

UKRAINIAN-CANADIAN CREDIT UNIONS

2013 FINANCIAL RESULTS



By Bohdan Leshchyshen, MBA, CFA

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Five Year Results of Ukrainian-Canadian Credit Unions in Canada

The financial results of Ukrainian-Canadian Credit Unions over the last five years have been mixed: asset quality as measured by allowance as a % of loans and loan loss provision has improved primarily due to a continued lower interest rate environment. Ukrainian-Canadian credit unions have endeavoured to provide loans using a lower loan to value ratio than the maximum of 80% which has helped reduce the loan loss ratio. Capital to assets ratio in 2013 has declined to 7.30% compared to the record level of 7.40% in the previous year. The return on assets and the return of equity declined in 2013 compared to 2012. The membership has decreased in 2013, primarily due to the elimination of inactive and dormant accounts at Carpathia CU. The membership totalled 64,540 and is far from the record level of 72,280, which was achieved in 2007. The members of the Ukrainian-Canadian credit unions have continued to financially benefit by receiving significant dividends and patronage payments, which totalled 1.959 million in 2013.

Performance. Return on equity was 7.8% compared to 8.1% in 2012. Ukrainian-Canadian credit unions assets grew by 6.6% in 2013 compare to record growth of 10.5% in 2012. In 2013, the largest credit unions in Canada saw their assets grow by 6.2% compared to 8.1% in 2012. Ukrainian-Canadian Credit Union's total deposits grew by 7.0% compared to a growth of 12.7% in the previous year. Even in a low interest rate environment, demand deposits grew by only 4.9% while Registered Plans (RRSP and RRIF deposits) increased by 12.9% and term deposits grew by 6.1%.

The Ukrainian-Canadian Credit Union's net income before dividend and patronage payments increased by 2.4% to \$11.1 million from \$10.9 million, primarily due to an increase in the net interest margin. The operating expense ratio increased to 1.92% compared to 1.84% in the previous year. Ukrainian-Canadian Credit Union's operating ratio is much lower than the operating expense ratio of the largest credit unions in Canada, which had a ratio of 2.27%. This means that the Ukrainian-Canadian Credit Unions are low cost providers of financial services. The Ukrainian-Canadian Credit Unions paid 17.6% of their net income to their members by way of a dividend or a patronage refund totalling \$1.959 million compared to \$2.035 million in the previous year. These patronage dividends helped increase the capital of the credit unions by 5.1% to \$144.0 million representing 7.30% of the assets. The ratio of capital to assets has decreased compared to the previous year.

The return on assets (ROA) increased slightly to 0.63% compared to 0.62% in 2012, which was line with the largest credit unions in Canada, which had an average ROA of 0.64%.

Ukrainian-Canadian Credit Unions continue to largely rely on the traditional intermediary function or the net interest margin for their revenue source. Expansion into other sources of income is slowly progressing and represented 13.6% of total net operating revenue compared to 13.1% in the previous year. Other income represented 25.5% of the total revenue for the largest Canadian credit unions. The higher ratio of other income total revenue experienced by largest credit unions in Canada was due to

the significant fee income generated from their lending activities, mutual funds and investment management activities.

Asset Quality. Overall the asset quality is still quite strong. The loan loss provision as a % of average assets was stable at 0.02% compared to 0.02% in 2012, which compares very favourably to the large Canadian credit unions, which had a loan loss provision of 0.07%.

The allowance for loan losses decreased to 0.12% of total loans from 0.16% in 2012, which again compares very favourably [*less than half*] to the largest Canadian credit unions, which had an allowance for loan losses of 0.31%.

Loan portfolio. The Ukrainian-Canadian Credit Unions have a larger concentration in lower risk residential mortgage lending which represents 63% of the loan portfolio. The residential loan portfolio grew by 4.1% in 2013 compared to 11.5% in the previous year.

However, commercial mortgage loans represented 31% of the total loan portfolio. The commercial mortgage loans grew by 11.9% compared to 10.3% growth in the previous year. Providing secured commercial mortgage loans to small businesses and self-employed individuals will ensure the future of Ukrainian-Canadian credit unions, because these two groups of members have generally been ignored by and not well serviced by the chartered bank system in Canada.

Consumer loans only represent 5% of the total loan portfolio and have grown less than 4% in each of the last three years.

Only two Winnipeg based credit unions have business loan portfolios, Carpathia Credit Union and North Winnipeg Credit Union.

CP Ukrainienne de Montreal experienced the largest total loan growth of 11.2%, while Carpathia saw their total loan portfolio increase by 10.0%.

Growth of membership. Membership has decreased by 5.6% to 64,540. The main reason for the significant decline in membership was Carpathia CU review and elimination of inactive and dormant membership accounts. Only Buduchnist CU and North Winnipeg CU saw their membership numbers increase.

Reasons for membership declines. Usually after a merger, it takes a few years for the credit union to identify and consolidate the dual membership of its members. Ukrainian-Canadian CU and United Hamilton merged in 2012 and their combined membership in 2011 was 25,988 and Ukrainian-Canadian CU members in 2012 was 25,764 a decrease of 224 members. The other contributor to memberships decline is that the aging membership, the larger credit unions have between 80 to 100 deceased members per year.

Asset Growth. Ukrainian-Canadian credit unions assets grew by 6.6% in 2013 compared to 10.5% growth in 2012. The largest credit unions in Canada grew by 6.2% in 2013 compared to 8.1% in

previous year.

Ukrainian-Canadian CU had the largest asset growth of 7.5%, followed by Carpathia CU with growth of 17.3%.

Deposit growth. CU members have been seeking higher interest rates outside of their credit union and using excess funds on deposit to reduce their outstanding debts. This has resulted in a very difficult and competitive deposit taking environment. Deposits increased by 7.0% in 2013 compared to growth of 12.7% in previous year. The largest credit unions in Canada grew by 7.1% in 2013 compared to 9.1% in previous year.

Buduchnist CU had the largest deposit growth of 8.1%, followed by Carpathia CU with a growth rate of 7.5%.

Net Interest Margin - Net interest margin increased to 2.21% compared to 2.18% in the previous year. CP Ukrainienne de Montreal had the highest net interest margin 2.52%, followed by Ukrainian-Canadian CU with 2.43% and then North Winnipeg CU with 2.15%.

The largest credit unions in Canada had a net interest margin of 2.28% in 2013 compared to 2.35% in the previous year.

Operating Costs – Ukrainian-Canadian Credit Unions have an operating cost structure that is quite competitive. The operating expense ratio increased to 1.92% in 2013 compared to 1.84% in the previous year. *[Still quite favourable compared to the largest credit unions in Canada].*

The largest credit unions in Canada decreased their operating expense ratio to 2.27% from 2.36% in the previous year.

The operating expense to revenue (productivity ratio) increased to 74.9% in 2013 from 73.4% in the previous year. For the first time, the productivity ratio of the Ukrainian-Canadian Credit Unions has exceeded the largest Canadian credit unions ratio, which had a productivity ratio of 74.1% in 2013.

Capitalization – The average capital ratio [not including comprehensive income adjustment] decreased to 7.30% from 7.40% in the previous year. This compares very favourably to the largest credit unions in Canada which had a capital ratio of 6.91% in 2013 compared to 6.67% in the previous year.

The best capitalized credit union was CP Ukrainienne de Montreal with a capital ratio of 12.23%, the next best capitalized credit union was Buduchnist CU with a capital ratio 8.21% followed by New Community CU with 6.67% and Ukrainian-Canadian CU with 6.67% capital ratio.

Canadian credit unions have had to comply with the Risk Adjusted Capital rules (Basel accord) over the last few years, which the chartered banks have been using for many years. The average Ukrainian-Canadian Credit Union's Total risk adjusted capital ratio was 13.27% compared to 15.10% in the

previous year. Again, the Ukrainian-Canadian credit union's risk adjusted capital ratio compares very favourably to the largest credit unions in Canada's ratio of 12.59%.

Ukrainian Credit Unions in Canada						5 yr Avg.
	2009	2010	2011	2012	2013	
Number of Credit Unions	8	7	7	6	6	
Members	68,653	70,035	68,390	68,367	64,540	
Growth rate %	-3.8%	2.0%	-2.3%	0.0%	-5.6%	-1.9%
Assets (\$Mils)	\$1,490	\$1,633	\$1,675	\$1,851	\$1,973	
Growth rate %	4.4%	9.6%	2.6%	10.5%	6.6%	6.7%
Assets per member	\$21,703	\$23,317	\$24,490	\$27,080	\$30,570	
Growth rate %	8.5%	7.4%	5.0%	10.6%	12.9%	8.9%
Total Loans (\$Mils)	\$1,240	\$1,356	\$1,420	\$1,585	\$1,685	
Growth rate %	5.4%	9.4%	4.8%	11.6%	6.4%	7.5%
Allowance % loans	0.27%	0.21%	0.15%	0.16%	0.12%	0.18%
Residential mortgages (\$mils)	\$798	\$867	\$910	\$1,014	\$1,056	
Growth rate %	3.7%	8.6%	5.0%	11.5%	4.2%	6.6%
Commercial mortgages (\$mils)	328	365	420	464	519	
Growth rate %	10.9%	11.2%	15.2%	10.3%	11.9%	11.9%
Consumer Loans (\$mils)	75	80	83	86	86	
Growth rate %	0.2%	6.5%	3.6%	3.2%	0.0%	2.7%
Total Deposits (\$mils)	\$1,352	\$1,472	\$1,455	\$1,640	\$1,755	
Growth rate %	3.7%	8.9%	-1.2%	12.7%	7.0%	6.2%
Demand deposits (\$mils)	474	460	430	524	550	
Growth rate %	17.1%	-2.8%	-6.6%	21.9%	4.9%	6.9%
Term deposits (\$mils)	674	785	780	819	869	
Growth rate %	1.2%	16.4%	-0.7%	5.1%	6.1%	5.6%
Registered deposits (\$mils)	204	227	245	297	335	
Growth rate %	12.3%	11.2%	8.2%	21.0%	12.9%	11.9%

Ukrainian Credit Unions in Canada						5 yr Avg.
	2009	2010	2011	2012	2013	
Equity and Shares (\$mils)	\$107.7	\$121.0	\$124.8	\$137.0	\$144.0	
Growth %	8.6%	12.4%	3.1%	9.8%	5.1%	
Capital % assets	7.23%	7.41%	7.45%	7.40%	7.30%	7.36%
Promotions, Donations & Advertising (\$Mils)	\$1,923	\$2,646	\$2,149	\$2,520	\$2,527	
Growth rate %	23.6%	37.7%	-18.8%	17.3%	0.3%	
As a % total operating expenses	6.81%	8.78%	6.36%	7.76%	7.48%	7.44%
Net Income (\$Mils)	\$8.2	\$9.5	\$10.6	\$10.9	\$11.1	
Growth rate %	12.5%	16.0%	11.7%	2.5%	2.4%	9.0%
Return on assets	0.56%	0.62%	0.63%	0.62%	0.63%	0.61%
Return on Equity	8.0%	8.5%	8.5%	8.1%	7.8%	8.2%
Net interest margin	2.27%	2.31%	2.25%	2.18%	2.21%	2.24%
Other Income	0.42%	0.42%	0.40%	0.33%	0.35%	0.38%
Gross Income	2.68%	2.73%	2.66%	2.51%	2.56%	2.63%
Operating expense ratio	1.95%	1.98%	1.90%	1.84%	1.92%	1.92%
Loan loss ratio	0.04%	0.02%	0.00%	0.02%	0.02%	0.02%
Other income % total income	15.7%	15.4%	15.2%	13.1%	13.6%	14.6%
Number of employees	261	266	273	280	283	
Salary expenses (\$mils)	14.1	15.0	16.5	16.8	17.6	
Average salary per employee	\$53,908	\$56,283	\$60,546	\$59,958	\$62,131	
Productivity ratio	72.7%	72.5%	71.7%	73.4%	74.9%	73.0%
Dividends/Patronage paid (\$Mils)	\$1.953	\$1.866	\$1.714	\$2.035	\$1.959	
% return to members	23.9%	19.7%	16.2%	18.7%	17.6%	19.2%

**Schedule 1
Asset Growth**
**UKRAINIAN CREDIT UNIONS IN CANADA
as at December 31, 2013**

Name of credit union	Members	Assets (\$Mils)	Growth %	Net Income * (\$'000's)	Return on Assets %	Return on Equity %
1 Buduchnist	21,705	\$660	6.2%	\$3,823	0.65%	7.2%
2 Ukrainian	25,205	\$627	7.5%	\$3,067	0.56%	7.3%
3 Carpathia	8,737	\$384	7.3%	\$1,861	0.55%	8.9%
4 CP Ukrainienne de Montreal	3,370	\$136	4.8%	\$1,640	1.27%	10.0%
5 North Winnipeg	3,389	\$91	4.5%	\$391	0.46%	7.6%
6 New Community	2,134	\$75	5.0%	\$339	0.48%	6.9%
	64,540	\$1,973	6.6%	\$11,121	0.63%	7.8%
Total 2012	68,367	\$1,851	8.0%	10,857	0.62%	8.1%
Total 2011	68,390	\$1,715	5.0%	10,593	0.63%	8.5%
Total 2010	70,035	\$1,633	9.6%	9,481	0.62%	8.5%
Total 2009	68,653	\$1,490	4.4%	8,172	0.56%	8.0%
Total 2008	71,338	\$1,427	7.9%	7,266	0.53%	7.4%
Total 2007	72,280	\$1,322	6.2%	7,656	0.60%	8.1%
Total 2006	69,984	\$1,245	5.6%	8,169	0.68%	9.2%
Total 2005	71,516	\$1,179	5.6%	7,841	0.68%	9.8%
Total 2004	71,392	\$1,117	7.5%	5,072	0.47%	6.4%
Average Growth (10 years)			6.6%			

* Net income is defined as net income before extraordinary gains/(losses), dividends and patronage payments.

Schedule 2 Capitalization		UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2013			
Name of credit union	Capital (\$'000's)	% Assets	Growth in Capital %	Dividends & Patronage (\$'000's)	Return to Members %
1 Buduchnist	\$54,195	8.21%	6.7%	\$613	17.7%
2 Ukrainian	\$41,364	6.59%	4.4%	\$333	18.1%
3 Carpathia	\$21,674	5.64%	6.8%	\$296	15.9%
4 CP Ukrainienne de Montreal	\$16,577	12.23%	6.7%	\$696	46.6%
5 North Winnipeg	\$5,240	5.79%	5.4%	\$21	5.0%
6 New Community	\$4,991	6.67%	2.3%	\$0	0.0%
Total	\$144,041	7.30%	5.8%	\$1,959	20.8%
Total 2012	\$138,655	7.40%	8.1%	\$2,035	20.3%
Total 2011	\$130,252	7.34%	7.6%	\$1,674	15.8%
Total 2010	\$121,030	7.41%	12.4%	\$2,083	22.0%
Total 2009	\$107,707	7.23%	8.6%	\$2,153	26.4%
Total 2008	\$99,189	6.95%	2.2%	\$1,280	16.1%
Total 2007	\$97,086	7.35%	5.6%	\$2,559	21.9%
Total 2006	\$91,895	7.38%	6.0%	\$2,620	23.7%
Total 2005	\$86,659	7.42%	6.7%	\$2,603	28.4%
Total 2004	\$81,202	7.27%	6.3%	\$1,981	n/a
Average Growth (10 years)		7.31%	6.9%		21.7%

Schedule 2a Risk Adjusted Capitalization (Basel)		UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2013					
		Tier I Risk Adjusted Capital (\$000's)	Tier II Risk Adjusted Capital (\$000's)	Total Risk Adjusted Capital (\$000's)	Risk adjusted Ratios		
2013				Tier I	Tier II	Total	
Name of credit union				Ratio	Ratio	Ratio	
1	Buduchnist	\$51,226	\$3,695	\$54,921	13.99%	1.01%	15.00%
2	Ukrainian	\$40,949	\$2,299	\$43,248	12.97%	0.73%	13.70%
3	Carpathia	\$21,704	\$0	\$21,704	10.56%	0.00%	10.56%
4	CP Ukrainienne de Montreal	\$10,193	\$2,434	\$12,627	9.55%	2.28%	11.83%
5	North Winnipeg	\$5,257	\$0	\$5,257	11.56%	0.00%	11.56%
6	New Community	\$4,746	\$28	\$4,774	13.74%	0.08%	13.82%
Total		\$134,075	\$8,456	\$142,531	12.48%	0.79%	13.27%
Growth rate %		5.1%	-3.5%	4.5%			
2012							
	Buduchnist	\$48,336	\$3,215	\$51,550	14.16%	0.94%	15.10%
	Ukrainian	\$39,478	\$1,912	\$41,390	13.73%	0.67%	14.40%
	Carpathia	\$20,294	\$61	\$20,355	10.56%	0.03%	10.60%
	CP Ukrainienne de Montreal	\$9,675	\$2,446	\$12,121	9.95%	2.52%	12.46%
	North Winnipeg	\$4,965	\$1,125	\$6,091	13.48%	2.81%	15.18%
	New Community	\$4,880	\$0	\$4,880	13.48%	0.00%	13.48%
Total		\$127,628	\$8,758	\$136,386	12.83%	0.88%	13.71%

Schedule 3						
UKRAINIAN CREDIT UNIONS IN CANADA						
Loan Portfolio						
as at December 31, 2013						
Name of CU	Residential	Commercial	Consumer	Business	Total	Allowance/
	Mortgage	Mortgage				
	Loans	Loans	Loans	Loans	Loans	%
	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	
1 Buduchnist	\$380,960	\$184,216	\$10,540	\$0	\$575,716	0.13%
2 Ukrainian	\$362,419	\$150,627	\$15,758	\$0	\$528,804	0.13%
3 Carpathia	\$163,703	\$119,304	\$25,365	\$25,042	\$333,414	0.09%
4 CP Ukrainienne de Montreal	\$42,526	\$50,888	\$16,923	\$0	\$110,337	0.08%
5 North Winnipeg	\$58,701	\$11,831	\$7,561	\$1,689	\$79,783	0.22%
6 New Community	\$48,091	\$1,931	\$9,402	\$0	\$59,425	0.00%
Total	\$1,056,400	\$518,798	\$85,549	\$26,731	\$1,687,478	0.16%
Growth % Year over Year	4.2%	11.9%	0.0%	10.9%	6.3%	
<i>Mix of loans %</i>	63%	31%	5%	2%	100%	
Total 2012	\$1,013,901	\$463,588	\$85,574	\$24,110	\$1,587,172	0.16%
Total 2011	\$909,577	\$420,282	\$82,899	\$15,447	\$1,428,205	0.15%
Total 2010	\$866,555	\$364,909	\$80,030	\$44,073	\$1,355,567	0.21%
Total 2009	\$798,205	\$328,223	\$75,118	\$37,982	\$1,239,528	0.27%
Total 2008	\$769,625	\$295,952	\$74,986	\$35,710	\$1,176,273	0.00%
Total 2007	\$717,447	\$285,915	\$62,877	\$23,348	\$1,089,587	0.23%
Total 2006	\$621,296	\$240,122	\$77,632	\$20,234	\$1,027,250	0.25%
Total 2005	\$562,436	\$216,954	\$78,235	\$22,948	\$939,731	0.28%
Total 2004	\$523,595	\$203,269	\$73,728	\$19,069	\$866,607	0.30%
Total 2003	\$473,311	\$199,521	\$70,982	n/a	\$785,808	0.37%
Growth rates %						
Total 2013	4.2%	11.9%	0.0%	10.9%	6.3%	
Total 2012	11.5%	10.3%	3.2%	56.1%	11.1%	
Total 2011	5.0%	15.2%	3.6%	-65.0%	5.4%	
Total 2010	8.6%	11.2%	6.5%	16.0%	9.4%	
Total 2009	3.7%	10.9%	0.2%	6.4%	5.4%	
Total 2008	7.3%	3.5%	19.3%	52.9%	8.0%	
Total 2007	15.5%	19.1%	-19.0%	15.4%	6.1%	
Total 2006	10.5%	10.7%	-0.8%	-11.8%	9.3%	
Total 2005	7.4%	6.7%	6.1%	20.3%	8.4%	
Total 2004	10.6%	1.9%	3.9%	0.0%	10.3%	
Average Growth (10 yrs)	8.4%	9.1%	2.3%	14.2%	8.1%	

Comparison of 2013 and 2012 Loan Portfolios			
Gross Loans	2013	2012	Growth %
Buduchnist	575,716	546,770	5.3%
Ukrainian	528,804	505,756	4.6%
Carpathia	333,414	303,028	10.0%
CP Ukrainienne de Montreal	110,337	99,235	11.2%
North Winnipeg	79,783	75,777	5.3%
New Community	59,425	56,606	5.0%
	<u>1,687,478</u>	<u>1,587,172</u>	6.3%
Residential Mortgages	2013	2012	Growth %
Buduchnist	380,960	373,093	2.1%
Ukrainian	362,419	358,382	1.1%
Carpathia	163,703	143,367	14.2%
CP Ukrainienne de Montreal	42,526	43,441	-2.1%
North Winnipeg	58,701	53,517	9.7%
New Community	48,091	42,101	14.2%
	<u>1,056,400</u>	<u>1,013,901</u>	4.2%
Commercial Mortgages	2013	2012	Growth %
Buduchnist	184,216	159,917	15.2%
Ukrainian	150,627	132,388	13.8%
Carpathia	119,304	115,209	3.6%
CP Ukrainienne de Montreal	50,888	39,265	29.6%
North Winnipeg	11,831	11,683	1.3%
New Community	1,931	5,125	-62.3%
	<u>518,798</u>	<u>463,588</u>	11.9%
Consumer Loans	2013	2012	Growth %
Buduchnist	10,540	10,630	-0.9%
Ukrainian	15,758	14,986	5.2%
Carpathia	25,365	25,145	0.9%
CP Ukrainienne de Montreal	16,923	16,529	2.4%
North Winnipeg	7,561	8,903	-15.1%
New Community	9,402	9,380	0.2%
	<u>85,549</u>	<u>85,574</u>	0.0%
Business Loans	2013	2012	Growth %
Buduchnist	0	3,130	n/a
Carpathia	25,042	19,306	29.7%
North Winnipeg	1,689	1,673	1.0%
	<u>26,731</u>	<u>24,110</u>	10.9%

Schedule 4		UKRAINIAN CREDIT UNIONS IN CANADA			
Deposit Portfolio		as at December 31, 2012			
Name of credit union	Borrowings (\$'000's)	Demand Deposits (\$'000's)	Term Deposits (\$'000's)	Registered Savings (\$'000's)	Total Deposits (\$'000's)
1 Buduchnist	\$15,204	\$167,202	\$309,693	\$70,822	\$547,718
2 Ukrainian	\$20,820	\$176,015	\$232,630	\$97,142	\$505,787
3 Carpathia	\$0	\$109,288	\$140,487	\$84,025	\$333,800
4 CP Ukrainienne de Montreal	\$3,415	\$27,856	\$63,396	\$15,970	\$107,222
5 North Winnipeg	\$0	\$19,981	\$38,852	\$21,362	\$80,195
6 New Community	\$0	\$23,980	\$34,120	\$7,507	\$65,607
Total	\$39,439	\$524,322	\$819,178	\$296,829	\$1,640,329
Growth % Year over Year	140%	0.7%	7.1%	13.3%	6.0%
<i>Mix of deposits</i>		32.0%	49.9%	18.1%	100.0%
Total 2011	\$16,461	\$520,507	\$764,892	\$261,943	\$1,547,341
Growth % Year over Year	-16%	13.1%	-2.6%	15.6%	5.1%
<i>Mix of deposits</i>		35.5%	52.1%	17.9%	100.0%
Total 2010	\$19,592	\$460,399	\$784,970	\$226,675	\$1,472,044
Growth % Year over Year	69%	-2.8%	16.4%	11.2%	8.9%
<i>Mix of deposits</i>		31.3%	53.3%	15.4%	100.0%
Total 2009	\$11,593	\$473,883	\$674,382	\$203,757	\$1,352,022
Growth % Year over Year	444%	17.1%	1.2%	12.3%	3.7%
<i>Mix of deposits</i>		35.0%	49.9%	15.1%	100.0%
Total 2008	\$2,132	\$404,852	\$666,631	\$181,453	\$1,303,818
Growth % Year over Year	-71%	16.4%	-1.5%	6.7%	9.1%
<i>Mix of deposits</i>		32.3%	53.2%	14.5%	100.0%
Total 2007	\$7,378	\$347,911	\$677,100	\$170,059	\$1,195,070
Growth % Year over Year	-78%	3.8%	13.2%	5.4%	9.2%
<i>Mix of deposits</i>		29.1%	56.7%	14.2%	100.0%
Total 2006	\$33,341	\$335,091	\$598,223	\$161,374	\$1,094,688
Growth % Year over Year	66.2%	-2.9%	8.2%	2.7%	3.8%
<i>Mix of deposits</i>		30.6%	54.6%	14.7%	100.0%
Total 2005	\$20,056	\$345,077	\$552,724	\$157,101	\$1,054,902
Growth % Year over Year	70.9%	3.6%	5.8%	3.4%	4.7%
<i>Mix of deposits</i>		32.7%	52.4%	14.9%	100.0%
Total 2004	\$11,738	\$333,147	\$522,445	\$151,888	\$1,007,480
Growth % Year over Year	114.6%	15.5%	2.1%	7.2%	7.0%
<i>Mix of deposits</i>		33.1%	51.9%	15.1%	100.0%

Comparison of 2013 and 2012 Deposit Balances

Total Deposits	2013	2012	Growth %
Buduchnist	592,079	547,718	8.1%
Ukrainian	540,681	505,787	6.9%
Carpathia	358,693	333,800	7.5%
CP Ukrainienne de Montreal	110,938	107,222	3.5%
North Winnipeg	83,646	80,195	4.3%
New Community	68,679	65,607	4.7%
	1,754,716	1,640,329	7.0%
Demand Deposits	2013	2012	Growth %
Buduchnist	175,310	167,202	4.8%
Ukrainian	188,529	176,015	7.1%
Carpathia	112,409	109,288	2.9%
CP Ukrainienne de Montreal	29,393	27,856	5.5%
North Winnipeg	20,560	19,981	2.9%
New Community	23,906	23,980	-0.3%
	550,107	524,322	4.9%
Term Deposits	2013	2012	Growth %
Buduchnist	332,009	309,693	7.2%
Ukrainian	248,253	232,630	6.7%
Carpathia	149,549	140,487	6.5%
CP Ukrainienne de Montreal	63,341	63,396	-0.1%
North Winnipeg	38,867	38,852	0.0%
New Community	37,449	34,120	9.8%
	869,468	819,178	6.1%
Registered Plans	2013	2012	Growth %
Buduchnist	84,761	70,822	19.7%
Ukrainian	103,899	97,142	7.0%
Carpathia	96,735	84,025	15.1%
CP Ukrainienne de Montreal	18,204	15,970	14.0%
North Winnipeg	24,218	21,362	13.4%
New Community	7,324	7,507	-2.4%
	335,141	296,829	12.9%

Schedule 5
Operating results

UKRAINIAN CREDIT UNIONS IN CANADA
as at December 31, 2013
As a % of Average Assets

Name of credit union	Net Interest Margin	Other Income	Operating Income	Operating Expenses
1 Buduchnist	2.07%	0.26%	2.33%	1.61%
2 Ukrainian	2.43%	0.28%	2.71%	2.31%
3 Carpathia	2.04%	0.44%	2.48%	1.80%
4 CP Ukrainienne de Montreal	2.52%	0.51%	3.02%	1.69%
5 North Winnipeg	2.15%	0.51%	2.66%	2.09%
6 New Community	2.00%	0.69%	2.68%	2.13%
Total	2.21%	0.35%	2.56%	1.92%
Total 2012	2.18%	0.33%	2.51%	1.84%
Total 2011	2.25%	0.40%	2.66%	1.90%
Total 2010	2.31%	0.42%	2.73%	1.98%
Total 2009	2.27%	0.42%	2.68%	1.95%
Total 2008	2.28%	0.44%	2.73%	2.03%
Total 2007	2.47%	0.41%	2.88%	2.12%
Total 2006	2.61%	0.44%	3.04%	2.14%
Total 2005	2.62%	0.41%	3.03%	2.20%
Total 2004	2.56%	0.40%	2.96%	2.39%
Average (10 yrs)	2.38%	0.40%	2.78%	2.05%

Schedule 5a Operating results		UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2013			
Name of credit union	Net Interest Margin (\$000s)	Other Income (\$000s)	Operating Income (\$000s)	Operating Expenses (\$000s)	
1 Buduchnist	\$12,249	\$1,564	\$13,813	\$9,565	
2 Ukrainian	\$13,318	\$1,531	\$14,849	\$12,654	
3 Carpathia	\$6,916	\$1,481	\$8,397	\$6,104	
4 CP Ukrainienne de Montreal	\$3,247	\$654	\$3,901	\$2,174	
5 North Winnipeg	\$1,841	\$433	\$2,273	\$1,792	
6 New Community	\$1,403	\$481	\$1,884	\$1,494	
Total	\$38,974	\$6,144	\$45,118	\$33,783	
Growth % Year over Year	1.3%	6.2%	2.0%	4.1%	
Total 2012	\$38,456	\$5,787	\$44,243	\$32,463	
Growth % Year over Year	2.0%	-14.3%	-0.5%	1.9%	
Total 2011	\$37,710	\$6,751	\$44,461	\$31,862	
Growth % Year over Year	7.2%	5.7%	7.0%	5.7%	
Total 2010	\$35,180	\$6,386	\$41,566	\$30,136	
Growth % Year over Year	7.3%	6.3%	7.3%	6.8%	
Total 2009	\$32,781	\$6,006	\$38,737	\$28,213	
Growth % Year over Year	4.9%	-1.3%	3.8%	1.5%	
Total 2008	\$31,245	\$6,087	\$37,331	\$27,793	

Schedule 6 Operating results		UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2013 As a % of Average Assets			
Name of credit union	Net Income Before loan losses	Provision for Loan Losses	Income Taxes	Net Income*	
1 Buduchnist	0.72%	0.01%	0.12%	0.65%	
2 Ukrainian	0.40%	0.00%	0.07%	0.56%	
3 Carpathia	0.68%	0.08%	0.04%	0.55%	
4 CP Ukrainienne de Montreal	1.34%	0.01%	0.17%	1.27%	
5 North Winnipeg	0.56%	0.02%	0.05%	0.46%	
6 New Community	0.56%	0.00%	0.07%	0.48%	
Total	0.64%	0.02%	0.09%	0.63%	
Total 2012	0.67%	0.02%	0.08%	0.62%	
Total 2011	0.75%	0.00%	0.12%	0.63%	
Total 2010	0.75%	0.02%	0.11%	0.62%	
Total 2009	0.73%	0.04%	0.12%	0.56%	
Total 2008	0.70%	0.07%	0.10%	0.53%	
Total 2007	0.77%	0.02%	0.15%	0.60%	
Total 2006	0.89%	0.04%	0.18%	0.68%	
Total 2005	0.83%	0.03%	0.12%	0.68%	
Total 2004	0.54%	0.02%	0.07%	0.47%	
Average (10 yrs)	0.73%	0.03%	0.11%	0.60%	

Schedule 6a Operating results		UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2013			
Name of credit union	Net Income Before loan losses (\$000s)	Provision for Loan Losses (\$000s)	Income Taxes (\$000s)	Net income* (\$000s)	
1 Buduchnist	4,248	\$76	706	3,823	
2 Ukrainian	2,195	(\$7)	362	3,067	
3 Carpathia	2,294	\$285	148	1,861	
4 CP Ukrainienne de Montreal	1,727	\$15	219	1,640	
5 North Winnipeg	481	\$18	47	391	
6 New Community	390	\$0	51	339	
Total	\$11,335	\$387	\$1,532	\$11,121	
Growth % Year over Year	-1.1%	19.9%	7.6%	2.4%	
Total 2012	\$11,458	\$322	\$1,425	\$10,857	
Growth % Year over Year	-9.1%	-	-29.8%	2.5%	
Total 2011	\$12,599	(\$23)	\$2,029	\$10,593	
Growth % Year over Year	10.2%	-108.0%	21.9%	11.7%	
Total 2010	\$11,430	\$285	\$1,664	\$9,481	
Growth % Year over Year	8.1%	-55.9%	-5.3%	16.0%	
Total 2009	\$10,574	\$646	\$1,757	\$8,172	
Growth % Year over Year	10.9%	-32.7%	33.8%	12.5%	
Total 2008	\$9,539	\$960	\$1,313	\$7,266	

* comprehensive income

Schedule 7
Operating results
UKRAINIAN CREDIT UNIONS IN CANADA
as at December 31, 2013
As a % of Average Assets

Name of credit union	Net		
	Income*	Dividends & Patronage	Income
1 Buduchnist	0.65%	0.10%	0.54%
2 Ukrainian	0.56%	0.06%	0.50%
3 Carpathia	0.55%	0.08%	0.47%
4 CP Ukrainienne de Montreal	1.27%	0.40%	0.87%
5 North Winnipeg	0.46%	0.02%	0.43%
6 New Community	0.48%	0.00%	0.48%
Total	0.63%	0.10%	0.53%
Total 2012	0.62%	0.10%	0.51%
Total 2011	0.63%	0.10%	0.54%
Total 2010	0.62%	0.14%	0.54%
Total 2009	0.56%	0.15%	0.45%

Name of credit union	Net		
	Income* (\$000s)	Dividends & Patronage (\$000s)	Income (\$000s)
1 Buduchnist	3,823	613	3,210
2 Ukrainian	3,067	333	2,734
3 Carpathia	1,861	296	1,564
4 CP Ukrainienne de Montreal	1,640	696	944
5 North Winnipeg	391	21	371
6 New Community	339	0	339
Total	\$11,121	\$1,959	\$9,162
Growth % Year over Year	2.4%	-3.7%	3.9%
Total 2012	\$10,857	\$2,035	\$8,822
Growth % Year over Year	2.5%	18.7%	-2.9%
Total 2011	\$10,593	\$1,714	\$9,082
Growth % Year over Year	11.7%	-8.2%	10.2%
Total 2010	\$9,481	\$1,866	\$8,240
Growth % Year over Year	16.0%	-4.5%	26.1%
Total 2009	\$8,172	\$1,953	\$6,534

* comprehensive net income before distributions to members

**Schedule 8
Expense Analysis**
**UKRAINIAN CREDIT UNIONS IN CANADA
as at December 31, 2013**
As a % of Average Assets

Name of credit union	As a % of Average Assets			Total Operating Expenses	Productivity Expense Ratio (a)
	Personnel Expense	Occupancy Expense	Other Expenses		
1 Buduchnist	0.81%	0.13%	0.67%	1.61%	69.2%
2 Ukrainian	1.29%	0.26%	0.76%	2.31%	85.2%
3 Carpathia	0.93%	0.25%	0.63%	1.80%	72.7%
4 CP Ukrainienne de Montreal	0.72%	0.13%	0.84%	1.69%	55.7%
5 North Winnipeg	1.08%	0.30%	0.71%	2.09%	78.8%
6 New Community	1.03%	0.14%	0.96%	2.13%	79.3%
Total	1.00%	0.20%	0.72%	1.92%	74.9%
Total 2012	0.95%	0.19%	0.69%	1.84%	73.4%
Total 2011	0.98%	0.19%	0.73%	1.90%	71.7%
Total 2010	0.98%	0.22%	0.78%	1.98%	72.5%
Total 2009	0.97%	0.24%	0.74%	1.95%	72.7%
Total 2008	1.03%	0.25%	0.75%	2.03%	74.4%
Total 2007	1.05%	0.26%	0.80%	2.12%	73.4%
Total 2006	1.08%	0.25%	0.81%	2.14%	70.7%
Total 2005	1.13%	0.25%	0.82%	2.20%	72.7%
Total 2004	1.19%	0.26%	0.95%	2.39%	75.0%
Average (10 yrs)	1.04%	0.23%	0.78%	2.05%	73.13%

New Disclosure Regulations – Restricted Party Transactions

Restricted Party Transactions

Credit unions are required to disclose the total amount loans made to restricted parties. Under section 82 of Regulation 76/95 of the Credit Unions and Caisses Populaires Act, restricted party is defined as follows:

“A restricted party includes a person who is, or has been within the preceding twelve months, a director, officer, committee member, or any corporation in which the person owns more than 10% of the voting shares, his or her spouse, their dependent relatives who live in the same household as the person, and any corporation controlled by such spouse or dependent relative.”

The restricted party loans to total loans ratio ranged from 0.71% (Ukrainian CU) to a high of 1.38% (New Community located in Saskatoon). One credit union did not disclose the level of restricted loans in their statements. The average ratio for the 5 credit unions which disclosed the loans held by restricted parties was 0.92% of the total loans outstanding compare to 0.78% in the previous year. (See schedule below).

Schedule 9 Director & Employee Loans		UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2013		
Name of credit union	Location	Net Loans (000's)	Director & Employee Loans (000's)	As a % of Net Loans
1 Buduchnist	Toronto	574,965	5,227	0.91%
2 Ukrainian	Toronto	528,124	3,724	0.71%
3 Carpathia	Winnipeg	333,112	4,196	1.26%
4 CP Ukrainienne de Montreal	Montreal	110,244	0	0.00%
5 North Winnipeg	Winnipeg	79,609	572	0.72%
6 New Community	Saskatoon	59,425	820	1.38%
Total		1,685,479	14,540	0.92%
Growth % Year over Year		6.4%	-3.2%	
Total 2012		1,584,698	15,022	0.78%
Growth % Year over Year		11.1%	5.8%	
Total 2011		1,426,081	14,201	0.97%
Growth % Year over Year		5.4%	-24.2%	
Total 2010		1,352,703	18,735	1.34%
Growth % Year over Year		9.4%	-16.8%	
Total 2009		1,236,135	22,516	1.76%
Growth % Year over Year		5.4%	-10.6%	
Total 2008		1,172,961	25,186	2.41%
Growth % Year over Year		7.9%	17.8%	
Total 2007		1,087,081	21,387	2.17%
Growth % Year over Year		6.1%	-6.8%	
Total 2006		1,024,673	22,945	2.40%
Growth % Year over Year		9.3%	-6.0%	

New Disclosure Regulations - Expenses Related to Board of Directors

Expenses Related to Board of Directors

Generally, member of the board of directors are remunerated for their work and may be entitled to be paid their traveling expenses and other expenses properly incurred by them in connection with activities they undertake on behalf of the their credit union.

- Total remuneration (fees & costs) paid to members of the board of directors ranged from \$10,050 to \$91,000.
- The average remuneration per director was \$4,579 per director in 2013 compared to \$3,568 per director in the previous year.

Schedule 10 Director Fees & Costs					
UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2013					
Name of credit union	Operating Expenses (000's)	Directors Fees & Costs	Directors fees & costs/ Operating Expenses %	Number of Directors	Avg. Director fess & costs/ Director
1 Buduchnist	\$9,565	\$56,688	0.59%	7	\$8,098
2 Ukrainian	\$12,654	\$91,000	0.72%	12	\$7,583
3 Carpathia	\$6,104	\$81,374	1.33%	9	\$9,042
4 CP Ukrainienne de Montreal	\$2,174	\$10,050	0.46%	15	\$670
5 North Winnipeg	\$1,792	\$28,408	1.59%	9	\$3,156
6 New Community	\$1,494	\$11,824	0.79%	9	\$1,314
Total	\$33,783	\$279,344	0.83%	61	\$4,579
Growth % Year over Year	4.1%	28.4%			3.7%
Total 2012	\$32,463	\$217,623	0.67%	61	\$3,568
Growth % Year over Year	1.9%	-21.7%			-10.2%
Total 2011	\$31,862	\$278,024	0.87%	70	\$3,972
Growth % Year over Year	5.7%	21.1%			-10.1%
Total 2010	\$30,136	\$229,619	0.76%	52	\$4,416
Growth % Year over Year	6.8%	11.7%			31.1%
Total 2009	\$28,213	\$205,517	0.73%	61	\$3,369
Growth % Year over Year	1.5%	-19.9%			-6.7%
Total 2008	\$27,793	\$256,490	0.92%	71	\$3,613
Growth % Year over Year	2.3%	-7.4%			4.3%
Total 2007	\$27,156	\$277,017	1.02%	80	\$3,463
Growth % Year over Year	4.9%	8.1%			8.1%
Total 2006	\$25,879	\$256,186	0.99%	80	\$3,202
Growth % Year over Year	3.5%	8.3%			8.3%
Total 2005	\$24,992	\$236,618	0.95%	80	\$2,958
Average (9 years)			0.86%		

Schedule 11		UKRAINIAN CREDIT UNIONS IN CANADA				
Branch, Member & Employee averages		as at December 31, 2013				
Name of credit union	Branches	Deposits/ Branch (\$Mils)	Members	Assets/ Member	Number of Employees	Average Compensation /Employee
1 Buduchnist	7	\$84.6	21,705	\$28,657	77	\$62,555
2 Ukrainian	16	\$33.8	25,205	\$23,160	107	\$66,037
3 Carpathia	4	\$89.7	8,737	\$40,990	57	\$54,853
4 CP Ukrainienne de Montreal	1	\$110.9	3,370	\$38,393	13	\$71,385
5 North Winnipeg	2	\$41.8	3,389	\$25,567	16	\$57,744
6 New Community	1	\$68.7	2,134	\$33,397	13	\$55,682
Total	31	\$56.6	64,540	\$28,683	283	\$62,131
Growth % Year over Year	6.9%	0.1%	-5.6%	5.9%	1.2%	3.6%
Total 2012	29	\$56.6	68,367	\$27,080	280	\$59,958
Growth % Year over Year	0.0%	11.8%	0.0%	8.0%	2.6%	0.0%
Total 2011	29	\$50.6	68,390	\$25,077	273	\$59,974
Growth % Year over Year	-6.5%	6.5%	-2.3%	7.6%	2.6%	6.6%
Total 2010	31	\$47.5	70,035	\$23,310	266	\$56,283
Growth % Year over Year	3.3%	5.3%	2.0%	7.4%	1.9%	4.4%
Total 2009	30	\$45.1	68,653	\$21,706	261	\$53,908
Growth % Year over Year	7.1%	-3.2%	-3.8%	8.5%	-4.7%	4.3%
Total 2008	28	\$46.6	71,338	\$20,007	274	\$51,695
Growth % Year over Year	-3.4%	13.1%	-1.3%	9.4%	-1.1%	6.0%
Total 2007	29	\$41.2	72,280	\$18,284	277	\$48,779

Schedule 12 Promotions, Donations & Advertising		UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2013				
Name of credit union	2009 Total (\$000)	2010 Total (\$000)	2011 Total (\$000)	2012 Total (\$000)	2013 Total (\$000)	13/12 Growth %
1 Buduchnist	\$1,244	\$1,670	\$1,189	\$1,681	\$1,252	-25.5%
2 Ukrainian	\$384	\$513	\$551	\$498	\$683	37.1%
3 Carpathia	\$75	\$300	\$240	\$200	\$478	139.0%
4 CP Ukrainienne de Montreal	\$60	\$79	\$83	\$71	\$67	-5.6%
5 North Winnipeg	\$67	\$58	\$56	\$56	\$47	-16.1%
6 So-Use *	\$64	-	-	-	-	-
7 New Community	\$12	\$17	\$15	\$14	\$0	-
8 United Ukrainian *	\$17	\$10	\$15	-	-	-
Total	\$1,923	\$2,646	\$2,149	\$2,520	\$2,527	17.3%

* So-Use merged with Ukrainian CU in 2009 and United Ukrainian merged with Ukrainian CU in 2012

Schedule 12a		UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2013 Promotions, Donations & Advertising (PDA) % operating expenses			
Name of credit union	PDA Total (\$000)	Operating Expenses (\$000)	Operating Expenses/ PDA	Net Income* (\$000)	Net Income* / PDA
1 Buduchnist	\$1,252	\$9,565	13.09%	\$5,424	23.08%
2 Ukrainian	\$683	\$12,654	5.40%	\$2,885	23.67%
3 Carpathia	\$478	\$6,104	7.83%	\$2,487	19.22%
4 CP Ukrainienne de Montreal	\$67	\$2,174	3.08%	\$1,779	3.77%
5 North Winnipeg	\$47	\$1,792	2.62%	\$510	9.22%
6 New Community	\$0	\$1,494	0.00%	\$390	0.00%
Total	\$2,527	\$33,783	7.48%	\$13,475	18.75%

* net income before taxes, dividends and PDA

Brief Overview of the Ukrainian-Canadian Credit Unions

[as outline in the annual reports of each credit union]

Buduchnist Credit Union is the largest Ukrainian credit union in Canada, 13th largest credit union in Ontario and 42th largest in Canada based on asset size.

CEO:	Oksana Prociuk-Ciz
Head Office Address:	2280 Bloor Street West Toronto, Ontario M6S 1N9
Telephone:	(416) 763-6883
Website:	www.buduchnist.com
Board of Directors:	Michael Szepetyk - Chair dosij Buyniak - Honorary Board Member Bohdan Leshchysheh - Vice Chair Roman Medyk Orest Kostruba Oleh Romanyshyn Andrew Tarapacky Irene Hryniuk
Source: Website	

Board of Directors and CEO Report in annual report

In 2013, Buduchnist Credit Union delivered on our strategic priorities, including a solid overall growth in assets under administration, a steady increase in membership, and a good return on and an increase in our capital base.

For 2013

Despite the changing and challenging landscape of the financial services sector, your Credit Union increased balance sheet assets by \$ 38 million or 6.1% to \$ 660 million, while BCU Wealth Management assets increased 9% reaching \$ 87 million – bringing overall assets under administration to \$ 747 million by year-end. Throughout the year, our members put away savings, increasing deposits by \$ 35 million and paid down their loans, as our credit portfolio increased only \$ 29 million on 821 loans approved for the year, with a total value of \$ 126.5 million. And our members referred their friends and family to BCU, as we welcomed 1,543 new members to our growing Buduchnist family, increasing our membership to 21,771 members. Buduchnist CU recorded net earnings before taxes and dividends of \$ 4.2 million, while retained earnings increased principally by net earnings of close to \$ 2.9 million for the year. Our ability to continually deliver superior financial performance is reflected in our strong regulatory capital of 8.30%, one of the best among the large credit unions in Ontario.

For Our Members

On the strength of our 2013 results, Buduchnist CU once again rewarded our members for their loyalty and patronage paying out \$ 613,000 in dividends through a combination of cash and Bonus Shares dividends, bringing

the total dividends paid out to our members since the inception of the BCU Patronage Plan in 1998 to \$ 10.1 million.

For Our Community

Buduchnist CU is a proud partner of the Ukrainian community in Canada. We proudly embrace our members' initiatives and support each and every one of them to the benefit of the community. Based on our 2013 financial results, BCU made a significant contribution of \$ 1.25 million to numerous youth, cultural, educational and recreational activities, the media and information sector, as well as charitable, non-profit and worthwhile community-sponsored humanitarian causes. We are especially proud of the fact that we are the only Ukrainian-Canadian financial institution to have contributed to the establishment of a charitable foundation. As evidenced by the generous contributions to date, BCU Foundation is already playing a significant role in providing financial support to a large variety of institutions and community-based projects.

For Ukraine

In late November 2013, when hundreds of thousands of people began to rally in Kyiv to support a democratic and European Ukraine, in what became known as the EuroMaidan, our members acted first and responded overwhelmingly to the growing humanitarian needs which developed in Ukraine. We are proud that Buduchnist CU and its members led the call to provide humanitarian assistance to the students and activists of the EuroMaidan. The sheer number of peaceful demonstrators facing a severe winter in harsh conditions, and an increasingly authoritarian government, made the need for assistance all the more urgent. In the short period to December 31st, over \$ 100,000 in humanitarian assistance was raised by our public-spirited members and their Credit Union, both of whom continue to actively support this cause. BCU members demonstrated their solidarity with the Ukrainian people by embracing the shared universal principles of democracy, liberty and human rights, exemplified by their call to action and their generosity.

For BCU

We strategically invested our capital and expanded our BCU brand, while unveiling a streamlined look and logo and adopted new mottos, incorporating the words, For Life TM to our various business lines. More importantly, we took the time and care to ensure a differentiated brand, to document a member experience with BCU that was both positive and valuable, whether it was in the savings, credit, investment, insurance or philanthropic areas of our business. We are equally proud of the performance of all of our business lines and in particular, BCU Wealth Management, which continues to expand and service our investing members through both mutual funds and full brokerage channels.

More recently, our BCU brand grew to encompass insurance services including life, disability, critical illness insurance and group benefits. In late 2013, home, auto and commercial insurance were added to the menu of services offered to our members. We continue to focus on the needs of our members as we invest our resources and capital in expanding and enriching the BCU member experience.

For Our Buduchnist... For Our Future

As we move into 2014 with clear momentum and confidence in our continued strong performance, we look forward to enhancing our members' needs. We are committed to upgrade our menu of products and digital banking services. Equally, we are focused on investing in our human resources to ensure that our personnel continually upgrade their knowledge and skills to meet the challenges of change. Buduchnist CU has the most community engaged and proud membership anywhere. With each comment and referral, you also demonstrate your confidence and commitment to our joint endeavour, to our Buduchnist. To our members, we simply say, thank you.

To our management and staff, directors and committee members, we express our appreciation for their hard work and dedication. Our co-operative journey is changing and our attention to the road ahead will require vision and action to focus on Your Needs. For Life. TM

Michael Szepetyk, Chairman of the Board
Oksana Prociuk Ciz, President & CEO

Committed to Our Community

Buduchnist Credit Union plays an integral role in the life of our community. BCU is committed to sponsoring events and projects supported by our diverse and growing membership. Last year, BCU's community sponsorship totaled \$1.25 million. BCU Financial Group funds an average of 300 projects, events, community organizations, media outlets, publications, and institutions annually. Statistics published in 2013 showed that BCU spent close to \$1.7 million in the previous year, supporting the needs of our community, providing more community funding than all of the other Ukrainian credit unions combined!

Honouring Our History, Heritage, and Faith

We are proud to promote the unique historical context of the Ukrainian-Canadian experience – our history, our heritage, and our faith. We support the work of the Ukrainian-Canadian Research and Documentation Centre, the Ucrainica Research Institute, academic projects, and conferences that provide a forum for international historians and researchers. Buduchnist also recognizes the important role played by our religious organizations and institutions, which not only foster faith but also provide a context for our community's unique culture and traditions.

Community Development

Buduchnist Credit Union is a leading sponsor of non-governmental umbrella organizations, such as the Ukrainian World Congress, the International Council in Support of Ukraine, the Ukrainian Canadian Congress, and the Canadian Council in Support of Ukraine, on both the national and local levels. We support community Organizations engaged in cultural, educational, humanitarian, and charity projects. These include the Ukrainian Canadian Professional & Business Association, Ukrainian Canadian Social Services of Canada, the Ukrainian Canadian Women's Council, the League of Ukrainian Canadians, the Canadian Lemko Association, and many, many others. We provided support to several community centres, such as St. Vladimir Institute and the Taras Shevchenko Ukrainian Community Centre, and funding support for the Ivan Franko Ukrainian Home for the Aged in Mississauga.

Supporting Culture and the Arts

Buduchnist Credit Union is a major sponsor of countless cultural and arts-related projects in our community. In 2013, we provided funding to several projects commemorating the 200th anniversary of Ukraine's greatest poet, Taras Shevchenko. The projects included a music CD released by The Art Song Project under the auspices of the Canadian Ukrainian Opera Association and the permanent display of a statue of Shevchenko by Ukrainian-Canadian sculptor Oleh Lesiuk to be unveiled in the prominent "Allée des Poètes" in Quebec City in 2014. BCU is the sponsor of many art exhibitions, including the Toronto the Beautiful exhibit at the Ukrainian Canadian Art Foundation, and the Expressions in Art show at the St. Volodymyr Cultural Centre in Oakville.

We are also sponsoring young filmmaker Stephanie Turenko's short animated film, My Baba's Kitchen, which tells the story of her grandparents: displaced persons who fell in love under extraordinary circumstances and built a life in Canada.

Supporting the work of BCU Foundation

Members of Buduchnist Credit Union continue to support the projects undertaken by BCU Foundation, including initiatives that focus on history and education, athletic excellence, arts and culture, independent media, and humanitarian programs.

Preserving Our Historical Memory

To mark the 80th anniversary of the Holodomor – the Ukrainian Famine-Genocide – BCU Foundation launched a new Holodomor logo designed by Ukrainian-Canadian artist, Christina Kudryk. The logo depicts a wheat stalk bound with barbed wire, symbolizing the political repression underlying the genocidal famine perpetrated by Stalin against the Ukrainian people. The barbed wire also symbolizes the letter “H”, representing the Holodomor. We thank Christina Kudryk for partnering with our foundation to raise public awareness of the Holodomor. This logo will be used in association with Holodomor education projects sponsored by BCU Foundation.

Community-based media

In 2013, ForumTV, the Ukrainian-Canadian community-based television program spearheaded by BCU Foundation, embarked on its second season. The program featured special reports and appearances by Canadian politicians and celebrities such as venture capitalist Kevin O’Leary, as well as prominent politicians from Ukraine, such as Vitaliy Klitschko as well as journalists and leaders of Ukraine’s historic EuroMaidan movement.

Athletic Excellence

In June 2013, BCU Foundation, was the first Canadian institution to offer sponsorship support to help Ukrainian-Canadian alpine skier, Larisa Yurkiw, realize her dream of competing in the 2014 Winter Olympics. Dropped earlier by the national squad, Larisa had been forced to fund her own training and coaching independently. Larisa was presented with a sponsorship cheque at the Foundation’s 3rd Annual Golf Tournament in support of athletic excellence and sportsmanship.

In the previous year, Larisa was the reigning Canadian women’s downhill champion and the only full-time Canadian downhill and Super G racer on the World Cup circuit. Having overcome a horrible ski accident, thanks to drive and determination, Larisa went on to compete in the Sochi Games.

Culture & The Arts

The members of Buduchnist Credit Union help support a number projects under the auspices of BCU Foundation in the cultural sphere, including concerts, art exhibitions, literary publications, as well as the production of music CD’s and documentary films. In 2013, as in years past, BCU Foundation was one of the lead sponsors of the biennial Kobzar Literary Award which recognizes outstanding contributions to Canadian literary arts by authors who develop a Ukrainian-Canadian theme in several genres.

Humanitarian projects

The members of BCU are enthusiastic supporters of a number of humanitarian projects for which BCU Foundation is a proud benefactor, including Friends of Dzherelo in Canada, which, through the CCCF, supports training and rehabilitation programs for infants, children, and teens with special needs at the Dzherelo Children’s Rehabilitation Centre in Lviv.

Activism in Defense of Democracy and International Law

When hundreds of thousands of people began to rally in Kyiv in November of 2013 to support a democratic and European Ukraine, our members responded overwhelmingly to the growing humanitarian needs which developed in Ukraine. We are proud that BCU, its members, and the wider Ukrainian community heeded the call to provide humanitarian assistance to the participants of the EuroMaidan. The severe winter, harsh conditions, and political crackdown made the need for food, clothing and medical assistance all the more urgent.

BCU Wealth Management

BCU Wealth Management has grown into a specialized boutique brokerage, providing investment advice to a wide variety of individuals, corporate and non-profit clients, looking for personalized service, investment strategies, and customized wealth management solutions. This year, we launched our Distinguished Speakers Series with special guest, Kevin O'Leary. O'Leary provided the members of BCU and BCU WM with his investing knowledge and expertise at a private seminar hosted by BCU Wealth Management at The Old Mill Hotel in Toronto.

Kevin O'Leary is one of North America's most successful business entrepreneurs. An accomplished venture capitalist and dedicated income investor, he's made a name for himself in television, as a star of CBC's Dragon's Den and ABC's Shark Tank. He is the co-founder of O'Leary Funds, a two billion dollar mutual fund company. And he is the co-host of CBC's Lang & O'Leary Exchange. In addition to owning O'Leary Fine Wines, he's a best-selling author whose newest memoir is titled *The Cold Hard Truth on Men, Women and Money*. Attendees had the opportunity to speak with Kevin about money growing opportunities, tools for saving for the future and investing in O'Leary Funds.

BCU Insurance

BCU Insurance provides products and services that protect our clients against loss of income due to death; long-term disability; critical illness; estate costs; and life's other unforeseen surprises. Our insurance representatives can help you determine the insurance policy that is right for you and meets your current and future needs. In order to ensure that our clients are taken care of, we actively shop the market for great rates and we deliver the highest level of client services.

BCU Financial Group Donations and Sponsorship – 2013

CHARITABLE AND HUMANITARIAN

- EuroMaidan Project
- Children of Chernobyl Canadian Fund:
- Dzherelo Children's Rehabilitation Centre
- Help Us Help the Children

COMMUNITY CENTRES

- St. Vladimir Institute (Toronto)
- Taras Shevchenko Ukrainian Community Centre (Etobicoke)
- Ukrainian Cultural Centre (Toronto)

COMMUNITY EVENTS & PROJECTS

- Citizenship Ceremony – St. Joseph's Ukrainian Catholic Church
- Conference entitled Researching Ukraine's Historical Truth
- Enbridge Ride to Conquer Cancer
- Holocaust and Holodomor Seminar with scholars from Ukraine
- Ivan Franko Homes family barbecue
- Monument to the Ukrainian Insurgent Army
- PLAST Ukrainian Youth Assoc. Malanka
- Ukrainian Cultural Centre "Last Zabava"

COMMUNITY ORGANIZATIONS

- Canadian-Croatian Chamber of Commerce
- Canadian Friends of Ukraine Canadian Lemko Association

- Fourth Wave International Organization of Ukrainian Communities
- International Conference in Support of Ukraine
- League of Ukrainian Canadians – Etobicoke Branch
- League of Ukrainian Canadians – National Executive
- League of Ukrainian Canadians – Toronto Branch
- League of Ukrainian Canadian Women – Etobicoke Branch
- League of Ukrainian Canadian Women – National Executive
- League of Ukrainian Canadian Women – Toronto Branch
- Society of Veterans of UPA
- Ukrainian Canadian Congress – Hamilton Branch
- Ukrainian Canadian Congress – National Executive
- Ukrainian Canadian Congress – Toronto Branch
- Ukrainian Canadian Professional Business Association of Ottawa
- Ukrainian Canadian Professional Business Association of Toronto
- Ukrainian Canadian Social Services of Canada – Toronto Branch
- Ukrainian Canadian Women’s Council – Toronto Branch
- Ukrainian World Congress
- Ukrainian Youth Association of Canada (CYM) – Etobicoke Branch
- Ukrainian Youth Association of Canada (CYM) – Mississauga Branch
- Ukrainian Youth Association of Canada (CYM) – National Executive

CHURCHES AND RELIGIOUS INSTITUTIONS

- Holy Dormition of the Mother of God Ukrainian Catholic Church (Mississauga)
- Holy Spirit Ukrainian Catholic Church – Hamilton
- Knights of Columbus – Diocese of Hamilton
- Knights of Columbus Sheptytsky Council
- St. Demetrius the Great Martyr Ukrainian Catholic Church
- St. Elias Ukrainian Catholic Church (Brampton)
- St. Josaphat’s Ukrainian Catholic Cathedral
- St. Joseph’s Ukrainian Catholic Church (Oakville)
- St. Nicholas Day celebrations in Hamilton, Ottawa and the GTA
- St. Nicholas Ukrainian Catholic Church
- St. Volodymyr Ukrainian Orthodox Cathedral
- Sts. Volodymyr and Olha Ukrainian Catholic Church – Cawaja Beach
- Ukrainian Catholic Education Foundation
- Ukrainian Catholic Sobor of the Holy Protection
- Ukrainian Catholic Women’s League of Canada – Toronto Eparchy
- Ukrainian Catholic Women’s League of Canada – St. Basil the Great Branch
- Ukrainian Catholic Women’s League of Canada – St. Volodymyr Branch
- Ukrainian Orthodox Church of St. Andrew the Apostle
- Ukrainian Orthodox Church of St. Demetrius

CULTURE AND THE ARTS

- Art Gallery of Mississauga
- Barvinok Ukrainian Dance School

- Canadian Ukrainian Opera Association – Art Song Project
- Carabran Festival
- Carassauga Ukraine Pavilion (Holy Dormition of the Mother of God)
- Celebrity Symphony Orchestra
- Christina Kudryk visual art project
- Christmas Benefit Concert for Ivan Franko Homes
- “Heart of a Rascal” Concert (Серце батяра)
- Musicus Bortnianski
- Nadia Kobelak (Music CD)
- Shevchenko 200th Anniversary Concert (UCC & Vesnivka Choir)
- Stephania Romaniuk (Music CD)
- Stephanie Turenko animated film (My Baba’s Kitchen)
- Tyrsa Ukrainian Dance School (Hamilton)
- Ukrainian Academy of Arts (Winnipeg)
- Ukrainian Association of Visual Artists of Canada
- Ukrainian Canadian Art Foundation
- Ukrainian Music Festival
- Ukrainian Youth Ensembles (Levada and Orion Mixed Chorus)
- Zahrava Ukrainian Drama Theatre
- Zolotyj Klen Ukrainian Music Festival

MEDIA SUPPORT

- Forum TV show
- Homin Ukrainy newspaper
- Meest newspaper
- Novyj Shliakh newspaper
- Postup radio program – Toronto
- Prometheus radio program, CHIN – Toronto
- Radio Meest – Toronto
- Raduysia Mariye radio program – Toronto
- Razom magazine
- Song of Ukraine radio program – Toronto
- Ukrainian Canadian Business Directory
- Ukrainian News – Edmonton
- Ukrainian radio program, CHIN – Ottawa
- Veterans’ News journal

RESEARCH & PUBLICATIONS

- Canadian Institute of Ukrainian Studies (Holodomor conference)
- Desna Foundation
- Mykola Dubas book
- SENSE Film Production
- Ucrainica Research Institute: Baturyn project, Holodomor film project and Research projects
- Ukrainian Canadian Research & Documentation Centre
- Volyn book project

SCHOOLS & DAYCARES

- Holy Dormition Catholic Church Nursery School
- Josyf Cardinal Slipyj School
- Sadochok Preschool Centre
- Sonechko Nursery School
- St. Demetrius Catholic School
- St. Josaphat Catholic School
- St. Paul Catholic Secondary School
- St. Sofia Ukrainian Catholic School
- Svitlychka Ukrainian Cooperative Nursery School
- Ukrainian Canadian School Board – Toronto (Matura Graduation)
- Ukrainian First Steps Playgroup
- William Sarchuk Ukrainian School Nursery – Hamilton

SPORTS

- BCU Foundation Inaugural Golf Tournament
- Canadian Ukrainian Chamber of Commerce Golf Tournament
- Clarkson Minor Bantam A Hurricanes hockey team
- Friends of Father John Golf Tournament
- Galician Lions Hockey Team
- Humberview Huskies Hockey Club
- Karpaty Sports Association
- Larisa Yurkiw athletic sponsorship
- Mike Serba Memorial Golf Tournament
- Ottawa Ukrainian Golf Association
- Simcoe Ukrainian Church Golf Tournament
- St. Demetrius Golf Tournament
- UCPBA Golf Tournament
- Ukraina Sports Association
- Ukrainian Diaspora World Cup
- Ukrainian Youth Association Golf Tournament

UNIVERSITY STUDENTS' ASSOCIATIONS

- McMaster Ukrainian Students' Association (Hamilton)
- Ukrainian Canadian Students' Union (SUSK)
- Ukrainian Students' Club at Ryerson University
- University of Western Ontario Ukrainian Students' Club
- University of Waterloo & Sir Wilfrid Laurier University
- Ukrainian Students Association

Lending Activity

Buduchnist Credit Union	2013			13/12
	Number	(\$mils)	Average	growth
Residential Mortgages	329	\$89.1	\$270,690	-21%
Commercial loans	102	\$32.3	\$316,363	-13%
Personal loans & Lines of Credit	390	\$5.1	\$13,182	-1%
	821	\$126.5	\$154,040	-18%

Buduchnist Credit Union	2012			12/11
	Number	(\$mils)	Average	growth
Residential Mortgages	427	\$113.0	\$264,543	34%
Commercial loans	114	\$37.0	\$324,412	20%
Personal loans & Lines of Credit	422	\$5.2	\$12,287	-4%
	963	\$155.1	\$161,088	29%

Ukrainian Credit Union is the second largest Ukrainian credit union in Canada, 14th largest credit union in Ontario and 43rd largest in Canada based on asset size.

CEO:	Taras Pidzamecky
Head Office Address:	145 Evans Avenue, Suite 300 Toronto, Ontario M8Z 5X8
Telephone:	(416) 922-2797
Website:	www.ukrainiancu.com
Board of Directors:	Eugene Roman - Chair Michael Shipowick - Honourary Director Jerry Pryshlak - Secretary Natalie Witiuk Walter Kish Andre Sochaniwsky Walter Dorozdowsky Borden Osmak Myron Oleksyshyn Orest Romanish Annie Mishchenko Greg Adamowich

Source: Website

Executive Report for 2013 in the annual report

Dear Members,

On July 4, 2014 Ukrainian Credit Union Limited will mark an important milestone – the 70th anniversary of its founding by the Toronto Branch of the Ukrainian National Federation of Canada. In doing so, we also celebrate the heritage of another 19 Ukrainian credit unions from across Ontario who over the years joined with UCU to form a strong and forward looking financial co-operative committed to building community. Among those, Ukrainian (Hamilton) Credit Union Limited, the first Ukrainian credit union in our province founded in 1943.

Naturally, we embark on our anniversary celebrations with a sense of accomplishment for our collective financial and community achievements in both 2013 and preceding decades. Indeed, all members can reflect proudly on our co-operative's legacy of sound management and financial strength which have enabled UCU to be a strong supporter of the community, both locally and beyond.

Ironically, at a time of celebration, we also share with our founders the intense apprehension, yet firm resolve, they felt for Ukraine during WWII as they established UCU. Like our very first members who stood by Ukraine at a time of mortal threat by the armies of Hitler and Stalin, we also stand by Ukraine today as she stares down military aggression anew, this time from Vladimir Putin's rekindled Russian empire.

Again, like our founders, we too will draw inspiration during this new challenge for Ukraine from the prophetic call to justice and freedom of her national bard, Taras Shevchenko, the bicentennial of whose birth we also mark with Ukrainians around the world in 2014.

Financial Highlights for 2013

In 2013, your credit union maintained a tight focus on profitability in the face of ever-tightening financial margins that have negatively impacted all financial institutions. To this end, we successfully integrated the operations of United (Hamilton) Ukrainian Credit Union which merged with UCU in November 2012 in a manner that both provided continuity of service and employment, while leveraging efficiencies to reduce operating expenses throughout the organization. Also, during the past year, we combined increased member deposits with an expanded mortgage securitization program to generate the cash needed to fund loan demand. This approach, combined with reduced borrowing from our central financial facility, Central 1, helped offset the pressure that the prolonged low interest rate environment has had on our financial margin.

A 2% dividend was paid on qualifying membership shares while the annualized dividend on Class A Shares was 3.26%. Loan loss provisions were adjusted downward to \$680 thousand (vs. \$867 thousand in 2012) reflecting the updated assessment of our credit portfolio's risk profile.

Income before income taxes for the year was \$2.121 million (vs. \$1.463 million in 2012). After income taxes of \$362 thousand (vs. \$179 thousand in 2012), net profit for 2013 was \$1.759 million (vs. \$1.284 million in 2012). Regrettably, our income tax expense was higher than it would have otherwise been due to the 2012 Federal Budget's ill-informed provision to significantly increase credit union tax rates over five years. Comprehensive income, which includes unrealized gains and losses, was \$2.986 million vs. \$1.661 million in 2012, while the credit union's retained earnings increased to \$24.124 million (vs. \$22.617 million in 2012).

As at December 31, 2013, the credit union's regulatory capital stood at \$43.248 million, an increase of \$1.858 million over the previous year. After taking into account proportionately greater asset growth and a rise in commercial lending activity, this increase in capital translated into a yearend capital leveraging ratio of 6.9% (vs. 7.1% in 2012), and risk-weighted capital ratio of 13.7% (vs. 14.4% in 2012). Both capital ratios continued to significantly exceed regulatory requirements of 4% and 8%, respectively.

Service & Product Enhancements

During 2013, your credit union completed the following initiatives to improve product and service offerings to members:

- The January 2013 addition of a 24/7 accessible ATM at our UCU St. Catharines Branch at 118 Niagara Street, only one minute south of the QEW.
- The April 2013 launch of our new Service Centre hosted by Ottawa Women's Credit Union (now Alterna Credit Union) at 271 Bank Street in downtown Ottawa. National Capital Region members can now enjoy access to in-person lending, investment and teller services, as well as a full-service 24/7 ATM.
- The introduction of Interac E-Mail Transfers starting the summer of 2013 which permits members who are enrolled in on-line banking and have access to an e-mail or mobile phone number, to securely send money between their UCU accounts and accounts in another financial institutions in Canada.

- In October, 2013, we converted the Hamilton members to UCU's banking system giving them full access to our credit union's network of 16 branches/ ATM locations and providing all other members with a banking location in Hamilton.

Governance

As the financial services environment grows more complex, the Board of your credit union has worked in partnership with regulators and the credit union system to ensure that UCU continues to have in place industry best practices to manage risk and plan for the future.

Among other measures, we have upgraded the evaluation of Board performance and competencies, revisited director training requirements, and have made a proactive commitment to bolster capital, liquidity and enterprise risk management to keep our credit union financially sound and member deposits safe.

Monthly Board meetings are but one mechanism through which directors carry out their governance responsibilities, with most of the Board's oversight work being carried out through additional in-depth meetings of the Board's various committees, also usually held monthly.

Beyond their demanding statutory duties, on evenings and weekends directors regularly serve as UCU ambassadors at community events financially supported by the credit union. These representational commitments by our directors, facilitated with the gracious support of their families, are important opportunities to convey to community members that the greater their reciprocal support of UCU, the stronger our ability to support them in the volunteer work they do to make our community so vibrant.

Building Community

In keeping with our vision of "building community", UCU continued to provide financial support to varied and numerous cultural, educational and community projects and events. We also continue to extend support to our student members of high academic standing and community consciousness through our annual scholarship program.

UCU is unique in the broad range of organizations and causes we support from Toronto, to Thunder Bay, to Windsor, to Hamilton-Niagara and across the province and country. This reflects our philosophy to bring together and treat with respect all parts of our rich community, no matter their location.

By strengthening our volunteer not-for-profit institutions and encouraging our young people to excel with an eye to contributing to the common good, UCU remains committed to sharing the fruits of our co-operative enterprise in a way that is good both for our member owners and the communities of which we are a part.

In 2013, a highlight in respect of our community efforts, was the special presentation by Ukrainian Canadian Congress at its October, 2013 triennial national congress in Toronto, recognizing UCU's important contributions to the UCC over many years.

Ukraine in Peril

In 1944, Ukraine was in a critical struggle for its existence, as it is again today. As then, UCU has had a stake in the development of an independent, democratic and just Ukrainian state. Since the fall of the totalitarian Soviet regime in 1991, we did so through active participation with the Council of Ukrainian Credit Unions of Canada in the re-establishment of financial co-operatives that would encourage economic self-reliance and build civil society in Ukraine.

We have also actively worked to support democratic development through volunteerism and financial support of election observer missions to Ukraine, and recent humanitarian and political activities by Canadian and international organizations in support of Ukraine's sovereignty.

While we cannot predict what course events will take in Ukraine by the time this report reaches our members, we can however assure you that our co-operative will stay true to the vision of its founders during the darkest hours of Soviet rule. We remain confident in the ultimate victory of Ukraine over her enemies and we will continue our unwavering support for her independence and territorial integrity.

To this end, at this year's Annual General Meeting, the Board will be proposing that the membership approve a resolution endorsing the redirection of 2014 membership share dividends towards the efforts of reputable Canadian and international organizations in assisting Ukraine in this time of crisis.

Celebrating 70 Years

After seven decades, Ukrainian Credit Union Limited has worked to provide high quality competitive co-operative financial services to its members while never forgetting the needs of the community.

UCU's first Board of Directors under the leadership of our first President, the late Mr. Wasyl Sytnyk, did not have a lot of money but they did have faith, and a sincere desire to improve the social and economic lot of their members applying the ideals of co-operation that they brought with them to Canada from Ukraine. Integral to their vision, was an unwavering commitment to leverage the wonderful opportunities Canada offered them to help free their homeland.

The proud histories of UCU and all the Ukrainian community credit unions who joined with it, together form the legacy of a united province-wide cooperative financial institution. We pay tribute to all the founders, volunteers and loyal members of all the credit unions who came to make up UCU, and commit to carrying on their work and vision into the future. We also extend our sincere thanks to all our employees for a job well-done in 2013, and especially to you, our members, for your ongoing loyalty and commitment to our financial co-operative over the past year. UCU has been a strong and relevant force in the lives of its members and the hromada since 1944, and as part of our shared destiny, we look forward to continue serving you and building community for many years to come.

Andre Sochaniwsky, Chair of the Board
Taras Pidzamecky, CEO

2013 Scholarships and Donations

Alzheimer Society	Canadian Missing Kids Magazine
Barvinok Dance Ensemble, London	Canadian Opera Association – Ukrainian Art Song
Barvinok Ukrainian Dance School, Mississauga	Project
Blue Door Café Soup Kitchen, Sudbury	Canadian Ukrainian Immigrant Aid Society
Break for Jesus Catechetical Camp	Carassauga – Ukraine Pavilion
Camp Sokil	Carleton Ukrainians
Canada Ukraine Chamber of Commerce	
Canada Ukraine Parliamentary Program	Chaban Ukrainian Dance Group, Thunder Bay
Canadian Cancer Society	Children of Chernobyl Canadian Fund
Canadian Lemko Association Inc.	Cooksville Phantoms Minor Atom A Hockey

Council of Ukrainian Credit Unions of Canada
 Cure: Blood Cancer
 Daily Bread Food Bank
 Dunai Ukrainian Dancers, St. Catharines
 East Fort William Prosvita, Thunder Bay
 Expressions in Art
 Fellowship of Sts. Cyril & Methodios
 Galician Lions Hockey Team
 Help Us Help the Children
 Holodomor Research & Education Consortium
 Holy Cross Croatian Church, Hamilton
 Holy Dormition of the Mother of God Ukrainian Catholic Church, Mississauga
 Holy Protection of the BVM Ukrainian Catholic Church, Burlington
 Holy Spirit Saturday Ukrainian School, Hamilton
 Holy Spirit Ukrainian Catholic Church, Hamilton
 Holy Trinity Ukrainian Orthodox Church, London
 Hutsul Photo Exhibit – Youry Bilak (France)

Ivan Franko Homes
 Ivan Franko Ukrainian School, Oshawa
 Joseph Cardinal Slipyj Catholic School
 Junior Chaika Cultural Educational Society, Hamilton
 Knights of Columbus Shashkevych Council #7464
 Knights of Columbus Sheptytsky Council #5079
 Koliada Project with Yara Arts Group
 Kosa Kolektiv
 Lemon Bucket Orkestra
 Lesia Ukrainka School, Ottawa
 Lesia Ukrainka School, Toronto
 London Credit Union Golf Tournament
 Matura 2013 Committee of the Ukrainian Canadian School Board
 McGill Ukrainian Students' Association
 McMaster Ukrainian Students Association
 Metro Police Safety Magazine
 Movies in the Park, Thunder Bay
 "Music of Survival" Documentary
 Musicus Bortnianskii
 Myrhorod Ukrainian Senior Citizen's Club
 Nativity Story, Christmas Mystery
 Oakville Ridna Shkola
 Olzhych Foundation
 Oshawa West Lions
 PLAST Ukrainian Youth Association of Ontario, Toronto
 Pokrova Ukrainian Arts Network, Ottawa

Pontifical Institute Baturyn Archaeological Project
 Port Arthur Prosvita, Thunder Bay
 Pysanka Bingo, Hamilton
 Radusia Mariya Religious Radio Program
 Rezonans Music Studio
 Ridna Shkola UNF West Toronto
 Ryerson Ukrainian Student's Club
 Sadochok – Mississauga
 "Salt in the Air" – Documentary

Serbian Orthodox Church of St. Stefan, Ottawa
 Shevchenko Foundation
 Sick Kids Foundation
 Simcoe Ukrainian Churches Golf Tournament
 Sts. Cyril & Methodius Ukrainian Catholic Church,
 St. Catharines
 St. Demetrius Catholic School
 St. Demetrius the Great Martyr Ukrainian Catholic Church, Toronto
 St. Demetrius Ukrainian Orthodox Church, Toronto
 St. Elias the Prophet Ukrainian Catholic Church, Brampton
 St. George the Great Martyr Ukrainian Catholic Church, Oshawa
 St. John the Baptist Ukrainian Catholic Shrine, Ottawa
 St. John the Theologian Ukrainian Catholic Church, St. Catharines
 St. Josaphat Catholic School
 St. Josaphat Ukrainian Catholic Church, Toronto
 St. Joseph's Ukrainian Catholic Church, Oakville
 St. Mary's Ukrainian Catholic Church, Sudbury
 St. Nicholas Serbian Orthodox Church, Hamilton
 St. Nicholas Ukrainian Catholic Church, Hamilton
 St. Nicholas Ukrainian Catholic Church, Toronto
 St. Pius X Catholic Church, Toronto
 St. Sofia Catholic School
 St. Vladimir Ukrainian Orthodox Cathedral, Hamilton
 St. Vladimir Institute
 St. Volodymyr Cultural Centre
 St. Volodymyr

History of Mergers

The proud histories of UCU and all the Ukrainian community credit unions who joined with it, together form the legacy of a united province-wide co-operative financial institution. We pay tribute to all the founders, volunteers and loyal members of all the credit unions who came to make up UCU, and commit to carrying on their work and vision into the future.

1. St. Mary Dormition Parish (Mississauga) Credit Union
2. Plast (Toronto) Credit Union
3. St. George's Parish (Oshawa) Credit Union
4. Ukrainian People's Home (Toronto) Credit Union
5. St. Mary's Parish (Sudbury) Credit Union
6. St. Demetrius Parish (Toronto) Credit Union
7. Holy Eucharist Parish (Toronto) Credit Union
8. St. Josaphat Parish (Toronto) Credit Union
9. Ukrainian Youth Association SUM (Sudbury) Credit Union
10. Ukrainian (Windsor) Credit Union
11. Ukrainian (London) Credit Union
12. Ukrainian (Sudbury) Credit Union
13. Ukrainian (Fort William) Credit Union
14. Ukrainian (St. Catharines) Credit Union
15. So-Use Credit Union
16. United Ukrainian Credit Union (Hamilton)
17. Ukrainian (Hamilton) Credit Union
18. St. Vladimir Ukrainian Orthodox Credit Union (Hamilton)
19. Holy Spirit Ukrainian Catholic Credit Union (Hamilton)

Lending Activity

Ukrainain Credit Union	2013			13/12
	Number	(\$mils)	Average	growth
Residential Mortgages	367	\$90.1	\$245,567	11%
Commercial loans	135	\$37.6	\$278,777	-5%
Personal loans & Lines of Credit	683	\$38.0	\$55,675	-2%
	1,185	\$165.8	\$139,902	4%

Ukrainain Credit Union	2012			12/11
	Number	(\$mils)	Average	growth
Residential Mortgages	334	\$80.9	\$242,165	24%
Commercial loans	129	\$39.5	\$306,206	10%
Personal loans & Lines of Credit	690	\$39.0	\$56,497	5%
	1,153	\$159.4	\$138,219	15%

Carpathia Credit Union is Western Canada's largest Ukrainian Financial Institution and one of the oldest Ukrainian credit unions in Canada. The credit union is the 3rd largest Ukrainian credit union in Canada, 12th largest credit union in Manitoba and the 66th largest credit union in Canada.

CEO:	Walter Dlugosh
Head Office Address:	952 Main Street, 3rd Floor Winnipeg, Manitoba R2W 3P4
Telephone:	(204) 989-7400
Website:	www.carpathiacu.mb.ca
Board of Directors:	Dr. Taras Babiak - President Roman Zubach - Vice President Noella Pylypowich - Secretary Bohdan Halkewycz Peter Washchyshen Noella Pylypowich Walter Kulyk Irka Semniuk Don Clinsky Susan Zuk

Source: Website

2013 President's Report in the annual report

As I prepare my annual report on behalf of the Board of Directors of Carpathia Credit Union, the total assets of our credit union are quickly approaching \$400 million. A historic landmark of considerable significance is just on our financial horizon. Carpathia Credit Union is also on the threshold of our 75th birthday which we will celebrate during 2014. Another glorious achievement is at hand. Both of these events are directly attributable to the loyalty of Carpathia's membership. We have some pleasant surprises in store for our members during 2014.

The Ukrainian community of Winnipeg can be proud of the fact that Carpathia Credit Union is the largest Ukrainian financial institution in western Canada, and the third largest Ukrainian credit union in Canada. Our four branches are capable of efficiently and effectively serving the needs of our members. Uniform hours of operation, which include Saturday openings, allow our members to access our services more conveniently. The opening of our fourth branch in January 2013 on Grant Avenue has been a tremendous success, attracting new business from the southern part of the city.

Our future is bright indeed. We are dedicated to providing our members with financial services to meet as many of their needs as possible. We are committed to ensuring the financial stability and success of Carpathia Credit Union. The Board of Directors has embarked upon ongoing risk management analysis to better safeguard the

financial integrity of our organization. Our vision for expansion includes future options which would ensure and possibly accelerate our financial growth.

Carpathia Credit Union is also committed to preserve our leadership role in the Ukrainian community. This year our financial support to education and to our cultural member organizations exceeded \$65,000. We will continue to financially support a variety of Ukrainian initiatives. We take great pride in our long history of community support.

The Board of Directors of Carpathia Credit Union is grateful to our members for their long history of ongoing patronage of our financial institution. We are grateful for the confidence which our members have placed in our organization for these past 75 years.

I would like to thank the members of the Board of Directors of Carpathia Credit Union for their support and confidence as I complete another year of the Presidency. It has been a pleasure and an honour to serve as President, and to work with such a dynamic Board of fine men and women.

Taras R. Babick, M.D.
President – Board of Directors

2013 Chief Executive Officer's Report

As the Chief Executive Officer, I have the honour and privilege to report to the members of Carpathia Credit Union for the year ending September 30, 2013.

The growth rate of the credit union's assets this year was the lowest since 2005 but was indicative of the overall Manitoba market. By the end of the year Carpathia Credit Union's assets increased by \$26 million or 7%, resulting in total assets of \$384 million. A credit union's asset growth is the product of its members' deposits. The challenge for all Manitoba credit unions in 2013 was offering interest rates to their members that were competitive. Another fact deals with consumer debt and the amount members have left to save after making their debt payments. It has been fairly well publicized that Canadian consumers are being challenged with historically high debt levels. This gives way to the realization that their future retirement plans may have to be altered. Given these conditions it is no wonder that deposit growth results for the credit union were also in the 7% range. The deposits of the credit union's members grew in total by \$25 million, ending the year at \$362 million. This year's deposit growth was also the lowest since 2005. Of note over the last nine years members' deposits *have increased by \$200 million for an average annual growth rate of 9%*.

Loan growth during the 2013 year was in excess of \$30 million or 10%. The credit union's total commercial loans grew by 7% while the credit union's total consumer loans grew by 12%. As was the case last year the consumer loan growth was confined to residential mortgages. Commercial loan growth was strongest in the line of credit category as a result of several commercial members undertaking expansion or construction projects. Upon the completion of these projects this financing is expected to be converted into long term mortgages.

Carpathia welcomed 451 new members and 287 associates during 2013. In terms of the associate status, which was introduced in 2003, Carpathia Credit Union had 1,178 associates as at September 30, 2013. Associate loans outstanding as at September 30, 2013 comprised 20% of total loans outstanding (17% in 2012), while associate deposits were 13% of total deposits payable (12% in 2012). Income earned from associates of the credit union was equal to 18% of the total income earned by the credit union in 2013. *This was an increase over the 14% of the total income earned from associates in 2013.*

The credit union's operating income decreased by 23% over the previous year primarily due to an increase in operating expenses related to the opening of the credit union's fourth branch. The loan growth experienced by the credit union resulted in loan interest income increasing by \$760,000 but the credit union's investment income decreased by \$380,000. In contrast total interest paid for members' deposits decreased by nearly 1% or \$80,000. Total operating expenses for the year increased by 20% with additional costs being incurred in all expense categories. These expenses were by and large the result of the opening of the credit union's newest branch. Increases in Personnel expenses were the function of hiring staff for that branch. The Occupancy expense increases were related to the new branch and the fixed costs that were incurred in its development. The Administration expense increases reflect the credit union's advertising initiative during the year. A major advertising campaign was conducted throughout the year in order to introduce the new branch and enhance the credit union's image. The increase experienced in Members' Security expenses was related to increases in deposit insurance due to deposit growth.

Based on the 2013 financial results the Board of Directors declared a \$308,000 patronage award comprising of a cash dividend of \$28,000 or 6.5% of existing surplus shares along with \$280,000 in new surplus shares. Carpathia Credit Union's Member Equity Plan has distributed to the membership over \$9.6 million in patronage awards since its inception. With this year's rate of surplus share redemption, the total cash payments to qualifying members will equal \$450,000. It should also be noted that over the last several years the rate of surplus share redemption to the membership has been in excess of 50%, and this year's redemption rate at 96% surpasses last year's redemption rate of 75% and will be the highest in the credit union's history.

The 2013 year was a historical milestone for Carpathia when the fourth credit union branch located at Grant Avenue and Waverley Street was opened officially on February 3rd. The credit union's last branch expansion was 19 years ago in 1994 when the Henderson Highway branch was opened to serve the needs of the members that resided east of the Red River. During the year the credit union undertook a membership survey. Based on the feedback, the credit union is working on improving its staff knowledge base. As members you rely on the credit union's financial advice and would like the opportunity to have the staff suggest ways for you to save money, reduce your service fees, or reduce your debt payments.

In 2014 the credit union will be enhancing its staff education and training in this area to ensure the members are provided with solutions to their financial needs. Other initiatives during the year involved reviewing and testing areas of risk to the credit union, enhancing the credit union's image, and reviewing the credit union's existing branch network. These initiatives will carry over into 2014 to ensure the credit union remains your primary financial institution.

Entering its 75th year of operations Carpathia Credit Union continues to maintain its original bond of association. The credit union remains one of only three credit unions in Manitoba that has retained the closed bond status. I would like to personally thank our members for their continued support and loyalty to our credit union over the last year, our Board of Directors for their support and guidance throughout the year, and our staff for their commitment and dedication in serving our members.

Walter Dlugosh
Chief Executive Officer

2013 Community Donation & Sponsorships

Action Day Care Nursery
 Alpha Omega Alumnae
 Bernie Wolfe Community School
 Blessed Virgin Mary Parish
 Camp Veselka
 Canada's National Ukrainian Festival
 Canadian Ukrainian Institute Prosvita
 Catholic Foundation of Manitoba
 Chief Peguis Junior High School
 Church of St. John the Apostle
 Council of Ukrainian Credit Unions
 Creative Retirement of Manitoba
 CYM-Ukrainian Youth Association
 East Selkirk Middle School
 H.C. Avery Middle School
 Happy Thought Elementary School
 Holy Family Home
 Holy Family Ukrainian Catholic Parish
 Holy Trinity Ukrainian Orthodox Church
 Hoosli Ukrainian Folk Ensemble
 Immaculate Heart of Mary School
 IPAC Ukrainian Soccer League
 Knights of Columbus – St. Joseph's Council
 Macenko Memorial Choir
 Manitoba Parent's for Ukrainian Education
 Manitoba School Science Fairs
 Melos Folk Ensemble
 Metropolitan Andrey Sheptytsky Institute
 Foundation
 O.Koshetz Choir
 Oakbank Elementary School
 Orlan School of Dance
 Orlan Ukrainian Folk Ensemble
 Oseredok Ukrainian Cultural & Educational
 Centre
 Osvita Foundation
 Plast
 Progress Ukrainian Catholic Newspaper
 R.F. Morrison School
 Ralph Brown School
 Romanetz Ukrainian Dance Ensemble
 Rossdale Ukrainian Dance School
 Rozmai Ukrainian School of Dance
 Rusalka Ukrainian Dance Ensemble
 Seven Oaks Soccer-Plex
 Sister Servants of Mary Immaculate
 Springfield Heights Elementary School
 Springfield Middle School
 St. Anne Ukrainian Catholic Church
 St. Ivan's Ukrainian Orthodox Church
 St. Joseph's Ukrainian Catholic Church
 St. Mary the Protectress Ukrainian Orthodox
 Cathedral
 St. Michael's Parish
 Sts. Vladimir & Olga Cathedral
 Svitoch
 The Joy Smith Foundation
 The Trident Press
 The Welcome Home
 Troyanda Ukrainian Folk Ensemble
 Ukraine-Kyiv Pavilion
 Ukrainian Canadian Social Services
 Ukrainian Canadian Congress – Manitoba
 Ukrainian Echo (Homin Ukrainy) Publishing Co
 Ltd.
 Ukrainian Golf Classic
 Ukrainian Park Camp
 Ukrainian Reading Association
 Ukrainian Voice
 Ukrainian Catholic Women's League of Canada
 Ukrainian Youth Association
 University Of Manitoba
 Veselka Dance
 Verba Ukrainian Dance Company
 Westland Foundation
 Zoloti Struny
 Zoloto School of Dance

Caisse populaire Desjardins Ukrainienne de Montréal (the “Caisse”) is the 4th largest Ukrainian credit union in Canada.

CEO:	Yourko Kulycky
Head Office Address:	3250 rue Beaubien Est Montreal, Quebec H1X 3C9
Telephone:	(514) 727-9456
Website:	Desjardins.com
Board of Directors:	Eugene Czolij - Chair Stephen Spilkin, Vice-President Marie-Marthe Ménard-Markiza, Secretary Myroslaw Balycky Yury Moncak Garry W. Grosko Helen Holowka Orest Humenny Gregory Kowryha Martha Mayer Orest Mytko Edmond Pasiaka Igor Pryszyak George Sztyk Volodymyr Zhovtulya

Source: Annual Report

President's report

On behalf of the Board of Directors, it is with pleasure that I present to you the annual report of the Caisse populaire Desjardins Ukrainian de Montréal (**Caisse Ukrainian**) for the financial year 2013. This report provides an excellent opportunity to share with you information about the achievements of the past year and about the task facing us in 2014.

The Caisse Ukrainian recorded surpluses of \$969,000. This is the result of a sound and prudent management, with a focus on your needs and the quality of our service delivery. The positive financial results of the Caisse Ukrainian enable the Board of Directors to pay a rebate of \$700,000 to be paid to our members. Moreover, in 2013, the Caisse Ukrainian has donated nearly \$67,000 in support of community projects.

Our Caisse Ukrainian has been working tirelessly to offer solutions and services that meet your expectations. We aim to achieve this by using innovative products, as well as the expertise of competent persons who spare no efforts to guarantee your satisfaction.

In 2013, a decision by the Quebec regulatory agency reinforced the importance that we attach to the prudent management of your assets. Indeed, the Mouvement Desjardins has been identified by the regulatory agency as a financial institution of very great importance in Quebec. This status means that its activities have a crucial impact on the Quebec economy. This increases the requirements imposed on the Mouvement Desjardins, including capitalization. This is why the Caisse Ukrainian prudently manages the distribution of its surplus. This foresight earned the Mouvement Desjardins to be ranked among the 15 strongest financial institutions in the world based on published *World's 20 Strongest Banks* ranking 1st October 2013 by Bloomberg News.

Since the creation of the first Caisse many technological advances have taken place. The advent of ATMs, direct payment, Internet and payment by mobile phone is so that you can complete your transactions 24 hours a day, 7 days a week. We adapt to your needs, using this technology.

The Mouvement Desjardins is one of the leaders in its ability to meet your expectations. Visiting the new website desjardins.com, you will get more information on the wide variety of products and services that are offered to you. The Mouvement Desjardins has also launched in the spring of 2013, a new insurance program. If you have a car with the Mouvement Desjardins insurance, you can save, depending on your driving style.

From 2013, you can also receive very useful assistance in difficult situations. New services, travel assistance and assistance in the event of identity theft have been designed. They are exclusive and free for all Caisse Members. We also want to educate young people to be responsible in the use of credit. In this regard, the prepaid card Visa Desjardins is an excellent tool to learn to stick to a budget and develop healthy financial habits.

You can take pride in belonging to the Mouvement Desjardins, which differs by its stability, its ability to innovate and its sound quality expertise. The Caisse Ukrainian is actively involved in the Ukrainian cooperative movement. The Ukrainian credit unions are a major financial force in the Canada and the United States. Significantly, they support our communities and various projects that matter to them. The Caisse Ukrainian is a member of the Council of Ukrainian Credit Unions in Canada.

On behalf of the Board of Directors, I wish to thank Mr. Yourko Kulycky our General Manger for his dynamic management of Caisse Ukraine. I would like to thank all of the employees for their dedication to our Caisse Ukraine.

In 2014, we will continue our efforts so that the Caisse Ukraine stands by its products and the quality of its services. Your satisfaction will remain our focus and will guide our decision making. Do not hesitate to share your comments about our services. Your constructive contribution will allow us to further improve the quality of our activities.

Eugène Czolij
President

North Winnipeg Credit Union, which has been serving the Ukrainian Community in Manitoba for over 65 years, is now the fifth largest Ukrainian credit union in Canada; North Winnipeg CU continued to enhance its tradition of community service. North Winnipeg has two branches, four ATMs, internet, telephone banking services, website and mobile banking access.

CEO:	Roman Hrabowych
Head Office Address:	310 Leila Avenue Winnipeg, Manitoba R2V 1L8
Telephone:	(204) 954-7450
Website:	www.nwcu.mb.ca
Board of Directors:	Sophia Kachor - Chair Nicholas Chubenko - Vice Chair Orest Deneka - Secretary Ihor Gawrachynsky Ostap Hawaleshka Olena Lyubashenko Maxim Paches Eugene Waskiw Steven Werhun

Source: Website

Report of the Board of Directors

It is always a pleasure to present the report of the Board of Directors to the members of North Winnipeg Credit Union. I am particularly delighted to announce that our Credit Union has had a banner year in terms of its fiscal performance, most notable in its profitability. Focusing on stability and controlled modest asset growth, North Winnipeg Credit Union posted in 2013 its fourth record net income of \$416,072 despite very tight financial margins and a very competitive fiscal environment. Our robust performance is in no small way reflective of our belief that a high standard of excellence in fiscal management and in the quality of the services we provide bear positive results. This approach has allowed us to establish our own niche among larger credit unions.

North Winnipeg Credit Union places particular value on engagement with our community. In 2013 the Credit Union disbursed \$12,354 in support of a variety of community organizations. While in the great scheme of things this sum is a modest amount, it is of immeasurable importance to many of the not-for-profit recipients of these subsidies who thrive on support dollars. North Winnipeg Credit Union is proud of its heritage of contributing to the vitality of the community.

The Board of Directors represents the democratically elected leadership of the Credit Union. Directors work diligently and passionately to bring value to the Credit Union and its members. I thank them for their leadership,

integrity and commitment to cooperative values and to our Credit Union. Three directors are completing their respective terms of office. Angela Iacobciuc completed serving a three year term with distinction notably by the professionalism with which she chaired the Audit Committee. Myron Pawlowsky has completed serving three consecutive terms and is stepping off the Board. His quiet reflection and balanced point of view coupled with a keen championing of member interests served the Credit Union well in his position of Vice-Chair on the Executive Committee. Ostap Hawaleshka is also completing his first three year term and has declared his readiness to stand for re-election.

The Credit Union has an outstanding management team and staff whose diligence and commitment to service account for the robust fiscal performance of the Credit Union. Their efforts should be particularly applauded this year. Finally, I take great pride in acknowledging all our members whose patronage makes our Credit Union strong. Thank you for your commitment and loyalty to North Winnipeg Credit Union.

Sophia Kachor
Chair

Chief Executive Officer's Report

It is again my honour and privilege to have the opportunity to report to the members of North Winnipeg Credit Union Ltd. for the year ended December 31, 2013. Financial Highlights:

- Total assets increased by \$3.8 million to \$90.5 mil (4.5% growth)
- Member deposits increased by \$3.4 million to \$84.5 mil (4.2% growth)
- Member loans/mortgages increased by \$4.0 million to \$79.7 mil (5.3% growth)
- Net income rose to \$416,072
- The Credit Union's equity position, which is an indication of the Credit Union's financial strength and stability, increased to 5.79% of total assets, which exceeds the 5.00% regulatory requirement. In addition, both risk-weighted equity and liquidity of member deposits are both well above regulatory requirements.

During 2013, financial margins were very tight however with our diligence in controlling expenses and improving operational efficiency, we were able to increase our net income to a new record high. This is now four consecutive years that the Credit Union has achieved record net income levels.

As a result, the Board of Directors declared a 4.68% cash dividend on all common shares raised in the common share offering totaling an impressive payout of \$20,963. In addition, in March 2014 the Board of Directors approved a 10% cash payout of all active surplus shares held by members for a total payout of \$53,700. Funds were deposited to member's accounts. This is the third consecutive year that the Credit Union has paid out surplus shares in cash, and it is our intention to do so until full payout of all active shares.

North Winnipeg Credit Union has served the Ukrainian community for over 70 years, and continues to maintain its closed bond status, one of only three credit unions in Manitoba that has retained this bond. I would like to thank the Board of Directors for their guidance and dedication, and to the staff for their hard work and commitment in serving our members. In closing, I would like to personally thank all of our members for their support and loyalty to our Credit Union over the past year.

Roman Hrabowych, B.Comm.(Hons.), F.I.C.B.
Chief Executive Officer

Community Organizations Supported By

North Winnipeg Credit Union Limited in 2013

Alpha Omega Alumnae	St. Anne Ukrainian Catholic Church
Canada Ukraine Foundation	St. Joseph's Ukrainian Catholic Church
Cancer Care Manitoba	St. Nicholas Ukrainian Catholic Church
Children of Chernobyl Canadian Fund	Sts. Vladimir and Olga Cathedral
Co-operative Development Foundation of Canada	Teulon Ukrainian Dance Club
Folklorama - Ukraine - Kyiv Pavilion	The Catholic Foundation of Manitoba
Humanitarian Association of Ukrainian Volunteers Myloserdia	Troyanda Dance Ensemble
Immaculate Heart of Mary School	Ukrainian Academy of Arts and Sciences (UVAN) in Canada
Knights of Columbus - Canon Luhovy Assembly #0374	Ukrainian Canadian Congress
Knights of Columbus - Fr.Shyshkowich Council #8925	Ukrainian Canadian Foundation of Taras Shevchenko
Manitoba High School Athletic Association	Ukrainian Orthodox Summer Camp "Veselka"
Metropolitan Andrey Sheptytsky Institute Foundation	Ukrainian Park Camp
O. Koshetz Choir	Ukrainian Reading Association "Prosvita"
Oseredok Ukrainian Cultural and Educational Centre	Ukrainian Self-Reliance League of Canada
Osvita Foundation	Ukrainian Social Services Manitoba Branch
Plast - Ukrainian Youth Association of Manitoba	Ukrainian Women's Association of Canada, Lesia Ukrainka Branch
Platinum Jets Charity Golf Classic	University of Manitoba Ukrainian Canadian Alumni Committee
Ralph Brown School	University of Winnipeg Chair in Cooperative Management
Rozmai Winnipeg CYMK Ukrainian Dancers	Winnipeg Ukrainian Golf Classic
Rusalka Ukrainian Dance Ensemble	
Sister Servants of Mary Immaculate	Total donations \$12,354
Springfield Heights School	

New Community Credit Union is the oldest Ukrainian credit union in Canada and was incorporated on January 26, 1939, which has been serving the Ukrainian Community in Saskatoon for over seventy three years. New Community is the sixth largest Ukrainian credit union in Canada.

CEO:	Darren Doepker
Head Office Address:	321 - 20th Street West Saskatoon, Saskatchewan S&M 0X1
Telephone:	(306) 653-1300
Website:	www.newcommunitycu.com
Board of Directors:	Gord Klimek - President Julius Calyniuk - Vice President Colleen Brown - Secretary Cliff Arthurs Delva Rebin Barry Slowski Laura Hosaluk George Zerebecky Angela Wojcichowsky
Source: Website	

Chairperson's Report

On behalf of your Board of Directors, I am pleased to present the New Community Credit Union 2013 Annual Financial Report. Our credit union enjoyed another successful year with growth in assets and increase in net revenue.

During the year, we have had some staff changes and I wish to welcome the new staff members. Our General Manager Bill Zerebesky retired effective March 31, 2013. Darren Doepker, our new General Manager is dedicated and working hard towards maintaining the growth and stability of our credit union. The number of credit unions in our province has declined again this year to about 50, and the mergers are expected to continue. Although we continue to grow and be profitable, we must be mindful of the future. The main challenge for our credit union are the compliance requirements set by our regulators.

Congratulations to New Community Credit Union for 75 years of excellent service to our members and the community. I am honoured to have served on the Board of New Community Credit Union. It has been an enjoyable, memorable experience. In closing, on behalf of our Board of Directors, management, and staff of our credit union, we extend our sincere thanks to our members for their continued loyalty and

patronage. Our sincere gratitude to management and staff in providing excellent member service assuring our success into the future.

Gordon Klimek
Chairperson of the Board

Introduction

New Community Credit Union (NCCU) is an independent member owned Saskatchewan credit union. Current credit union legislation enables NCCU to provide financial services to members and non-members. As of December 31, 2013 NCCU had 2,134 members, which is slightly down from 2,154 members in 2012. All members hold a \$10 share, allowing them to participate in the democratic process. NCCU has held its office in Riversdale our entire 75 year history, predominately providing services to Saskatoon and bordering communities. Service channels are in-branch, the ATM network, CU Connect, internet banking and some mobile banking.

Strategy

The vision of New Community Credit Union (NCCU) is “To be the premier provider of personalized financial services to a growing and diverse membership”. A strategic initiative has always been to provide our members with an elite level of service. 2013 would have to be considered a year of transition. This year saw the retirement of our long time GM, the retirement of another long term staff member, along with movement in our investment position. These staff changes placed considerable strain on the entire staff.

To support the strategic objective of providing elite service, it took a renewed effort and dedication from staff and management to provide this service expectation on a consistent and timely basis. We would like to recognize the job our staff have done, and to thank our membership for the loyalty and continued patronage throughout this transition. Additionally, 2013 saw an in-depth assessment of organizational expenses and the potential for additional revenue streams, all with a focus on positioning NCCU for long term success. We are pleased with the results showing increased profit and continued growth in all key areas. With the stability and expertise in our current staff, Balance Sheet, and Capital Levels we are excited about what the future holds for NCCU.

Results

Financial Performance

Member deposits increased by 4.52% to \$59M. Of this almost \$3M increase in member deposits, the majority of the growth was seen in Term Deposits. We ended 2013 almost right on our 80% target, with Loans making up 79.58% of Assets. Loan demand was once again very strong. Along with Member Loans on the Balance Sheet, NCCU administers loans funded by strategic partners. At year-end this amount stood at almost \$18.5M. The net result was an annual 4.94% increase in balance sheet loans and total loan portfolio increase of 12.02%. Our total loan portfolio stands at \$72M.

Although our loan portfolio is heavily weighted in Residential Mortgages, providing a very safe investment for NCCU, it has resulted in a continued strain on our interest margin. This declining interest margin has placed pressure on profitability. Since interest is the primary source of revenue, as well as the single largest expenditure, it will be critical to find the best balance of risk and reward. The primary risk for a financial institution is its loan portfolio. NCCU continues to have excellent results in this area, with 10 consecutive years with an average loan writeoff/allowance of less than \$5,000. NCCU loans delinquent greater than 30 days ended the year with one account (\$17,944) or 0.02% of total loans. Comparatively

like sized Saskatchewan CU's had an average delinquency rate of .39% > 90 days. The average for the entire Saskatchewan system averaged .35% > 90 days.

Liquidity Risk

Liquidity is the capacity to generate or obtain sufficient cash in a timely manner at a reasonable price to meet commitments as they become due. High-quality liquid assets can be easily and immediately converted into cash at little or no loss of value. Saskatchewan credit unions are required to maintain 10% of their deposits with SaskCentral. These statutory deposits support clearing and settlement within the national credit union system and are administered by SaskCentral. Operating liquidity is defined as available liquidity as a percentage of potential liquidity outflows. NCCU's ongoing strength in loan demand continues to place a strain on Liquidity. We have been managing this risk for the number of years, almost exclusively with strategic funding partnerships with other Saskatchewan CU's. We ended the year in a positive liquidity position: \$3.76M.

Capital and Profitability Management

After 3 years of declining profitability we are pleased to report net profit of \$339,292. The \$64,374 gain represents a 22.19% increase. Good profitability results in a strong and healthy equity position. Increased regulatory requirements continue to place pressure on building reserves; as a result, the Board made the decision to move 100% of this year's profit into Retained Earnings. Equity is the difference between assets and liabilities which is the measure of ownership. Equity can be measured both as a percentage of assets or as a dollar amount. We completed the 2013 year with \$4,962,935.

Equity or Capital is the financial strength of a credit union. The level of capital held protects against anticipated and unexpected events. Credit Union Deposit Guarantee Corporation sets standards for the Credit Unions to follow. Although CUDGC set's minimum standards, they consider it prudent to maintain Capital levels which exceed the regulatory minimums. One ratio measured is the Leverage Ratio. NCCU has a leverage ratio of 6.66%, which exceeds the 5.0% regulatory minimum but falls short of the target of 7.5%. Throughout the credit union system we are becoming all too familiar with the phrase "Capital is King".

Productivity is an area of operations we focused considerable attention on, in 2013. Staff movement provided an opportunity to assess NCCU's long term needs and allowed us to focus on areas where expertise would be needed for future effectiveness and efficiencies. Although we are pleased with some of the results and believe productivity remains very competitive with other Credit Unions, we will continue to assess our efficiency ratio. Efficiency ratio is another measure often used in the financial services industry. Effectively, this is the amount you need to spend in order to make \$1 - the lower the ratio the better. NCCU's year-end total was 79.98%. This is compared to 72.87% based on our Peer's and 74.63% to the cu system. Although higher than we want, we are confident we have put in place efficiencies which will be seen in future years.

Summary

With a 22% increase NCCU has been able to reverse a 3 year trend of declining profitability. A 10% increase in non-interest revenue and two SaskCentral dividend payments played a role in profitability. Board and management are committed to sound financial management; the result is an engaged process to stabilize the operations after the change in management and further staff disruption experienced in 2013. Part of this will be to pay close attention to balancing capital levels and maintaining growth at or near the 5% experienced in 2013. With escalating attention on capital, NCCU will continue to focus on building reserves for the foreseeable future.

As a financial institution, the credit union is essentially in the business of taking on and managing risk on a number of fronts. The Board of Directors and Executive Management are committed to balancing and managing the various risks of the organization to ensure strength and stability well into the future. Although a recent change in management has taken place, we feel we have the expertise combined with the financial industry experience to position NCCU for the future. Management works closely with the credit union's Board of Directors to establish policies and procedures to effectively manage the various risks that the organization is exposed to. The Financial Services Industry is highly scrutinized and regulated. Regular audits; both internal and external, combined with ongoing monitoring performed by the Credit Union Deposit Guarantee Corporation (CUDGC) provides support to the risk management function of the credit union. Risk is managed on a regular basis with monthly meetings and regular and detailed reporting presented to the NCCU's Board of Directors.

Bob (Bohdan) Leshchyshen

Bob Leshchyshen's analytical career has spanned more than 30 years with particular emphasis on the financial services sector and special situations.

His chartered bank and credit union regulatory experience includes senior positions with the **Deposit Insurance Corporation of Ontario (DICO)** and the **Office of the Superintendent of Financial Institutions** (Federal regulator).

He has extensive research and analytical experience with several prominent equity research and credit-rating organizations, including **Independent Equity Research (eResearch)**, **Northern Securities**, **St. James Securities**, **Dominion Bond Rating Service**, **PPM Fund Mangers (Canada)**, a unit of Prudential Life Insurance Company, and **McNeil Mantha**.

Bob's Credit Union experience includes over eighteen years as a Director of **Buduchnist Credit Union**. He is also a Director of **Selient Inc.**, a public company providing lending software to credit unions in Canada. He was a Director of **Northwest & Ethical Investments LLP** (formerly The Ethical Funds Inc.), a mutual fund company owned by the Credit Union Centrals in Canada and the Desjardins Movement in Quebec between 2006-2009.

Investor relations experience includes two years as Director of Corporate Development with CHF Investor Relations and *beginning in April 2011, Vice President, Corporate Development and Investor Relations for Century Iron Mines Corp. recently listed company of the TSX.*

He has a **BA** from the University of Toronto and an **MBA** from the University of Toronto - Faculty of Management Studies (Rotman School of Management) and holds a **CFA** designation (Chartered Financial Analyst) from the CFA Institute.

For further information and previous reports, please visit:

www.canadiancreditunion.ca