

Financial Statements of

**1ST CHOICE SAVINGS AND
CREDIT UNION LTD.**

Second Quarter 2009

1ST CHOICE SAVINGS AND CREDIT UNION LTD.

Balance Sheet

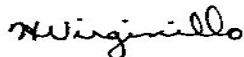
April 30, 2009, with comparative figures for October 31, 2008

	2009	2008
	(Unaudited)	
Assets		
Cash	\$ 9,474,948	\$ 9,133,089
Investments and accrued interest	31,826,295	31,429,262
Prepaid expenses	460,785	322,263
Future income taxes	483,000	423,000
Loans to members, net of allowance for loan impairment	292,171,850	279,433,106
Property, plant and equipment	8,885,668	9,029,233
	\$ 343,302,546	\$ 329,769,953
Liabilities		
Accounts payable and accrued liabilities	\$ 820,048	\$ 741,980
Income taxes payable	47,332	61,486
Deposit accounts and accrued interest	324,363,052	311,613,695
	325,230,432	312,417,161
Members' Equity		
Allocations distributable	--	273,000
Common shares	5,066,736	4,926,542
Investment Shares	992,336	964,500
Retained earnings	12,013,042	11,188,750
	18,072,114	17,352,792
	\$ 343,302,546	\$ 329,769,953

See accompanying note to financial statements.

Signed on behalf of the Board

Director



Director



1ST CHOICE SAVINGS AND CREDIT UNION LTD.

Statement of Income

Three months and six months ended April 30, 2009, with comparative figures for April 30, 2008

	2009		2008	
	Three months (unaudited)	Six months (unaudited)	Three months (unaudited)	Six months (unaudited)
Financial income:				
Interest on members' loans	\$ 3,590,382	\$ 7,518,873	\$ 3,853,328	\$ 7,810,207
Investment income	8,651	709,754	394,157	731,062
	<u>3,599,033</u>	<u>8,228,627</u>	<u>4,247,485</u>	<u>8,541,269</u>
Financial expenses:				
Interest on deposit accounts	1,367,766	3,051,873	1,724,905	3,498,147
Interest on financing	2,180	6,316	106,436	170,688
	<u>1,369,946</u>	<u>3,058,189</u>	<u>1,831,341</u>	<u>3,668,835</u>
Financial margin	2,229,087	5,170,438	2,416,144	4,872,434
Provision for credit losses	2,241	16,314	(18,649)	32,078
Financial margin after provision for credit losses	2,226,846	5,154,124	2,434,793	4,840,356
Service charges and other income	596,524	1,147,536	616,472	1,123,834
Operating expenses	(2,678,588)	(5,263,332)	(2,374,454)	(4,686,796)
Income before income taxes	144,782	1,038,328	676,811	1,277,394
Income taxes	29,825	214,036	155,635	293,802
Net income	<u>\$ 114,957</u>	<u>\$ 824,292</u>	<u>\$ 521,176</u>	<u>\$ 983,592</u>

See accompanying note to financial statements.

1ST CHOICE SAVINGS AND CREDIT UNION LTD.

Statement of Retained Earnings

Six months ended April 30, 2009, with comparative figures for April 30, 2008

	2009	2008
	Six months (unaudited)	Six months (unaudited)
Retained earnings, beginning of period	\$ 11,188,750	\$ 9,204,978
Net income	824,292	983,592
Retained earnings, end of period	\$ 12,013,042	\$ 10,188,570

See accompanying note to financial statements.

1ST CHOICE SAVINGS AND CREDIT UNION LTD.

Statement of Cash Flows

Three months and six months ended April 30, 2009, with comparative figures for April 30, 2008

	2009		2008	
	Three months (unaudited)	Six months (unaudited)	Three months (unaudited)	Six months (unaudited)
Cash provided by (used in):				
Operations:				
Net income	\$ 114,957	\$ 824,292	\$ 521,176	\$ 983,592
Items which do not involve cash:				
Provision for credit losses	2,241	2,241	(18,649)	(18,649)
Depreciation	149,013	292,278	148,492	298,364
Future income taxes (recovery)	(60,000)	(60,000)	--	--
Net change in other items	(163,393)	(714,635)	(134,340)	(381,804)
	42,818	344,176	516,679	881,503
Financing:				
Decrease in loans payable	--	--	(5,454,804)	(183,291)
Net contribution by members	(65,102)	(160,642)	11,688	(17,951)
Proceeds on investment share issuance	--	--	486,800	486,800
Increase in deposits	1,544,039	12,990,948	16,734,424	22,374,291
	1,478,937	12,830,306	11,778,108	22,659,849
Investments:				
Decrease (increase) in investments	2,231,368	232,369	(4,929,710)	(6,144,542)
Loans to members	(2,771,801)	(12,916,279)	(4,879,958)	(15,655,756)
Plant and equipment acquired	(81,093)	(148,713)	(93,880)	(100,272)
	(621,526)	(12,832,623)	(9,903,548)	(21,900,570)
Increase in cash	900,229	341,859	2,391,239	1,640,782
Cash, beginning of period	8,574,719	9,133,089	1,433,842	2,184,299
Cash, end of period	\$ 9,474,948	\$ 9,474,948	\$ 3,825,081	\$ 3,825,081

See accompanying note to financial statements.

1ST CHOICE SAVINGS AND CREDIT UNION LTD.

Note to Financial Statements

Three months and six months ended April 30, 2009

The interim financial statements for 1st Choice Savings and Credit Union Ltd. have been prepared by management in accordance with Canadian generally accepted accounting principles. The interim financial statements have been prepared following the same accounting policies and methods of computation as the financial statements for the fiscal year ended October 31, 2008. The disclosures provided below are incremental to those included with the annual financial statements. The interim financial statements should be read in conjunction with the financial statements and the notes in the Company's annual report for the year ended October 31, 2008.

1. Dividends

Dividends are declared annually at the discretion of the Board of Directors.