

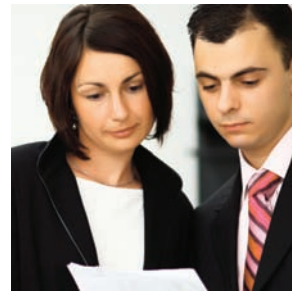


TransCanada Credit Union Limited
2007 Annual Report



Table of Contents

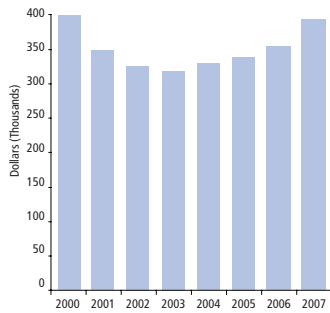
Financial Highlights for 2007	2
Members	3
TransCanada Credit Union Limited	5
President's Report	6
General Manager's Report	7
Committees	8
Financial Statements	9
Financial Review	10
What is the Credit Union?	25
Services	26



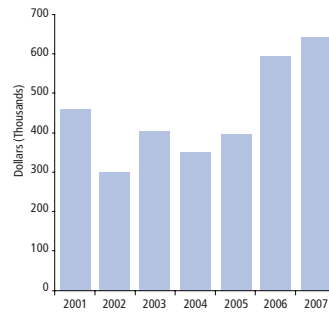
Financial Highlights for 2007

	2007	2006
Membership	2913	2912
Assets	\$18,581,168	\$17,521,412
Shares	\$382,962	\$314,584
Savings	\$11,682,792	\$10,639,784
Terms	\$2,546,006	\$2,982,169
RRSPs	\$3,120,674	\$2,735,205
Loans	\$7,017,344	\$7,177,037
Mortgages	\$6,360,897	\$4,890,682
Dividend paid to members	6.50%	6.00%

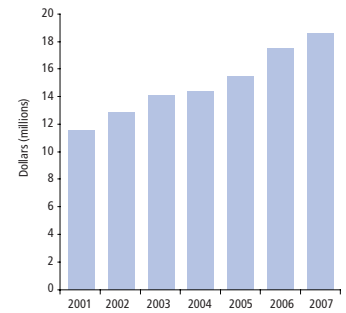
Total Operating Expense



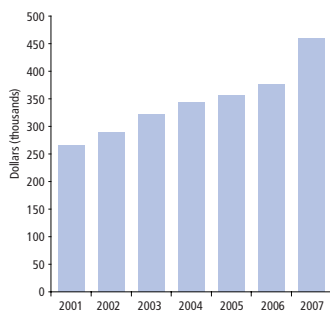
Total Financial Expenses



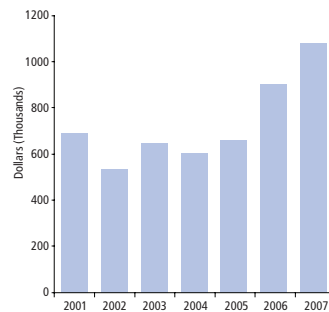
Total Assets



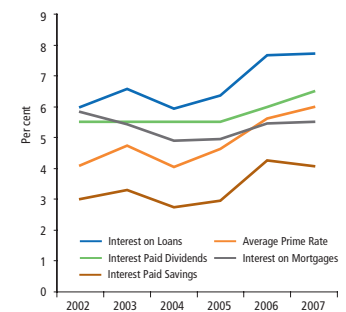
Net Profit (Loss)



Total Financial Income



Interest Rates



Members, our most important asset



George, Donna, Darren, Samantha, and Rebecca McDade

Firstly, I want to thank the team at TransCanada Credit Union for all their support and the first class service that they have shown to my family. With most of our loved ones staying thousands of miles away it is not easy getting home for emergencies etc. TransCanada Credit Union has been there for us on every occasion. I prefer dealing with the TransCanada Credit Union rather than large bank institution as we get to know the staff on a one to one basis. Payments could not be any simpler, they take their payment on pay day and we know exactly what we are left with each month. I also think it is a great way to save money. When we came to Canada nine years ago it was nearly impossible to get any sort of credit from major banks but TransCanada Credit Union trusted us and gave us a change that alone spoke volumes to my family. I would strongly recommend TransCanada Credit Union to my friends and colleagues as I don't just feel like a member but feel part of a much larger family.

I want to thank Debbie, Wayne and the rest of the team for this opportunity and look forward to many more years of services.



Dianne Battams

TransCanada Credit Union is a one stop shop. All your banking needs, car and home insurance and much more. It's personalized service that you cannot find anywhere else. The Credit Union helped me out of a bind many years ago and I remain truly thankful. And another added feature – the service and care doesn't change when you retire. Debbie still takes care of my needs: with the same professionalism and personal touch as she always has.

Member since 1991



Carson Mahussier

Our youngest member

1 year old

Members continued



Ross Tomlinson

I am a long time member of the Credit Union and have been given excellent service.

I have been always treated like they wanted my business and it was important to them. Wayne goes the extra mile to see that you stay satisfied and will be a repeat customer,

He knows you have other choices.

Service is prompt and quick and Denise and staff get you in and out on your way.

Whether it's taking out a loan or investing with the Credit Union the paper work is ready for you when stated, and Business dealings are all done in a very friendly and professional manner.

They will continue to keep my Business in all my financial matters.

Member of 32 years



Cindy L. Chiasson

It has been my pleasure to be a member of the TC Credit Union for approximately 15 years. My experience is that the service has been consistently second to none and extremely prompt, regardless of the request! The Credit Union Resources are always an absolute pleasure to work with !!!

A big Thank You to all of your assistance over the years.



Tamara Cassels

Our family greatly appreciates the competitive rates, the friendly service, and all those little personal touches that a big bank can't provide.

Member since 1999

TransCanada Credit Union Limited



Board of Directors:

(left to right) Doug Slater, Jane Gill, Doreen Bauert, Jackie Ross, Wayne Rumsey
Missing: Ann Marie Duffy



Staff:

(left to right) Debbie Letendre, Wayne Chafe, Amanda Turlock

President's Report

2007 was a year of continued growth for the TransCanada Credit Union. Earnings increased by \$83,163 or 22 per cent, total assets increased by \$1,059,756 or 6 per cent. Since the merger of the two Credit Unions in 1999 assets have increased by \$8,095,457 or 77 per cent.

We thank our Credit Union staff for this strong track record of growth. General Manager Denise D'Aoust and her team of Wayne Chafe, Debbie Letendre and Amanda Turlock provide the membership with a high level of personal banking service with a low cost business model. Continuing to provide the membership financial services at competitive rates and reasonable costs remain the TransCanada Credit Union's primary goal.

During the year, on-line banking access was added to allow members to check balances and transfer funds within the Credit Union. We also increased loan approval levels for the Credit Union loan officers to speed up response time for members wishing to access our credit products.

In 2007 we appointed a new auditor, Hawkins Epp Dumont LLP. Hawkins Epp Dumont has over 20 years auditing experience with Alberta Credit Unions and they presently provide auditing services for 10 Alberta Credit Unions as well as the TransCanada Credit Union. This has lowered our audit costs and provides us with increased Credit Union audit experience.

Looking forward, in 2008 the Board plans to review the policies and procedures and update them to reflect best practices in the Credit Union community.

I would like to thank the Directors and Committee members for their time and dedication. In particular, I would like to thank Ann Marie Duffy for her services to the TransCanada Credit Union's Boards of Directors. Ann Marie served as a Director for 10 years, as Secretary, and has served as a member of the Audit and Finance Committee and Credit Committee



President: Myles Dougan

at different periods over that time. Her wisdom and institutional knowledge has been much appreciated.

Finally, I would like to thank the membership for your continued support of the TransCanada Credit Union. The Board is committed to good governance and we welcome your comments and suggestions. I anticipate that 2008 will be another year of progress.

On behalf of the Board of Directors,

Myles Dougan
President

General Manager's Report



General Manager: Denise D'Aoust

October 31, 2007 marked the end of another year of profitability and growth for TransCanada Credit Union. We shared our profits with the members who have helped make us so successful. We were able to pay a total of \$433,379 to member's savings and \$22,452 (6.50%), in common share dividends.

More and more employees and their family members are recognizing the value we offer. We opened 86 new accounts in our 2007 fiscal year. As a result assets increased more than 6% to \$18,581,168. Deposits grew 5.50 % and loans rose 10.85 %. Member equity now exceeds \$1,000,000, a key indicator of your Credit Union's strength. We are proud of our success, and the employees and members who have made it possible.

Sustained growth is essential to continued member service and the long term health of your Credit Union. To achieve this, we will seek to expand within our market area. Interest rates and other economic factors pose further challenges to our profitability and our growth. To meet this challenge, we will

continue to be guided by our business plan while relying on sound business practices and the integrity of our Board of Directors.

We have shown good success through the delivery of basic financial and personal services.

As always, member service will be our first priority. We have not forgotten that TransCanada Credit Union must serve members with respect, integrity and courtesy, with their interests foremost. We are here to help you and take pride in providing quality, responsive service.

The assistance provided by TransCanada contributes significantly to the financial strength of our Credit Union, which is a benefit to all members. On your behalf I would like to extend our most sincere gratitude and appreciation for the company's ongoing support.

At this point I would like to express my gratitude to the Board of Directors. They have continued to provide their support through ongoing feedback and commitment. Our success to date is directly attributable to the hard work and dedication of everyone involved. The expertise offered by the volunteers is essential in the management of the Credit Union.

The staff; Wayne, Debbie and Amanda, are truly the essence of TransCanada Credit Union. Their knowledge, experience and member-first attitude help create a dynamic organization. I am appreciative of their enthusiasm and commitment and would like to thank them for all their extra efforts. Congratulations is also in order for Debbie Letendre as she celebrated her 10th year with the Credit Union on July 14, 2007.

Finally, I wish to extend our thanks to the membership for their confidence in their owned financial institution.

Committees

The Board acts as trustees of the membership, to ensure the Credit Union is operated in accordance with organizational aim, and sound business practices, to ensure ongoing viability while remaining within legislated requirements.

Responsibilities extend beyond establishing priorities and annual objectives for the Credit Union. Committees are formed and delegated the responsibilities of fulfilling the obligations of the Board of Directors.

Audit & Finance Committee

Jane Gill, Chairperson
Doug Slater
Wayne Rumsey

The Audit & Finance Committee protects the interest of the Credit Union membership by monitoring the financial activities of the Credit Union. They provide a line of communication between auditors and directors. The Committee also participates in the planning function for the Credit Union in order to achieve current profitability and future viability.

Credit Committee

Doreen Bauert, Chairperson
Ann Marie Duffy
Jackie Ross

The Credit Committee's primary responsibility is to review and provide approval of loan applications presented in excess of the General Manager's lending limit, ensuring adherence to the Credit Union lending policies.

Total Number of Loans Approved	199
Total Amount of Money Advanced	\$8,869,245



Hawkings Epp Dumont LLP

Chartered Accountants

E.A. Hawkings, CA*	W.L. Dumont, CA*	T.D. Tinney, CA*	C.D. Friesen, CA*	Suite 101
M.H. Epp, CA, CMA*	P.J. Dirks, CA*	J.S. Hawkings, CA*		17107 - 107 Avenue
L.M. Custer, CMA*	C.M. Kulak, CA*	C.S. Guilbeault, CA		Edmonton, Alberta T5S 1G3
D.M. Goulet-Soetaert, CA, CMA*	B.L. Moore, CMA*	W.J. Hubscher, CMA		Telephone (780) 489-9606
K.A. van Roijen, CGA	M.M. Friedman, CGA	R.D. Adams, CMA		Fax (780) 484-9689
T.G. Dodd, CA*	J.M. Kennedy, CA			Email: hed@hed-edm.com

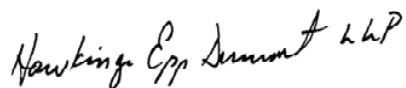
AUDITORS' REPORT

To the Members
TransCanada Credit Union Limited
Calgary, Alberta

We have audited the accompanying balance sheet of TransCanada Credit Union Limited (the "Credit Union") as at October 31, 2007 and the related statements of income, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Credit Union's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Credit Union as at October 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Edmonton, Alberta
December 5, 2007

HAWKINGS EPP DUMONT LLP
Chartered Accountants

Founding Partners

F.J. Bruha, CA (Deceased)
A.W. Whelan, CA (Retired)

Stony Plain Office
Phone (780) 963-2727
Fax (780) 963-1294
Email: email@hawkings.com
*Professional Corporation

Management's responsibility for financial reporting

To the Members
TransCanada Credit Union Limited

Management has the responsibility for preparing the accompanying financial statements and ensuring that all information in the Annual Report is consistent with these statements. This responsibility includes selecting appropriate accounting principles and making objective judgments and estimates in accordance with Canadian generally accepted accounting principles and the requirements of the Credit Union Act.

In discharging its responsibility for the integrity and fairness of the financial statements, as well as for the accounting systems from which they are derived, management maintains the necessary systems of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded and proper records are maintained.

The ultimate responsibility to members for the financial statements lies with the Board of Directors. The Board appoints an Audit and Finance Committee to review financial statements with management in detail and to report to the Board prior to its approval to publish the financial statements.

The Board appoints external auditors to audit the financial statements and to meet separately with both the Audit and Finance Committee and management to review their findings. The external auditors report directly to the members. The external auditors have full and free access to the Audit and Finance Committee to discuss their audit, as well as their findings concerning the integrity of the Credit Union's financial reporting and the adequacy of its systems of internal controls.

Calgary, Alberta
December 5, 2007

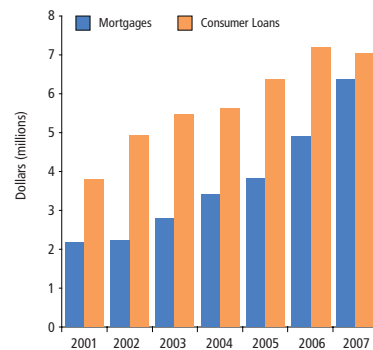
A handwritten signature in black ink, appearing to read 'Denise D'Aoust', with a large, stylized loop at the end.

Denise D'Aoust, General Manager

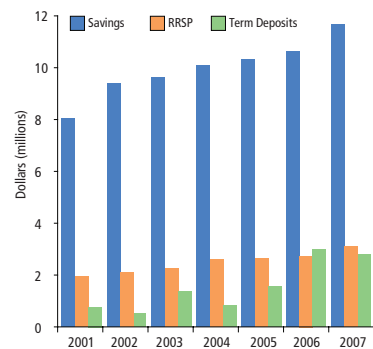
Balance Sheet as at October 31, 2007

	2007	2006
Assets		
Cash	\$ 269,410	\$ 180,418
Investments (Note 4)	4,925,065	5,282,521
Member Loans (Note 5)	13,353,514	12,046,131
Prepaid Expenses	9,255	5,746
Future Income Taxes	1,204	1,204
Property and Equipment (Note 6)	22,720	-
	\$ 18,581,168	\$ 17,516,020
Liabilities		
Accounts Payable and Accrued Liabilities	\$ 39,223	\$ 55,920
Income Taxes Payable	12,110	1,624
Member Deposits (Note 8)	17,449,802	16,535,264
Dividends payable	22,684	17,405
	17,523,819	16,610,213
Capital and Retained Earnings		
Common Shares (Note 9)	382,963	314,584
Contributed Surplus	215,000	215,000
Retained Earnings	459,386	376,223
	1,057,349	905,807
	\$ 18,581,168	\$ 17,516,020


Summary of Loans

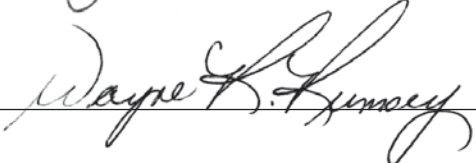


Deposit Accounts



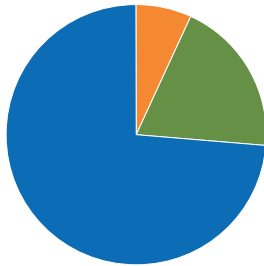
On behalf of the board:


 _____ Director


 _____ Director

Statement of Income for the year ended October 31, 2007

Sources -
Where your money comes from



Other Income Investment Income Loan Interest revenue

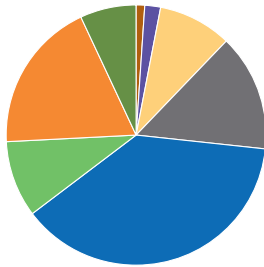
	2007	2006
Interest Income		
Member loans	\$ 855,764	\$ 681,532
Investments	226,180	224,251
	1,081,944	905,783
Interest Expense		
Member deposits	641,239	593,874
Net Interest Income	440,705	311,909
Other Income	81,923	83,313
Net Interest and Other Income	522,628	395,222
Charge for Loan Impairment (Note 5)	7,400	(244)
Gross Margin after Charge for Loan Impairment	515,228	395,466
Operating Expenses (Schedule I)	393,110	354,161
Income Before Income Taxes	122,118	41,305
Income Taxes (Note 10)		
Current	19,928	6,846
Future	-	216
	19,928	7,062
Net Income	\$ 102,190	\$ 34,243

Statement of Retained Earnings for the year ended October 31, 2007

	2007	2006
Balance, Beginning of Year	\$ 376,223	\$ 356,579
Add:		
Net Income	102,190	34,243
Tax recovery on common share dividends	3,657	2,806
	105,847	37,049
Less:		
6.5% dividend on common shares (2006 6.00%)	22,684	17,405
Balance, End of Year	\$ 459,386	\$ 376,223

Statement of Cash Flows for the year ended October 31, 2007

Distribution -
Where your money goes



■ Income Tax
■ Dividend on Shares
■ Interest on RRSP
■ Other
■ Interest on Savings
■ Interest on Terms
■ Employees' Salaries & Benefits
■ Retained Earnings

	2007	2006
Cash Flows from Operating Activities		
Net income	\$ 102,190	\$ 34,243
Adjustments for:		
Amortization	20,684	-
Change in prepaid expenses	(3,509)	(611)
Change in future income taxes	-	216
Change in accounts payable and accrued liabilities	(16,697)	20,991
Change in income taxes payable	10,486	(114)
	113,154	54,725
Cash Flows from Financing Activities		
Change in common shares	68,379	49,125
Dividend on common shares (net of taxes)	(19,027)	(14,599)
Dividends payable	5,279	6,228
Change in member deposits	914,538	1,904,874
	969,169	1,945,628
Cash Flows from Investing Activities		
Purchase of property and equipment	(43,404)	-
Change in investments	357,456	19,929
Change in member loans	(1,307,383)	(1,893,706)
	(993,331)	(1,873,777)
Change in Cash During the Year	88,992	126,576
Cash, Beginning of Year	180,418	53,842
Cash, End of Year	\$ 269,410	\$ 180,418
Additional Cash Flow Information:		
Interest Received During the Year	\$ 1,071,661	\$ 888,437
Interest Paid During the Year	\$ 719,343	\$ (537,735)
Income Taxes Paid During the Year	\$ 5,588	\$ 4,154

Notes to Financial Statements October 31, 2007

1. Nature of Operations

TransCanada Credit Union Limited (the "Credit Union") is incorporated under the Credit Union Act of the Province of Alberta and provides financial services to current and former employees of TransCanada Corporation and its subsidiaries ("TransCanada").

The Credit Union Deposit Guarantee Corporation (the "Corporation"), a provincial corporation, guarantees the repayment of all deposits with Alberta credit unions, including accrued interest. The Credit Union Act provides that the Province will ensure that the Corporation carries out this obligation.

2. Change in Accounting Policy

Effective November 1, 2006, the Credit Union adopted new accounting standards issued by the Canadian Institute of Chartered Accountants (CICA): Financial Instruments Recognition and Measurement, Hedges, Comprehensive Income and Financial Instruments Disclosure and Presentation.

These new accounting standards require certain financial assets and liabilities to be measured at fair value instead of amortized cost. The significant financial assets and liabilities of the Credit Union have been classified and measured as follows:

- a) Term deposit investments have been classified as held to maturity and continue to be recorded at amortized cost. Shares in Credit Union Central are classified as available for sale. As there is no market for these shares, their fair value is estimated at amortized cost.
- b) Member loans and deposits continue to be recorded at amortized cost using the effective interest rate method.

Based on the above classifications and measurements the adoption of these new standards has not resulted in any adjustments to the assets, liabilities, retained earnings, revenues or expenses of the Credit Union.

Notes to Financial Statements October 31, 2007

3. Summary of Significant Accounting Policies

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles.

The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates which have been made using careful judgment. Actual results could differ from those estimates.

a) Investments

All term deposit investments are classified as held to maturity and are recorded at cost or amortized cost, adjusted to recognize other than a temporary impairment in the underlying value.

Shares in Credit Union Central are classified as available for sale. As there is no market for these shares, their fair value is estimated at amortized cost.

Interest income is recorded as earned and gains and losses on the sale of investments are recorded in income on disposition.

b) Member Loans

The Credit Union records member loans net of any unearned income and an allowance for loan impairment. Loans considered uncollectible are written off.

Interest income from loans is recorded on the accrual basis except on loans classified as impaired. A loan is classified as impaired when there is reasonable doubt as to the timely collection of some portion of principal or interest. A loan where payment of principal or interest is contractually past due 90 days is classified as impaired unless there is no reasonable doubt as to the collectibility of all interest and principal.

When a loan is classified as impaired, recognition of interest income in accordance with the original loan agreement ceases. Any subsequent payments received on an impaired loan are applied to reduce the recorded investment in the loan.

c) Allowance for Impaired Loans

The Credit Union maintains an allowance for loan impairment in an amount considered adequate to absorb credit related losses in its loan portfolio. The allowance is increased by a charge for loan impairment which is charged to income and reduced by write offs, net of recoveries. The allowance for loan impairment consists of:

A specific allowance is established on an individual loan basis, to reduce the carrying book values to estimated realizable values. Estimated realizable values are determined by discounting the expected future cash flows at the effective interest rate inherent in the loans. When the amounts and timing of future cash flows cannot be reliably established, estimated realizable values are determined by reference to market prices for the loans or their underlying security; and

Notes to Financial Statements October 31, 2007

A general allowance is established when evidence of impairment within groups of loans exists but is not sufficient to allow identification of individual impaired loans. Impairment is estimated using a formula based on historical credit loss experience, known risks in the portfolio and current economic conditions and trends. As individual impaired loans are identified, a specific allowance is assigned to that loan and the general allowance is adjusted accordingly.

d) Foreclosed Assets

The Credit Union records foreclosed assets at the lower of the investment recorded in the foreclosed loan or its net realizable value. As of October 31, 2007, the Credit Union does not hold any such assets.

e) Property and Equipment

Property and equipment are recorded at cost. Amortization is provided for using the rates and methods indicated below. The rates listed are estimated to be sufficient to reduce the cost of the assets to residual value by the expiration of their useful lives.

Computer hardware and software 1-3 years straight line

f) Income Taxes

The Credit Union follows the asset and liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are recognized for the expected future income tax consequences attributable to differences between the financial statement carrying amount of existing assets and liabilities and their respective income tax bases.

4. Investments

	2007	2006
Credit Union Central Alberta Limited ("Central")		
Term deposits	\$ 4,562,000	\$ 4,927,000
Shares	310,288	310,288
	4,872,288	5,237,288
Accrued interest	52,777	45,233
	\$ 4,925,065	\$ 5,282,521

As required by the Credit Union Act, the Credit Union holds investments in Central to maintain its liquidity level.

Notes to Financial Statements October 31, 2007

5. Member Loans

	Recorded Loans	Specific Allowances	General Allowance	Net Carrying Value 2007	Value 2006
Consumer loans	\$ 7,017,344	\$ -	\$ 33,797	\$ 6,983,547	\$ 7,149,118
Residential mortgages	6,360,897	-	-	6,360,897	4,890,682
	13,378,241	-	33,797	13,344,444	12,039,800
Accrued interest	9,070	-	-	9,070	6,331
	\$ 13,387,311	\$ 33,797-	\$ 33,797	\$ 13,353,514	\$ 12,046,131

As of October 31, 2007, the Credit Union had no impaired loans (2006 no impaired loans).

Details of the changes in the allowance for loan impairment are as follows:

	2007	2006
Balance, beginning of year	\$ 27,920	\$ 28,165
Charge for loan impairment	7,400	(245)
Loans written off	(1,523)	-
	5,877	(245)
Balance, end of year	\$ 33,797	\$ 27,920

6. Property and Equipment

	Cost	Accumulated Amortization	Net Book Value	
			2007	2006
Computer software	\$ 111,914	\$ 89,194	\$ 22,720	\$ -
Computer hardware	28,530	28,530	-	-
	\$ 140,444	\$ 117,724	\$ 22,720	\$ -

Notes to Financial Statements October 31, 2007

7. Operating Line of Credit

The Credit Union has an approved \$200,000 operating line of credit and a \$600,000 revolving term loan with Credit Union Central. Interest is payable at Credit Union Central's prime rate minus 0.5% on the operating line of credit and prime rate minus 1% on the revolving term loan. These amounts were not utilized at year end.

8. Member Deposits

	2007	2006
Participatory savings	\$ 11,679,757	\$ 10,636,400
Registered Retirement Savings Plans	3,120,674	2,735,205
Term deposits	2,551,227	2,987,411
	17,351,658	16,359,016
Accrued interest	98,144	176,248
	\$ 17,449,802	\$ 16,535,264

Notes to Financial Statements October 31, 2007

9. Common Shares

The Credit Union Act created a class of equity shares known as common shares, having the following characteristics:

- i) an unlimited number may be issued;
- ii) a par value of \$1, but fractional shares may be issued;
- iii) non transferable;
- iv) non assessable; and
- v) redemption of common shares is at par value and is at the discretion of the Credit Union, subject to the restrictions contained in the Credit Union Act and Regulations.

A member must purchase at least 25 shares to retain membership in the Credit Union.

Common shares are "at risk" capital and are not guaranteed by the Credit Union Deposit Guarantee Corporation.

	2007	2006
Balance, Beginning of Year	\$ 314,584	\$ 265,459
Share purchases by members	65,379	60,758
Share redemptions paid to members	(14,405)	(22,810)
Dividends credited to share accounts	17,405	11,177
	68,379	49,125
Balance, End of Year	\$ 382,963	\$ 314,584

10. Income Taxes

Full provision for income taxes is made in the determination of net income. The effective tax rate for 2007 approximates the statutory combined federal and provincial rates of approximately 16%.

Notes to Financial Statements October 31, 2007

11. Related Party Transactions

Directors, management and staff of the Credit Union had \$230,467 (2006 \$214,216) in loans outstanding at October 31, 2007. All loans are at interest rates comparable to those other members would receive, and all loans are current.

Directors, management and staff of the Credit Union had \$159,255 (2006 \$45,736) in deposits with the Credit Union at October 31, 2007.

Directors were not remunerated for their contributions to the Credit Union.

TransCanada provides office space, furniture, equipment, office supplies and employees who perform duties on a part time basis for the Credit Union. No amount is charged for these services.

12. Commitments

a) Credit Commitments

In the normal course of business, the Credit Union enters into various commitments to meet the credit requirements of its members. These commitments are not included in the balance sheet.

Commitments to extend credit represent undertakings to make credit available in the form of loans or other financing for specific amounts and maturities, subject to certain conditions and include recently authorized credit not yet drawn down and credit facilities available on a revolving basis.

These credit arrangements are subject to the Credit Union's normal credit standards and collateral may be obtained where appropriate. The contract amounts set out below represent the maximum credit exposure to the Credit Union should the contracts be fully drawn, and any collateral held proves to be of no value. As many of these arrangements will expire or terminate without being drawn upon, the contract amounts do not necessarily represent the future cash requirements.

	2007	2006
Commitments to extend credit		
Original term to maturity of one year or less	\$ 3,536,358	\$ 2,762,367

13. Comparative Figures

Prior year amounts have been reclassified to conform to the current year presentation. The prior year figures were audited by a firm other than Hawkings Epp Dumont LLP.

Notes to Financial Statements October 31, 2007

14. Fair Value of Financial Instruments

The amounts are designed to approximate the fair values of the Credit Union's financial instruments using the valuation methods and assumptions described below. The amounts disclosed do not reflect the value of items that are not considered financial instruments, such as property and equipment or intangible assets. Since many of the Credit Union's financial instruments lack an available trading market, the fair values represent estimates of the current market value of instruments, taking into account changes in market rates that have occurred since their origination. Due to the estimation process and the need to use judgment, the aggregate fair value amounts should not be interpreted as being necessarily realizable in an immediate settlement of the instruments.

The carrying value of most of the Credit Union's financial instruments is not adjusted to reflect changes in interest rates, as it is the Credit Union's intention to hold the instruments to maturity.

The following methods and assumptions were used to estimate the fair value of financial instruments:

- i) The fair values of cash, investments, other assets and other liabilities are assumed to approximate book values, due to their short term nature.
- i) The estimated fair values of floating rate member loans and member deposits are assumed to equal book values as the interest rates automatically reprice to market.
- i) The estimated fair values of fixed rate member loans and fixed rate member deposits are determined by discounting the expected future cash flows of these loans and deposits at current market rates for products with similar terms and credit risks.

Estimated fair values of on balance sheet financial instruments are summarized as follows:

	2007			2006		
	Fair Value	Book Value	Fair Value over Book Value	Fair Value	Book	Fair Value over Book Value
Assets						
Cash	\$ 269,410	\$ 269,410	\$ -	\$ 180,418	\$ 180,418	\$ -
Investments	4,925,065	4,925,065	-	5,282,521	5,282,521	-
Loans	13,249,052	13,353,514	(104,462)	12,068,081	12,046,131	21,950
Other	33,179	33,179	-	6,950	6,950	-
Less:						
Liabilities						
Deposits	17,410,969	17,449,802	(38,833)	16,654,900	16,535,264	119,636
Other liabilities	74,017	74,017	-	74,949	74,949	-
	\$ 991,720	\$ 1,057,349	\$ (65,629)	\$ 808,121	\$ 905,807	\$ (97,686)

Notes to Financial Statements October 31, 2007

15. Interest Rate Risk

Interest rate risk refers to the potential impact of changes in interest rates on the Credit Union's earnings when maturities of its financial liabilities are not matched with maturities of its financial assets. The table below summarizes amounts by maturity dates and weighted average effective interest rates.

As At October 31, 2007

	Floating Rate	Within 1 Year	1 to 5 Years	Non rate Sensitive	Total
Assets					
Cash	\$ -	\$ -	\$ -	\$ 269,410	\$ 269,410
Investments	310,288	4,562,000	-	52,777	4,925,065
<i>Effective yield</i>	<i>6.07%</i>	<i>4.57%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>4.62%</i>
Member loans	8,276,241	1,185,180	3,916,820	(24,727)	13,353,514
<i>Effective yield</i>	<i>7.10%</i>	<i>5.45%</i>	<i>5.46%</i>	<i>0.00%</i>	<i>6.48%</i>
Other	-	-	-	33,179	33,179
	8,586,529	5,747,180	3,916,820	330,639	18,581,168
Liabilities					
Member deposits	12,196,216	3,618,777	1,534,479	123,014	17,472,486
<i>Effective yield</i>	<i>3.95%</i>	<i>3.87%</i>	<i>4.22%</i>	<i>0.00%</i>	<i>3.93%</i>
Equity	-	-	-	1,057,349	1,057,349
Other	-	-	-	51,333	51,333
	12,196,216	3,618,777	1,534,479	1,231,696	18,581,168
Net gap	\$ (3,609,687)	\$ 2,128,403	\$ 2,382,341	\$ (901,057)	\$ -

Schedule of Operating Expenses for the year ended October 31, 2007

	2007	2006
Personnel		
Salaries	\$ 188,878	\$ 174,591
Benefits	32,520	30,318
Training	-	161
	221,398	205,070
Security		
Deposit guarantee assessment	29,693	26,271
Bonding	5,443	9,307
	35,136	35,578
Organization		
Central dues	9,452	9,280
Meetings	5,238	3,125
Other	4,851	2,316
	19,541	14,721
General		
Computer processing	47,501	33,236
Professional fees	21,764	35,036
RRSP administration fee	5,959	5,996
Stationery and supplies	5,504	6,376
Cash and service charges	5,084	4,852
Insurance	3,912	3,305
Other	3,719	4,949
Marketing and advertising	2,908	5,042
Amortization	20,684	-
	117,035	98,792
	\$ 393,110	\$ 354,161

What is the Credit Union?



The most prominent characteristic that can describe our Credit Union is defining what we are not - a bank. Banks have their purpose, and it's hard to imagine surviving without using their services these days. But you do pay a price for the privilege of them handling your money.

Unlike a bank, our Credit Union is owned by its members, and any profits that are generated through its operations are returned to the members either through lower rates on loans or through higher returns on savings. As Credit Union members reading this report, you are already aware of the 3.95% return on members' savings. Compare our return to what you are earning with your bank.

Unlike a bank, our Credit Union keeps its overhead in line. The remuneration for one month given to the CEO of any of the major banks would more than cover the entire operating expenses of the Credit Union for a year. However, it's true that we don't have to compete on the global stage for business. We only have to satisfy you, the shareholder.

Unlike a bank, our Credit Union prides itself on personal service. How many people at your bank know you by name? That is, assuming you still go to a branch to bank.

Unlike a bank, our Credit Union doesn't charge you exorbitant user fees to cover hundreds of millions of dollars worth of poor lending decisions on ventures that flop. By using solid banking practices, we keep our default rate low and our returns high.

Unlike a bank, Our Credit Union really does care about the little guy. We will treat you the same whether you are a V.P. or a graduate engineer. After all, success of our business depends on people just like you. We have all sorts of loan and savings programs to fit your needs, from "Short line" loans when you need a little, to mortgages when you need a lot.

Just like a bank, our Credit Union offer services all over the country. We may not have branch offices, but our personal brand of service is available to all employees regardless of location.

And just like a bank, we'd really love to expand our business so that more employees can take advantage of the services we offer. In order to do this, we need your help. If you are saving for your kids, or for your retirement, consider the Credit Union. If you need a new boat, car, or mortgage, check our rates. If you would like to set up a line of credit, talk to our staff. And if you need some financial service that we don't currently offer, talk to the Credit Union staff or a member of the Board. We are always interested in getting input that can make the Credit Union even more responsive to the needs of it shareholders - you.

Services

Membership

Membership is open to all employees as well as contract employees and their families, of TransCanada Pipelines or any further subsidiary companies.

Your deposits are 100% guaranteed by the Credit Union Deposit Guarantee Corporations. This means both the money you put in and the interest earned is safe and secure up to any dollar amount.

Common Shares

The Credit Union's Bylaws require each member to have a minimum of 25 shares or, \$25.00 in their share account as long as the membership is open. Withdrawals are only allowed subject to Board approval.

Savings Accounts

Credit Union members may deposit to a savings account either by direct payment or payroll deduction. Interest is calculated on a minimum monthly balance and is paid quarterly starting January 31st, 2008. The Board of Directors sets the interest rate. Withdrawals may be made at any time and there is no minimum balance required.

Registered Retirement Savings Plans - RRSP's

The Credit Union offers RRSP's with variable and fixed terms at competitive rates. All deposits are 100% guaranteed. Deposits may be made by payroll deduction, direct payment, or we can transfer your RRSP from another financial institution. Withdrawals may be made at any time from variable RRSP's but are subject to withholding tax and a fee for withdrawals in excess of two per year.

Term Deposits

Term deposits are available for a minimum deposit of \$1,000 from a 30 day to 5-year fixed term. We offer competitive rates as well as bonus rates for deposits over \$50,000.

Personal Loans

Personal loans are available at competitive rates and may be granted to a maximum of \$75,000. RRSP loans are always available and we offer them at prime rate. The Credit Union guarantees confidentiality of all personal information.

Line of Credit

Lines of credit offer the flexibility of a pre-approved loan and allow immediate withdrawal of funds as required. The Credit Union offers two types of lines of credit: an unsecured line of credit, to a maximum of \$10,000 and a secured line of credit guaranteed with an Alberta property.

Mortgages

The Credit Union offers Alberta property mortgages for primary residences, townhouses, or condominiums. We offer competitive rates for open and closed term mortgages. Closed term mortgages available up to 5 years. Mortgage transfers from other financial institutions are processed at no cost to applicants.

Auto and Property Insurance

Group rates are available to members through The Personal Insurance Company of Canada, Canada BrokerLink and Bow Valley Insurance. Monthly premiums can be set up through payroll deduction.

Looking for Information?

Information on loan rates, products and services, promotions, along with forms are available on your Web site. www.transcanadacreditunion.com. In addition, the Credit Union office has a variety of brochures and videos on RRSP's and mortgages.

