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Report of the Independent Auditor on the Summary Financial Statements

To the Members of BELGIAN-ALLIANCE CREDIT UNION LTD.

The accompanying summary financial statements, which comprise the summary balance sheets as at December 31, 2011, December 31, 2010 and January 1, 2010, and the summary statements of comprehensive income, summary statements of changes in members' equity and summary statements of cash flows for the years ended December 31, 2011 and December 31, 2010, are derived from the audited financial statements of **BELGIAN-ALLIANCE CREDIT UNION LTD.** for the years ended December 31, 2011 and December 31, 2010. We expressed an unmodified audit opinion on those financial statements in our report dated March 20, 2012.

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

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements on the basis described in Note 1.

Auditor's Responsibility

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

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of **BELGIAN-ALLIANCE CREDIT UNION LTD.** for the years ended December 31, 2011 and December 31, 2010 are a fair summary of those financial statements, on the basis described in Note 1.

BDO Canada


Chartered Accountants


Winnipeg, Manitoba
March 20, 2012

BELGIAN-ALLIANCE CREDIT UNION LTD.
Summary Balance Sheet

	December 31 2011	December 31 2010	January 1 2010
Assets			
Funds on hand and on deposit	\$ 8,203,914	\$ 3,330,586	\$ 10,930,164
Income taxes recoverable	-	-	71,004
Other assets	160,853	85,114	90,762
Investments	30,677,567	10,664,981	6,397,042
Loans to members	127,746,604	100,549,969	92,880,273
Property, plant and equipment	1,798,630	1,921,698	1,926,261
	\$ 168,587,568	\$ 116,552,348	\$ 112,295,506
Liabilities and Members' Equity			
Income taxes payable	\$ 72,972	\$ 153,679	-
Other liabilities	632,985	1,032,769	939,092
Deposits payable	158,211,154	106,472,247	103,396,579
Deferred income tax liability	44,000	24,000	25,200
	158,961,111	107,682,695	104,360,871
Commitments			
Members' Equity			
Members' shares	901,921	851,005	802,977
Provision for issue of common shares	150,000	199,206	149,043
Retained earnings	8,574,536	7,819,442	6,982,615
	9,626,457	8,869,653	7,934,635
	\$ 168,587,568	\$ 116,552,348	\$ 112,295,506

Approved on behalf of the Board of Directors:

 Director

 Director

BELGIAN-ALLIANCE CREDIT UNION LTD.
Summary Statement of Comprehensive Income

For the year ended December 31	2011	2010
Revenue		
Interest on loans to members	\$ 5,253,192	\$ 4,918,827
Investment income		
Liquidity deposits	414,639	297,691
CUCM shares	45,625	10,800
	<u>5,713,456</u>	<u>5,227,318</u>
Cost of Funds		
Interest paid to members	2,329,951	2,171,216
Interest paid to non-members	641,457	265,796
	<u>2,971,408</u>	<u>2,437,012</u>
Gross financial margin	<u>2,742,048</u>	<u>2,790,306</u>
Operating Expenses		
Personnel	1,108,217	961,596
Administrative	678,258	616,755
Occupancy	400,601	389,369
Members' security	118,374	116,516
Organizational	129,089	86,846
Distributions to members	150,000	200,000
	<u>2,584,539</u>	<u>2,371,082</u>
Gross operating expenses	<u>2,584,539</u>	<u>2,371,082</u>
Less other income	<u>661,177</u>	<u>713,300</u>
	<u>1,923,362</u>	<u>1,657,782</u>
Gross operating income	<u>818,686</u>	<u>1,132,524</u>
Provision for impaired loans	<u>(58,179)</u>	<u>46,655</u>
Income before income taxes	<u>876,865</u>	<u>1,085,869</u>
Provision for income taxes		
Current	80,262	229,871
Deferred	20,000	(1,200)
	<u>100,262</u>	<u>228,671</u>
Net and comprehensive income for the year	<u>\$ 776,603</u>	<u>\$ 857,198</u>

The accompanying note is an integral part of these financial statements.

BELGIAN-ALLIANCE CREDIT UNION LTD.
Summary Statement of Changes in Members' Equity

For the year ended December 31

2011

	Provision for Issue of Common Shares	Members' Shares	Retained Earnings	Total
Balance at January 1, 2010	\$ 149,043	\$ 802,977	\$ 6,982,615	\$ 7,934,635
Net income for the year	-	-	857,198	857,198
Distributions to members	200,000	-	(20,371)	179,629
Issue of members' shares	(149,837)	200,697	-	50,860
Redemption of members' shares	-	(132,771)	-	(132,771)
Transfer (to) from registered deposits	-	(19,898)	-	(19,898)
Balance on December 31, 2010	\$ 199,206	\$ 851,005	\$ 7,819,442	\$ 8,869,653
Net income for the year	-	-	776,603	776,603
Distributions to members	150,000	-	(21,509)	128,491
Issue of members' shares	(199,206)	200,571	-	1,365
Redemption of members' shares	-	(124,786)	-	(124,786)
Transfer (to) from registered deposits	-	(24,869)	-	(24,869)
Balance on December 31, 2011	\$ 150,000	\$ 901,921	\$ 8,574,536	\$ 9,626,457

The accompanying note is an integral part of these financial statements.

BELGIAN-ALLIANCE CREDIT UNION LTD.

Summary Statement of Cash Flows

For the year ended December 31	2011	2010
Cash Flows from Operating Activities		
Net income for the year	\$ 776,603	\$ 857,198
Adjustments for		
Interest revenue	(5,713,456)	(5,227,318)
Interest expense	2,971,408	2,437,012
Depreciation expense	133,563	136,223
Provision for impaired loans	(58,179)	46,655
Patronage fund	150,000	200,000
Loss on disposal of property, plant and equipment	-	2,738
Transfer to registered deposits	(24,869)	(19,898)
Deferred income taxes	20,000	(1,200)
	<u>(1,744,930)</u>	<u>(1,568,590)</u>
Change in other assets and liabilities	(869,109)	99,325
Change in income taxes payable	(80,707)	224,683
	<u>(949,816)</u>	<u>324,008</u>
Changes in member activities (net)		
Change in loans to members	(27,110,540)	(7,718,188)
Change in deposits payable	51,622,123	3,194,950
	<u>24,511,583</u>	<u>(4,523,238)</u>
Cash flows related to interest, dividends, and income taxes		
Interest received on loans to members	5,225,276	4,920,664
Interest received on investments	435,054	291,921
Interest paid on deposits payable	(1,841,090)	(2,290,498)
Interest paid on borrowings	(641,457)	(265,796)
	<u>3,177,783</u>	<u>2,656,291</u>
Total cash flows from operating activities	<u>24,994,620</u>	<u>(3,111,529)</u>
Cash Flows from Investing Activities		
Net increase in investments	12,624	(51,369)
Net purchase of property, plant and equipment	(10,495)	(134,398)
Total cash flows from investing activities	<u>2,129</u>	<u>(185,767)</u>
Cash Flows from Financing Activities		
Issue of common and surplus shares	1,365	50,860
Redemption of common and surplus shares	(124,786)	(132,771)
Dividends on shares (net of income tax recovery)	-	(20,371)
Total cash flows from financing activities	<u>(123,421)</u>	<u>(102,282)</u>
Net increase (decrease) in cash and cash equivalents	<u>24,873,328</u>	<u>(3,399,578)</u>
Cash and cash equivalents, beginning of year	<u>12,830,586</u>	<u>16,230,164</u>
Cash and cash equivalents, end of year	<u>\$ 37,703,914</u>	<u>\$ 12,830,586</u>
Comprised of the following:		
Funds on hand and on deposit	\$ 8,203,914	\$ 3,330,586
Credit Union Central of Manitoba term deposits	29,500,000	9,500,000
	<u>\$ 37,703,914</u>	<u>\$ 12,830,586</u>

The accompanying note is an integral part of these financial statements.

BELGIAN-ALLIANCE CREDIT UNION LTD.
Notes to Summary Financial Statements

For the year ended December 31, 2011

1. Management is responsible for the preparation of summary financial statements. The summary presented includes only the summary balance sheet and the summary statement of comprehensive income, summary statement of changes in members' equity and summary statement of cash flows. It does not include any other schedules or the notes to the financial statements. The summary balance sheet and summary statement of comprehensive income, summary statement of changes in members' equity and summary statement of cash flows are presented in the same detail as the audited financial statements except the note referencing has been removed.

Copies of the December 31, 2011 audited financial statements are available at the Credit Union's branches or at www.belgianalliancecu.mb.ca.