and performance.

Supporting Alberta:

- Gave \$1.8 million to Alberta communities
- Supported 35 local and cultural Community Councils
- Enhanced our environmentally friendly practices, including renovating our new head office to the LEEDs Silver Standard and using FSC approved, Consort or Green Seal paper products.
- Provided employment to approximately 2,000 Albertans

Servus supported the credit union system:

- Stepped forward to merge with Apex Credit Union on November 1, 2009 when they sought a partner
- Formed an historic international partnership with Caja Yanga, a Mexican credit union
- Strengthened ties with the World Council of Credit Unions