

5 YEAR FINANCIAL HIGHLIGHTS

Balance Sheet, as at October 31 (\$ Thousands)					
	2001	2002	2003	2004	2005
Assets					
Cash	\$ 919	\$ 4,771	\$ 1,530	\$ 1,359	\$ 2,419
Investments + Accrued Interest	\$ 10,883	\$ 6,003	\$ 11,134	\$ 17,072	\$ 11,544
Other Assets	\$ 96	\$ 98	\$ 97	\$ 73	\$ 97
SC Financial Debentures	\$ 1,581	\$ -	\$ -	\$ -	\$ -
Loans to Members	\$ 47,366	\$ 53,611	\$ 60,590	\$ 63,550	\$ 71,849
Properties Held for Resale	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Assets	\$ 1,724	\$ 1,866	\$ 2,153	\$ 2,537	\$ 2,546
	\$ 62,569	\$ 66,349	\$ 75,504	\$ 84,591	\$ 88,455
Liabilities					
Accounts Payable + Accrued Liabilities	\$ 180	\$ 114	\$ 119	\$ 217	\$ 167
Loans Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Deposit Accounts + Accrued Interest	\$ 59,562	\$ 62,205	\$ 70,654	\$ 79,079	\$ 82,402
	\$ 59,742	\$ 62,319	\$ 70,773	\$ 79,296	\$ 82,569
Member's Equity and Surplus					
Common Shares	\$ 2,089	\$ 3,207	\$ 3,794	\$ 4,275	\$ 4,630
Stabilization Preferred Shares	\$ 1	\$ -	\$ -	\$ -	\$ -
Surplus	\$ 737	\$ 823	\$ 937	\$ 1,020	\$ 1,256
	\$ 2,827	\$ 4,030	\$ 4,731	\$ 5,295	\$ 5,886
	\$ 62,569	\$ 66,349	\$ 75,504	\$ 84,591	\$ 88,455

Statement of Income for the Years Ended October 31 (\$ Thousands)

	2001	2002	2003	2004	2005
Financial Income					
Interest on Member Loans	\$ 3,411	\$ 3,279	\$ 3,605	\$ 3,549	\$ 3,794
Interest on SC Financial Debentures	\$ 225	\$ 66	\$ -	\$ -	\$ -
Interest on Investments	\$ 372	\$ 232	\$ 290	\$ 267	\$ 311
	\$ 4,008	\$ 3,577	\$ 3,895	\$ 3,816	\$ 4,105
Financial Expenses					
Interest on Deposit Accounts	\$ 1,984	\$ 1,424	\$ 1,627	\$ 1,580	\$ 1,560
Interest on Borrowings	\$ 3	\$ 31	\$ 15	\$ 4	\$ 6
	\$ 1,987	\$ 1,455	\$ 1,642	\$ 1,584	\$ 1,566
Financial Margin	\$ 2,021	\$ 2,122	\$ 2,253	\$ 2,232	\$ 2,539
Charge (Recovery) for Loan Impairment	\$ 49	\$ 49	\$ 35	\$ 46	\$ 50
Financial Margin after Loan Impairment	\$ 1,972	\$ 2,073	\$ 2,218	\$ 2,186	\$ 2,489
Other Income	\$ 659	\$ 730	\$ 782	\$ 832	\$ 889
Gross Margin	\$ 2,631	\$ 2,803	\$ 3,000	\$ 3,018	\$ 3,378
Operating Expenses	\$ 2,330	\$ 2,472	\$ 2,703	\$ 2,761	\$ 2,932
Net Income Before Income Taxes	\$ 301	\$ 331	\$ 297	\$ 257	\$ 446
Income Taxes	\$ 10	\$ 11	\$ 26	\$ 19	\$ 38
Net Income	\$ 291	\$ 320	\$ 271	\$ 238	\$ 408

Audited Financial Statements are available from Macleod Savings & Credit Union Ltd., upon request

Dated: April 12, 2006 Original signed by Andrew Eberl
President, Board of Directors

Dated: April 12, 2006 Original signed by Nigel Teucher
General Manager

FINANCIAL POSITION (\$ THOUSANDS)

In summary, as of October 31, 2005, Macleod Savings & Credit Union Ltd. had:

Assets (including loans) of	\$ 88,455
Liabilities (including deposits) of	\$ 82,569
Members equity (deficit) of	\$ 5,886
Net Income (loss) for the fiscal year of	\$ 408
Non accrual loans of:	
consumer of	\$ 36
residential mortgage of	\$ 117
commercial loans of	\$ -
agricultural loans of	\$ 309
total non accrual loans of	\$ 462
Allowance for impaired loans of	\$ 306
Allowance for impaired loans as a % of total loans of	0.43%
Total risk weighted assets of	\$ 54,965
Total primary capital of	\$ 6,090
Total secondary capital of	\$ 221
Total capital of	\$ 6,291
Total capital as a % of total risk weighted assets of	11.45%

Dated: April 12, 2006 Original signed by Andrew Eberl
President, Board of Directors

Dated: April 12, 2006 Original signed by Nigel Teucher
General Manager

Four convenient locations for all your financial needs.

Claresholm* Box 1056, Claresholm, AB T0L 0T0 | (403) 625-4401

Fort Macleod* Box 940, Fort Macleod, AB T0L 0Z0 | (403) 553-4414

Nanton* Box 548, Nanton, AB T0L 1R0 | (403) 646-2610

Vulcan* Box 305, Vulcan, AB T0L 2B0 | (403) 485-2268

Administration Box 1659, Claresholm, Alberta T0L 0T0 | (403) 625-2179

www.macleodcu.com

*ATM locations



Macleod Savings
& Credit Union Ltd.

DISCLOSURE STATEMENT FOR COMMON SHARES

Price: \$1.00 per common share

NOTICE TO PROSPECTIVE INVESTOR IN COMMON SHARES.

COMMON SHARES ARE RISK CAPITAL. THEY ARE NOT DEPOSITS, AND THEY ARE NOT INSURED OR GUARANTEED BY ANY GOVERNMENT OR GOVERNMENT AGENCY, BY THE CANADA DEPOSIT INSURANCE CORPORATION OR BY ALBERTA'S CREDIT UNION DEPOSIT GUARANTEE CORPORATION AND NO SUCH INSTITUTION HAS CONSIDERED THE MERITS OF THE SHARES AS AN INVESTMENT. THERE IS NO ASSURANCE THAT, IN THE EVENT OF THE LIQUIDATION OR DISSOLUTION OF THE CREDIT UNION, IT WILL HAVE ENOUGH ASSETS TO RETURN YOUR INVESTMENT TO YOU.

THERE ARE RESTRICTIONS ON THE REDEMPTION OF THESE SHARES AND NO CERTAINTY OF FUTURE DIVIDENDS.

COMMON SHARES ARE AN IMPORTANT PART OF THE EQUITY OF THE CREDIT UNION.

ANY RIGHTS YOU MAY HAVE TO DIVIDENDS OR TO HAVE THE SHARES REDEEMED BY THE CREDIT UNION OR TO TRANSFER THEM TO OTHERS ARE SUBJECT TO CERTAIN PRECONDITIONS, WHICH ARE REFERRED TO IN THIS DISCLOSURE STATEMENT.

THE SHARES ARE NOT TRADEABLE ON ANY STOCK EXCHANGE OR SIMILAR MARKET. YOU MAY BE ABLE TO TRANSFER YOUR SHARES IN LIMITED CIRCUMSTANCES.

THE SECURITIES ACT DOES NOT APPLY TO SHARES ISSUED BY CREDIT UNIONS.

DISCLOSURE STATEMENT FOR COMMON SHARES



Macleod Savings
& Credit Union Ltd.

1. FINANCIAL POSITION OF THE CREDIT UNION

The Credit Union's most recent audited annual financial statements and its unaudited quarterly financial statements for the most recent quarter should be attached to this Disclosure Statement. Those financial statements provide information on the Credit Union's assets, liabilities, equity (deficit) and income (loss).

Although there will have been some changes in the ordinary course of the Credit Union's business since the dates of those annual and quarterly financial statements, to the best of the knowledge of the Board of Directors they continue to present a reasonably accurate picture of the Credit Union's financial position as of the date of this Disclosure Statement. If applicable, there are also attached statements of any material changes (as defined in investment share provisions of the Regulations) that have occurred in the last 5 years and that may still have a significant effect on the value of the common shares. Attached are financial highlights for the last 5 years.

If you have not received all of the documents, please ask the Credit Union for those you haven't received. You will also be entitled to obtain from the Credit Union copies of annual and quarterly financial statements and any material change statements issued in the future. These will be available at any branch of the Credit Union, on request, and displayed prominently at each branch.

2. BUSINESS OF THE CREDIT UNION

The Credit Union is incorporated and regulated under Alberta's Credit Union Act. It provides a full range of financial services in southwestern Alberta.

The Credit Union received its original Charter on October 2, 1941. February 1969, Claresholm Community Savings & Credit Union Ltd. amalgamated with the Credit Union. On March 1, 1973, Vulcan and District Savings & Credit Union Ltd. amalgamated with the Credit Union. The final amalgamation was with Nanton and District Savings & Credit Union Ltd. on March 1977. Today the Credit Union is Alberta's 15th largest Credit Union. It provides a full range of financial services in Claresholm, Fort Macleod, Nanton and Vulcan.

If you have any questions about the business of the Credit Union, its management, the geographic area it serves or the legal or regulatory status of Alberta Credit Unions generally, be sure you have those questions answered to your satisfaction, either by the Credit Union or by your professional advisers, before purchasing any Common Shares.

3. RISK FACTORS

In addition to general competitive and economic risks, the Credit Union is exposed to the following risk factors;

- Credit Risk
- Investment Risk
- Interest Rate Risk
- Currency Risk

4. CREDIT UNION SHARE CAPITAL

The Credit Union is permitted to issue and has issued the following kinds or "classes" of shares:

Common Shares – the rights attaching to Common Shares are set out in the Credit Union Act and the Regulations and, to some extent, in the Credit Union's by-laws. They are an important part of the equity of the Credit Union. The attached financial statements show the number and the total value of the Credit Union's Common Shares currently issued and outstanding.

This class of shares does not carry voting rights, since Credit Unions operate on the principle of one vote per member. You must, however, hold the required minimum number of Common Shares in order to be a member of a Credit Union.

5. DESCRIPTION OF COMMON SHARES

A) Voting Rights:

Common Shares carry no voting rights. Members are entitled to one vote each, at annual and special meetings.

B) Dividends:

Dividends will not be paid if the Credit Union is or would become insolvent. Dividends are not permitted if dividends on investment shares (if any) have been declared and remain unpaid. Dividends become payable only when "declared" by the Directors of the Credit Union. Directors have the discretion to pay patronage rebates ahead of Common Share dividends or to retain earnings for operational purposes. The rate of payment of dividends may be different on holdings of Common Shares above and below the minimum common shareholdings required for membership.

C) Redemptions:

Common Shares are redeemed when the Credit Union buys them back from you and you sell them back to the Credit Union.

Where a person holding Common Shares wishes to request the Credit Union redeem his shares he shall make such a request in writing to the Credit Union. Subject to Section 110 of the Credit Union Act and the Credit Union's by-laws, the Credit Union shall after deduction of all amounts due from the person to the Credit Union then remit to him the balance due in respect of the shares redeemed.

Rules regarding redemption of Common Shares are established by the Board of Director's in compliance with the Credit Union's by-laws and the Credit Union Act. The Board of Directors will consider all requests for redemption; however, redemption of Common Shares is subject to a number of pre-conditions. Common Shares cannot be redeemed if the Credit Union is insolvent or, in certain cases, if it's obligations to certain capital requirements are not met or if the redemption would cause either of those circumstances.

The Credit Union has the right to redeem Common Shares without a member's request by providing a 30-day notice to a member of such an intention. The 30-day notice period is given to enable the member to consider other investment vehicles available for the redeemed Common Shares.

D) Conversion:

Common Shares may not be converted into any other class of shares.

E) Exchange of Shares:

Common Shares may not be exchanged for investment shares.

6. APPLICATION AND PAYMENT FOR COMMON SHARES

Common Shares may be sold by the Credit Union at any time during normal business hours at any branch or the head office of the Credit Union or at any other premises where its business is transacted. If you already hold, or will, after the purchase, hold 3,000 or more Common Shares, exclusive of shares received as patronage rebates or dividends you are entitled to receive a copy of the disclosure statement and the latest audited annual financial statements, quarterly financial statements and material change statements (if any). Shares will not be issued unless fully paid for.

7. TRANSFER OF COMMON SHARES

Common Shares issued by Credit Unions are not tradeable on any stock exchange or similar market. Under the Credit Union Act Common Shares may not be transferred unless the transfer is between members of the Credit Union in the same family or results only from the death of the holder or certain other limited circumstances. The by-laws may contain further restrictions.

8. LIQUIDATION OR DISSOLUTION OF THE CREDIT UNION

If at some time in the future the Credit Union ceases to carry on business, the Credit Union may be dissolved and its assets sold to pay off its liabilities, including deposits. The proceeds received from the sale of assets will be used to repay deposits in the Credit Union, return of capital (repayment of initial investment) and unpaid dividends on investment shares and return of capital on Stabilization Preferred Shares before payment is made on Common Shares. If, after those liabilities are paid, there are sufficient remaining proceeds from the sale, the holders of Common Shares will receive the return of their capital investment and unpaid dividends. If there are not sufficient remaining proceeds from the sale to pay out all the capital unpaid dividends of common shareholders fully, common shareholders will share rateably (your common shareholdings in proportion to all Common Shares) in the remaining proceeds.

There may also be no remaining proceeds from the sale once all liabilities, including prior claims of depositors, investment shareholders and stabilization preferred shareholders, are paid, in which case there will be no money available to pay common

shareholders their capital and unpaid dividends. In this event you will lose the entire value of your investment and unpaid dividends.

NO LOSS FROM A HOLDING OF COMMON SHARES IS INSURED OR GUARANTEED, PLEASE SEE THE NOTICE TO PROSPECTIVE INVESTOR IN COMMON SHARES ON PAGE 1 OF THIS DISCLOSURE STATEMENT. Since a loss of your investment is possible, a decision to purchase Common Shares should reflect your judgement that the Credit Union is and will remain financially sound.

9. TAX CONSEQUENCES

This summary is of a general nature only and is not intended to be, nor should it be understood as, legal or tax advice to any particular person. Therefore, prospective investors should inform themselves of, and if appropriate consult their own tax or other professional advisers on, the possible tax consequences of any share transaction they might enter into, based on their own particular circumstances.

Dividends on Common Shares are treated as interest by Revenue Canada and a T5 will be issued unless the share has been made RRSP eligible.

10. FOR FURTHER INFORMATION

This Disclosure Statement is only a summary. If you or your professional advisers are interested in further details, you should obtain a copy of the Credit Union Act and the regulations under it.

THIS DISCLOSURE STATEMENT APPLIES ONLY TO THE CREDIT UNION'S COMMON SHARES.

The form of this Disclosure Statement is prescribed by the Regulations. THE INFORMATION INCLUDED IN IT IS CERTIFIED TO BE COMPLETE AND ACCURATE BY THE BOARD OF DIRECTORS AND THE GENERAL MANAGER OF THE CREDIT UNION BASED ON DUE DILIGENCE AND REASONABLE INQUIRY.

BOARD OF DIRECTORS OF MACLEOD SAVINGS & CREDIT UNION LTD.

Date: April 12, 2006

*Original signed by Andrew Eberl
President, Board of Directors*

Date: April 12, 2006

*Original signed by Bob Christie
First Vice President, Board of Directors*

Date: April 12, 2006

*Original signed by Nigel Teucher
General Manager*