

What's new with your Board of Directors?

At FirstOntario you're more than a Member. You're also an owner with a voice in how your credit union is run.

If you're interested in making a personal difference at FirstOntario, then why not run for election to our Board of Directors? Your Board of Directors work closely with FirstOntario's leadership team to help ensure we stay on a course for continued success.

If you're interested in being elected to the Board of Directors, you can pick up a nomination package at your local branch or visit our website to download a copy.

The nomination period ends on Monday, August 20, 2012 at 5:00 p.m. (EST) so don't miss out! Just call 1-800-616-8878 if you have any questions.

FirstOntario Credit Union reaches \$2 Billion in assets



Sandy Shaw
Board Chair

It is my pleasure to announce that FirstOntario has reached a milestone in our history. Your credit union has reached \$2 Billion in assets under management, making us one of Canada's leading Member-owned financial cooperatives. This is a tremendous achievement for FirstOntario and we have reached this level of success for a number of reasons. I would like to thank you, our Members for your trust and commitment to FirstOntario. Since 1939 we have been a proud advocate for our Members.

I would also like to thank our employees for their level of dedication. Their commitment to providing exceptional service and putting Member's needs first certainly plays a large part in this milestone in the history of FirstOntario.

Our two recent and successful mergers, one with Canal City Savings and Credit Union and the other with Prime Financial also played a part in reaching this milestone. These mergers brought to FirstOntario 2,300 and 7,900 Members respectively. Now 86,000 Members strong, FirstOntario is one of Canada's largest and most respected credit unions. These mergers also broadened our footprint, allowing us to expand the quality and range of our product and service offerings to even more communities.

Our commitment to giving back to our communities also contributes to our ongoing success. We support our communities by being a reliable, stable financial institution, providing jobs in our communities, supporting Members with low service fees and better rates, supporting local small businesses, volunteering within our communities and providing ongoing sponsorships and donations. We truly believe that where you put your money does matter and reaching \$2 Billion in assets clearly shows that you do too.

Thank you again for the trust you place in FirstOntario. You, our Members are the reason we have continued to grow, evolve and achieve continued success.

Summer Plans?

Whether you're travelling to a fantastic foreign destination or simply cross-border shopping this summer, keep in mind the need for travel insurance.

When you travel outside Canada you leave up to 90% of your government health insurance plan behind. Travel insurance kicks in where your government plan leaves off.

When buying travel insurance, make sure there is a 24/7 toll free number so you can contact your insurer immediately if you need medical treatment.

Some credit cards do provide emergency medical insurance; but there may be important distinctions between what your credit card insurance plan and travel insurance covers.

Finally, disclose everything on the application. If you have a pre-existing condition there may be some limitations, or possibly even no coverage for that condition, so make sure you are up front about your current health situation to avoid having problems later if you need medical treatment while you are away.

Credit Union Members have access to travel insurance through Credit Union Member Insurance Services (CUMIS). To arrange your travel insurance coverage today, visit your local FirstOntario branch or call CUMIS at 1-877-885-2847.



Watch Finance Friday with Dave Schurman on CHCH TV.

Join us bi-weekly on Fridays at 7:15 a.m.

Mortgage Tips for the First-Time Home Buyer

FirstOntario's Executive V.P. & Chief Operating Officer, Dave Schurman is a regular on CHCH TV's Finance Friday segment, sharing handy financial tips with our local communities.

We recently spoke to Dave about mortgage basics for the first-time home buyer.

Dave, if you're a first time home buyer and are thinking about taking advantage of today's great low mortgage rates, what are some mortgage basics that you'd need to know?

"Well, the first thing you'll need is a down payment. The percentage of the purchase price you will have as your down payment, will determine the type of mortgage you'll have.

A "conventional mortgage" is one where you have a down payment of 20% or more of the purchase price. If you have less than 20% down, then you will need a "high ratio" mortgage which requires mortgage default insurance. This is arranged by your financial institution usually through CMHC or Genworth, and the one-time premium for mortgage insurance is normally added to your mortgage amount."

What's the difference between an Open mortgage and a Closed mortgage?

"With an Open mortgage, the mortgage can be paid in full at any time with no penalty. For this flexibility the interest rate is higher. You'd consider an Open mortgage if you knew you were going to pay off your mortgage within a short period of time, for example if your house was for sale.

A Closed mortgage is more restrictive and cannot be paid off prior to the end of the mortgage term without a prepayment penalty being charged. Closed mortgages are a much more popular option because the interest rates are lower."

What is the key difference between a Fixed Term mortgage or a Variable Term mortgage?

"A Fixed Term mortgage provides rate and payment certainty until the end of the term you choose. But with a Variable Term mortgage, the interest rate can change at any time - up or down. In a period such as we are in today, with interest rates among the lowest in history, a Fixed Term is certainly a very safe bet, because rates are most likely to go up over the next few years, it's just a matter of when rates will start to rise, and how high will they go."

You can follow Dave Schurman from FirstOntario Credit Union on Twitter @Finance_Friday.

FirstOntario and the Canadian Co-operative Association's Women's Mentorship Program



Purity Mugure Maina

This past May, FirstOntario was very pleased to welcome Purity Mugure Maina from Kenya as our guest. Purity's visit was part of the Women's Mentorship Program offered by the Canadian Co-operative Association (CCA). The CCA provides leadership to promote, develop and unite co-operatives and credit unions in Canada and around the world. The Women's Mentorship Program is a unique professional development opportunity for women leaders of financial co-operatives in developing countries.

This program is key in the philosophical framework that guides CCA's international

development work. The five elements of the framework are reducing poverty, building sustainable co-operative institutions, working in partnership, balancing economic and social imperatives and mobilizing Canadian resources.

Purity is the CEO of CHAI Savings and Credit Co-operative in Nairobi, Kenya. CHAI SACCO is an employee based credit union with 8,168 Members and \$12 million dollars in assets. Its membership is drawn from current or retired employees of the Kenya Tea Development Agency, CHAI employees or any person involved in the tea industry. As the host credit union we had the privilege of sharing our knowledge and skills with Purity, connecting her to credit union staff and sharing our policies and best practices. We created a program that allowed Purity to job shadow staff, meet Members, interact with our Board of Directors and observe day-to-day credit union operations. Purity also spent time seeing some of the area's attractions. We were very excited to open up our credit union to Purity and to learn from Purity's experiences as well.

Branch News

Branch Manager, Holly Mundula and her team are very excited to announce the relocation of FirstOntario's Pelham Road branch in St. Catharines. This branch will be moving to the northwest corner of Fourth Avenue and Martindale Road. This new location will open later this summer and offer our Members added convenience and extended banking hours.

It's official! FirstOntario is opening a brand new branch in Ancaster. Our new branch is located at 240 Wilson Street and will be opening this summer.

FirstOntario is pleased to be opening our doors to another community. FirstOntario will be opening a new branch to serve the Dundas community in early fall.

What's New

Co-operative Young Leaders

FirstOntario is very happy to sponsor three young Members to take part in this year's Co-operative Young Leaders Summer Camp.

Jason Huitema, Alexandra Marushko and Nadia Nadeem will be enjoying this summer camp experience that not only teaches our youth how to become leaders and team players, it also teaches them to work co-operatively, solve problems and develop an increased sense of self-awareness.

Family fun at Canada's Wonderland

Summer is here and once again all FirstOntario branches are now selling discounted tickets for Canada's Wonderland. Take advantage of the savings today.

Park hours and directions can be found on the Canada's Wonderland website at www.canadaswonderland.com

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Wealth Management

Contact a Wealth Advisor today

C. Janine Grice, CFP
Investment Advisor
905-388-7296

Philippe Hamon, CHS
Insurance and Mutual
Fund Advisor
905-574-5637

Carolyn Humby, CFP, FMA
Investment Advisor
905-988-3562

Jim Trueland, CFA
Investment Advisor
289-288-0038

Theresa Veniot, CFP
Investment Advisor
905-538-5324

Account Plus

FirstOntario is pleased to introduce Account Plus, a new service offered through online banking. With Account Plus, you can register and link any accounts you have with Credential Securities Inc., Credential Asset Management Inc. and Credential Direct to your online banking. For more details, please visit our website at FirstOntarioCU.com or call us at 1-800-616-8878.

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Is your retirement income strategy tax efficient?



Ejaz Nadeem, MA, CFP, CLU
Managing Director,
FirstOntario Wealth

When it comes to your retirement, it is important to have a solid plan in place for your peace of mind.

Surveys show that the biggest concern for people in retirement is the fear of outliving their nest egg. Financial institutions and advisors have done a great job to promote the concept of savings for retirement through RRSPs and Tax-Free Savings Accounts (TFSA's). However, most people struggle with constructing a

retirement income withdrawal strategy that reduces the strain on their savings, maximizes the amount of money they receive in retirement, reduces the tax payable and provides peace of mind that they will have enough income to live comfortably for the rest of their lives.

If you are contemplating retirement or if you are already retired, you may find the following five tips worthwhile in structuring an effective income withdrawal strategy:

1. Maximize government benefits by minimizing reductions and claw backs to Old Age Security and the Age Amount.
2. Reduce tax through Income Splitting by maximizing allowable transfers of retirement income and pension amounts to the lower income spouse.
3. Create tax-efficient income from your registered assets by using investment vehicles that provide maximum after-tax income.
4. Design an income stream that allows for an active retirement lifestyle in the early years and the security of a comfortable living in the later years.
5. Use insurance to guarantee the preservation of capital and to create a legacy.

FirstOntario's team of accredited Wealth Advisors are here to help you. **For a no fee consultation, just call one of our advisors today. You'll be glad you did.**

Mutual funds are offered through Credential Asset Management Inc. and mutual funds and other securities are offered through Credential Securities Inc. and Credential Direct®, a division of Credential Securities Inc., which operates as a separate business unit. Credential Securities Inc. is a Member of the Canadian Investor Protection Fund. Credential Financial Strategies Inc. offers financial planning, life insurance and investments to members of credit unions and their communities. These companies are members of Credential Financial Inc.



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Hamilton Region



Philippe Hamon
All Regions



Carolyn Humby
Niagara Region



Jim Trueland
Halton Region



Theresa Veniot
Hamilton Region