

UKRAINIAN CREDIT UNIONS IN CANADA 2003 FINANCIAL RESULTS

By Bohdan Leshchyshen, MBA, CFA

Economic Growth has begun to improve

In 2003, the Canadian economy experienced stronger growth of real gross domestic product (GDP) than in the previous year (growth of 5.7% compared to 5.0% in 2002). The economic growth improved due to higher growth of expenditures on semi-durables and non-durables (5.2% compared to 5.0% in 2002) and growth in expenditures on services (5.5% compared to 5.1% in 2002) offset by a decline in investments in machinery & equipment (-1.6% compared to decline of 0.3% in 2002) and significantly slower growth of consumer expenditures on durables (1.8% compared to 8.4% in 2002). This improving economic environment led to continued growth in consumer credit (8.8% compared to 8.7% in 2002). A slower increase in housing starts, which increased by 7.0% to 220,200 compared to the exceptional 26.1% in 2002 did not slow down the growth in residential mortgages (8.7% in 2003 compared to 7.5% a year ago).

As the baby boom generation ages, credit union members are shifting from consumption to saving and investment. The boomers and their parents need fewer credit products such as consumer loans and mortgages, and more investment products like mutual funds and equities. However, the recent immigration from Ukraine has resulted in some credit unions increasing their mortgage portfolios and loan portfolios (particularly for small businesses) as this immigration begins the process of wealth accumulation. The Ukrainian credit unions have responded to these challenges by selling mutual funds, providing financial planning services and on-line equity trading for the existing members and trying to attract new younger members through their web sites on the Internet. In addition, the new immigrant members have been major borrowers both for personal needs as well as for business needs.

The large financial institutions are providing more competition each year, especially in the areas where the credit unions have been the strongest in the past - residential mortgages. The chartered banks have seen their residential mortgages grow by 7.6% in 2003 compared to 7.8% in the previous year. In the last two years, the credit union's residential mortgage growth has exceeded the growth experienced by the banks which has resulted in the credit union's market share increasing to 13.3% in 2003 from 13.0% in 2000. The banks have seen their market share of residential mortgages increase from 60.7% five years ago to approximately 63.2% this year.

We have seen further consolidation of the Ukrainian credit union system over the last few years. Just recently, New Community Credit Union has decided to enter into merger discussions with other credit unions in Saskatoon and will probably not remain a Ukrainian credit union. This happened previously when Progress Vera Credit Union in Winnipeg merged with another Winnipeg credit union and a significant number of the Ukrainian members were lost from our Ukrainian group of credit unions.

A number of the larger Ukrainian credit unions have introduced extensive wealth management programs over the last few years with the intent on retaining a significant amount of the deposit business of the older membership of the credit union. The three largest credit unions have seen their assets under administration (AUM) increase significantly – Ukrainian CU saw its AUM increase by 32% to approximately \$26.8 million, Carpathia CU saw its AUM increase to approximately \$9.0 from had \$7.1 million, an increase of 27% and Buduchnist CU saw its AUM increase to \$12 million and increase of 100% from the previous year.

Financial Overview

The fundamentals of the Ukrainian credit union in Canada continue to be strong: asset quality is good, capital levels are strong and return on equity was adequate.

Performance. Return on equity was 8.7% compared to 8.6% in 2002. Due to a lower inflationary environment in Canada and low interest rates which resulted in slower deposit growth, Ukrainian credit unions' assets grew by only 7.5% compared to 4.0% last year. Canadian banks assets also saw slower growth and increased by 1.6%. The Ukrainian credit union's net income before dividend and patronage payments increased by 8.0% to \$6.5 million from \$6.0 million, primarily due to 23% decrease in income tax expense. [This does not include any extraordinary items]. However, the credit unions continued to pay 37.3% of their net income to their members by way of a dividend or a patronage refund totalling \$2.4 million compared to \$2.2 million in the previous year. These patronage dividends helped increase the capital of the credit unions by 6.8% to \$76.4 million representing 7.35% of the assets.

The return on assets increased slightly to 0.65% in 2003 from 0.63% in 2002, which is comparable to the average level of the large Canadian banks (0.71%) and 0.67% for the 87 largest credit unions in Canada. The main contributing factors to the higher return on assets were the lower loan loss provision as a % of assets and lower tax rate.

Ukrainian 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 now represents 12.4% of total revenue compared over 50.4% for the large Canadian banks and 24.6% for the 87 largest Canadian credit unions. The higher ratio of other income experienced by the large Canadian banks is due to the significant fees generated from their brokerage, mutual funds and investment management activities, not to mention fees for bank services, which credit unions generally do not charge.

Ukrainian credit unions have a higher cost structure. The operating expense ratio as a % of average assets increased slightly to 2.45% compared to 2.38% in the previous year, which is still lower than the large Canadian banks at 2.69%. However, the operating expense to revenue (productivity ratio) increased to 75.0% from 72.8% last year. The productivity ratio is higher than the large Canadian banks at 68.9%, but slightly lower than the 87 largest Canadian credit unions which had a productivity ratio of 76.1%.

Asset Quality. Overall the asset quality is still quite strong. The loan loss provision as a % of average assets decreased to 0.05% from 0.09% in 2002, which compares very favourably to the large Canadian banks at 0.23% and large Canadian credit unions at 0.13%. The allowance for loan losses also decreased to 0.37% of total loans from 0.41% in 2002, which compares very favourably to the large Canadian banks at 1.55% and in line with the large Canadian credit unions at 0.49%.

Loan portfolio. The Ukrainian credit unions have a strong concentration in lower risk residential mortgage lending which represents 60% of the loan portfolio compared to 57% last year. This represents a 21% increase in residential mortgages. Commercial and other loans represent 40% of the loan portfolio compared to 43% last year, with commercial loans growing by 13% and personal loans declining by 13%. Providing secured loans to small businesses and self-employed individuals will ensure the future of Ukrainian credit unions because these two groups of individuals have been ignored by and not well serviced by the chartered bank system in Canada.

Growth. Asset growth has been slow at 7.5% primarily due to slow membership growth. Membership was at 69,264 in 2003 an increase of 2.5% from 67,594 in 2002. Due to aging membership, we estimate that approximately 500 members died during 2003. The loan growth was strong, with total loans growing by 15.0% to \$783 million primarily due to commercial and mortgage loans grew 13% and 21% respectively, while personal loans saw a decrease of 13%. The demographics of the membership and low interest rate environment have affected the deposit growth. Deposits grew by 7% to \$942 million and represented 91% of the total assets.

Brief overview of the six largest Ukrainian credit unions

Buduchnist Credit Union is the largest Ukrainian credit union in Canada, 13th largest credit union in Ontario and 47th largest in Canada based on asset size. Buduchnist CU's loan portfolio increased by 14.8% in 2003 compared to 25.2% in the previous year and the total deposits increased by only 7.9% in 2003 compared to 5.1% in 2002. The membership grew by 5.7% in 2003 compared to 9.8% in 2002. The net income decreased slightly by 0.1% to \$2.2 million in 2003 due to higher operating expenses and offset slight by lower income tax rate. Buduchnist spent \$536,200 or 6.8% of its operating income on promotions, donations and advertising compared to 5.1% in the previous year. The capital and retained earnings stood at \$24.3 million representing 8.46% of assets. Buduchnist introduced a patronage share program in 1997. The credit union made patronage and dividend payment of \$636,000 in 2003 representing 29% of its net income. Buduchnist CU advanced new record 340 residential mortgages in 2003 for a total value of \$55.3 million compared to 330 loans and loan value of \$50.2 million in the previous year. Buduchnist issued 122 commercial loans and mortgages for a total value of \$17.7 million (a decrease of 30%) and 551 personal loans for a total value of \$4.6 million (a decrease of 16%). Total loans issued amounted to \$77.5 million compared to \$80.8 million in the previous year. Buduchnist CU had a return on assets of 0.80% and return on equity of 9.5%. Buduchnist has 5 branches, 2 ATM locations, together with a web site, newly created wealth management and mutual funds sales operation (\$11 million in assets under administration), Internet and telephone banking services.

Ukrainian Credit Union is the second largest Ukrainian credit union in Canada, 14th largest credit union in Ontario and 48th largest in Canada based on asset size. The credit union had increased its asset base significantly and expanded its branch network in previous years through amalgamations with smaller Ukrainian credit unions. Net income in 2003 declined by 17% to \$0.9 million due to a lower net interest margin which decreased to 2.77% from 2.99% in the previous year. Ukrainian spent \$418,400 or 4.9% of its operating income on promotions, donations and advertising. The credit union experienced deposit growth of 8.0% in 2003 compared to 6.0% in 2002. Net loans saw a substantial increase of 25% in 2003 compared to an increase of 5.0% in 2002. The capital and retained earnings stood at \$16.9 million representing 6.06% of assets. Ukrainian CU has mutual funds and securities under administration, which grew by 32% to exceed \$26.8 million. Ukrainian CU advanced a record 407 residential mortgages in 2003 for a total value of \$74.1 million and 30 commercial loans for a total value of \$12.0 million and 683 lines of credit and personal loans totalling \$17.4 million. Total loans issued amounted to \$103.5 million compared to \$53.7 million in the previous year. Ukrainian CU had a return on assets of 0.32% and return on equity of 5.3%. The credit union made a patronage and dividend payment of \$83,000 in 2003 representing 9.5% of its net income. Ukrainian CU has 2 Toronto area-branches and 5 branches outside of Toronto, 4 ATM locations, together with a Call Centre, a web site, e-mail, Internet and telephone banking services.

Carpathia Credit Union is the one of the oldest Ukrainian credit union in Canada. The credit union is the 3rd largest Ukrainian credit union in Canada and the 81st largest credit union in Canada. Carpathia CU experienced a strong increase in assets of 9.1% in 2003 compared to an increase 2.0% in the previous year. The net income in 2003 increased by 27% to \$898,000 due primarily to an increase in net interest margin to 2.98% from 2.75% in the previous year. The credit union experienced much stronger deposit growth of 9.5% in 2003 compared to 2.5% in 2002. Net loans increased by 6.7% in 2003 compared to an increase of 9.0% in 2002. Carpathia CU had a return on assets of 0.59% and return on equity of 8.6%. The credit union, which was the first Ukrainian credit union to introduce tax efficient patronage refunds, paid its seventh patronage refund and an additional dividend totalling \$432,000 to its members representing 48% of its net income. From the beginning of its program, Carpathia has returned over \$4.8 million to its members in the form of dividends and patronage refunds. Members' equity stood at \$10.6 million representing 6.66% of assets. Carpathia CU now has mutual funds under administration, which exceeded \$9.0 million. Carpathia CU has 3 branches, 3 ATMs, a web site, telephone banking, Internet banking, and a full service financial planning and wealth management operation. Carpathia also offers online securities trading through its alliance with Qtrade.

So-Use Credit Union is fourth largest Ukrainian credit union in Canada based on asset size. So-Use CU experienced a decrease in assets of -0.1% in 2003 compared to a decrease of -2.5% in the previous year. So-Use saw a 22% decrease in the net income to \$337,100 from \$433,400 compared to 30% decline in the previous year. The decline was primarily due to a significant increase in loan loss provisions of \$106,500. The credit union had an average return on assets of 0.49% and a return on equity of 5.3%. So-Use returned \$158,000 of dividends and interest on shares to its members in 2003, which represents 47% of its net income. So-Use is one of the best capitalized Ukrainian credit unions after raising over \$2 million in special Class A shares in 1998. Member's equity stood at \$6.5 million representing 9.50% of assets. So-Use has one branch, two ATMs, Internet, and telephone banking services.

La Caisse Populaire Ukrainienne de Montreal is the 5th largest Ukrainian credit union in Canada. The caisse populaire experienced asset growth of 4.8% compared to 13.1% in the previous year. The net income of the caisse populaire increased by 26% to \$1,075,000. The Caisse made its fifth tax efficient patronage refund payment of \$700,000 to its members in 2003, which represents a return of 65% of its net income. The Caisse is well capitalized with members' equity of \$5.6 million representing 8.61% of assets. The Caisse had the best return on assets of 1.70% and best return on equity of 19.9% of the six largest Ukrainian credit unions in Canada. The Caisse operates out of one branch located in Montreal, Quebec.

North Winnipeg Credit Union, which has been serving the Ukrainian Community in Manitoba for 60 years, is the sixth largest Ukrainian credit union in Canada. North Winnipeg CU, the fastest growing Ukrainian credit union in 2003, saw its assets grow by 10% compared to 9% in the previous year. The net income increased by 41% to \$278,500 in 2003 due to strong asset growth, higher level of net interest income and a decrease in the loan loss provision. North Winnipeg CU's loan portfolio increased by 19.0% in 2003 compared to 11.9% in the previous year and the total deposits increased by 9.8% in 2003 compared to 10.0% in 2002. North Winnipeg CU had an improved return on assets of 0.64% and return on equity of 11.4%. The credit union made a patronage and dividend payment of \$125,000 in 2003 which represents 45% of its net income. Members' equity stood at \$2.6 million representing 5.61% of assets. North Winnipeg CU now has mutual funds under administration, which exceeded \$1.5 million. North Winnipeg has one branch, one ATM, telephone banking and Internet banking. North Winnipeg CU was one of the first Ukrainian credit unions to offer online securities trading through its alliance with Northern Securities Inc., and offers full service financial planning as well as wealth management for its members through its MemberCare Financial Services office.

Future Challenges

The financial services industry in Canada has been evolving quickly. The independent trust companies have all but disappeared. Chartered banks have become much more competitive in the areas of consumer deposits and residential mortgage loans the domain primarily occupied by the credit unions. The chartered banks' market share of residential mortgages has increased to 63.3% in 2001 compared to 42.5% in 1990. While the credit unions market share has remained in the 13% range. Mortgage backed securities have increased their market share from 2% to 10.6% in the same period.

The changing environment has required Ukrainian credit unions to be more innovative in the services and products that they have been providing to their memberships. Many credit unions reviewed in this paper have introduced new credit cards and have expanded their wealth management product offerings including mutual funds, securities, financial planning, estate planning and insurance. The credit unions have begun to aggressively introduce Internet Banking and On-Line brokerage services. Due to the significantly older membership, the Ukrainian credit unions have been focusing on attracting younger members with specifically targeted marketing programs and products.

Unions of Canada and with the assistance of the Canadian government to play a major role in the development of the credit union system in Ukraine.

Ukrainian credit unions have begun to develop special loan packages for young professionals entering the field of medicine, law and dentistry. With the expected increase in educational costs and the recent changes in the RESP regulations, the credit unions have set up educational savings plans to assist their children and grandchildren. Other products that are being developed are self-administered RRSP and RRIF plans, mutual funds and financial planning services. Registered plans grew by only 1.8% in 2003 to \$142 million compared to 6.1% growth in 2002..

The major challenge in the future for the Ukrainian credit unions is to seek opportunities where they can work together to provide a more comprehensive list of services and products for their members. By doing so, I believe that they will be able to attract more new and younger members and ensure their survival for future generations.

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**UKRAINIAN CREDIT UNIONS IN CANADA
as at December 31, 2003**

Schedule 1

Name of credit union	Location	Members	Asset		*Net	*Return on		Capital	Dividends
			Assets (\$Mils)	Growth %	Income (\$000's)	Assets %	Capital (\$Mils)	% of Assets	& Patronage (\$000's)
1 Buduchnist	Toronto	15,225	287.8	9.5%	2,210	0.80%	24.3	8.46%	636
2 Ukrainian	Toronto	20,005	279.2	8.4%	869	0.32%	16.9	6.06%	83
3 Carpathia	Winnipeg	11,219	159.4	9.1%	898	0.59%	10.6	6.66%	432
4 So-Use	Toronto	5,928	68.6	-0.1%	337	0.49%	6.5	9.50%	158
5 CP Montreal	Montreal	3,134	64.9	4.8%	1,075	1.70%	5.6	8.61%	700
6 North Winnipeg	Winnipeg	3,462	45.9	9.9%	278	0.64%	2.6	5.61%	125
7 St. Mary's	Toronto	2,211	27.4	-2.4%	86	0.31%	2.2	7.90%	15
8 United Ukrainian	Hamilton	1,831	27.9	0.4%	135	0.48%	2.0	7.20%	0
9 New Community	Saskatoon	2,300	30.3	5.0%	196	0.66%	2.0	6.75%	50
10 Ukrainian National	Montreal**	1,786	26.7	23.6%	310	1.28%	2.0	7.49%	190
11 Ukrainian (St. Catherines)	St. Catharines	1,006	11.1	0.0%	50	0.45%	0.9	8.31%	23
12 St. Josaphat's Parish	Toronto	649	7.4	-0.5%	22	0.29%	0.6	7.69%	3
13 Ukrainian (Calgary)	Calgary	508	1.7	-9.9%	1	0.06%	0.1	5.52%	0
Total 2003		69,264	1,038.2	7.5%	6,468	0.65%	76.4	7.35%	2,415
Yr/Yr Growth %		2.5%			8.0%		6.8%		10.2%
Total 2002		67,594	965.4		5,989	0.63%	71.5	7.40%	2,191
*Net Income is defined a net income before extraordinary gains/(losses),dividends and patronage dividends.									
Name of Trust Company									
Community Trust Company	Toronto	n/a	235.9	5.7%	2,333	1.02%	22.8	9.68%	0
**as at December 31, 2003 <i>Please note numbers in bold are 2002 members</i>									

UKRAINIAN CREDIT UNIONS IN CANADA
as at December 31, 2003

Schedule 2		As a % of average assets						
		Net Loans	Allowance/ Total Loans	Total Deposits	Net Interest Margin	Operating expenses	Loan Loss Provision	Productivity Expense Ratio(a)
Name of credit union	Location	(\$Mils)		(\$Mils)				
1 Buduchnist	Toronto	238.8	0.16%	256.4	2.63%	1.85%	-0.02%	64.73%
2 Ukrainian	Toronto	220.9	0.17%	257.5	2.77%	2.73%	0.02%	86.42%
3 Carpathia	Winnipeg	125.9	0.41%	146.4	2.98%	2.79%	0.08%	78.92%
4 So-Use	Toronto	56.1	1.19%	61.3	3.23%	2.87%	0.47%	74.50%
5 CP Montreal	Montreal	36.0	0.79%	56.5	2.91%	1.66%	-0.30%	51.90%
6 North Winnipeg	Winnipeg	37.1	0.34%	42.6	2.89%	2.99%	0.07%	79.31%
7 St. Mary's	Toronto	14.1	0.15%	25.6	2.41%	2.27%	0.00%	85.66%
8 United Ukrainian	Hamilton	12.7	0.59%	25.5	2.85%	2.61%	0.09%	79.29%
9 New Community	Saskatoon	24.5	0.45%	28.0	3.85%	3.20%	0.66%	69.02%
10 Ukrainian National	Montreal	5.5	4.25%	23.8	3.67%	2.70%	-0.09%	67.68%
11 Ukrainian (St. Catherines)	St. Catherines	6.1	0.36%	10.0	2.93%	2.78%	0.02%	84.40%
12 St. Josaphat's Parish	Toronto	4.3	0.51%	6.7	3.19%	2.77%	0.06%	86.90%
13 Ukrainian (Calgary)	Calgary	0.8	2.34%	1.6	3.31%	3.32%	0.16%	93.73%
Total 2003		782.9	0.37%	941.8	2.86%	2.45%	0.05%	75.01%
Yr/Yr Growth %		15.0%		7.1%				
<i>Total 2002</i>		<i>681.0</i>	<i>0.41%</i>	<i>879.4</i>	<i>2.87%</i>	<i>2.38%</i>	<i>0.09%</i>	<i>72.78%</i>
(a) Productivity expense ratio - operating expenses % of operating revenue								
Name of Trust Company								
Community Trust Company	Toronto	206.7	1.53%	197.8	2.90%	1.77%	-0.01%	53.00%

**UKRAINIAN CREDIT UNIONS IN CANADA
as at December 31, 2003**

Schedule 3		Return on	Yield	Yield	Cost of	Interest	Assets/	RRSP/
Name of credit union	Location	Equity	on Loans	on Securities	Deposits	Spread	Member	Deposits
		%	%	%	%	%	\$	%
1 Buduchnist	Toronto	9.5%	5.33%	2.13%	2.27%	2.51%	\$18,901	14%
2 Ukrainian	Toronto	5.3%	5.34%	2.75%	2.02%	2.67%	\$13,956	18%
3 Carpathia	Winnipeg	8.6%	6.09%	4.29%	2.91%	2.85%	\$14,206	23%
4 So-Use	Toronto	5.3%	5.45%	2.39%	1.62%	3.23%	\$11,580	19%
5 CP Montreal	Montreal	19.9%	8.89%	n/a	2.17%	2.73%	\$20,697	0%
6 North Winnipeg	Winnipeg	11.4%	6.45%	3.35%	2.92%	2.97%	\$13,258	2%
7 St. Mary's	Toronto	3.9%	5.13%	2.60%	1.61%	2.35%	\$12,398	7%
8 United Ukrainian	Hamilton	7.0%	6.42%	3.82%	2.23%	2.78%	\$15,233	23%
9 New Community	Saskatoon	10.1%	7.41%	2.64%	2.79%	3.68%	\$13,162	16%
10 Ukrainian National	Montreal	16.9%	0.00%	6.29%	1.50%	3.61%	\$14,961	0%
11 Ukrainian (St. Catherines)	St. Catherines	5.5%	6.50%	3.01%	2.18%	2.88%	\$11,017	14%
12 St. Josaphat's Parish	Toronto	3.9%	6.91%	2.50%	2.10%	3.06%	\$11,337	0%
13 Ukrainian (Calgary)	Calgary	1.2%	6.19%	2.99%	1.14%	3.27%	\$3,388	0%
Total 2003		8.7%	5.76%	2.83%	2.25%	2.76%	\$14,989	12%
Total 2002		8.6%	6.03%	2.78%	2.27%	2.06%	\$14,282	16%
Name of Trust Company								
Community Trust Company	Toronto	10.8%	7.54%	3.78%	4.80%	2.35%	n/a	19%

Schedule 1

**UKRAINIAN CREDIT UNIONS IN THE UNITED STATES
as at December 31, 2003**

Name of credit union	Location	Members	Asset		*Net	*Return on		Capital	Return
			Assets (\$Mils)	Growth %	Income (\$000's)	Assets %	Capital (\$Mils)	% of Assets	on Capital %
1 Self Reliance	<i>New York, NY</i>	14,084	446.5	13.6%	8,116	1.93%	92.9	20.80%	9.4%
2 Self Reliance	<i>Chicago, IL</i>	20,913	422.9	8.0%	4,104	1.01%	49.1	11.62%	8.7%
3 SUMA	<i>Yonkers, NY</i>	6,059	144.0	12.4%	2,059	1.51%	25.5	17.69%	8.7%
4 Self Reliance	<i>Warren, MI</i>	6,870	140.6	5.4%	490	0.36%	13.9	9.91%	3.7%
5 Self Reliance	<i>Philadelphia</i>	7,335	122.2	8.3%	1,200	1.02%	16.5	13.50%	7.6%
6 Ukrainian Orthodox	<i>New York, NY</i>	5,206	97.6	17.3%	627	0.69%	11.0	11.25%	6.1%
7 Rochester Ukarinian	<i>Rochester, NY</i>	7,062	77.4	9.3%	1,047	1.41%	11.4	14.76%	9.8%
8 Self Reliance	<i>Clifton, NJ</i>	4,013	76.3	10.6%	453	0.62%	8.3	10.86%	5.7%
9 Ukrainan Future	<i>Warren, MI</i>	4,345	67.1	11.1%	780	1.22%	6.6	9.92%	12.6%
10 Self Reliance	<i>Parma, OH</i>	4,098	65.2	5.3%	745	1.17%	8.3	12.66%	9.6%
11 Self Reliance	<i>Hartford, CI</i>	2,664	27.4	3.0%	91	0.34%	4.5	16.33%	2.1%
12 Self Reliance	<i>Syracuse, NY</i>	1,873	16.5	5.0%	75	0.46%	2.1	12.57%	3.8%
13 Self Reliance	<i>Baltimore, MD</i>	940	13.1	20.2%	24	0.20%	1.3	10.19%	1.8%
14 Self Reliance	<i>Pittsburg, PA</i>	843	8.2	-0.1%	-280	-3.40%	0.9	11.06%	-26.9%
15 Ukr. Dnipro Home	<i>Buffalo, NY</i>	969	7.8	4.1%	94	1.22%	0.9	12.06%	10.4%
16 Ukrainian	<i>Minneapolis</i>	2,108	7.3	-6.9%	-179	-2.36%	0.8	11.03%	-19.3%
17 Ukr. Fraternal	<i>Boston, MA</i>	554	6.2	22.2%	32	0.57%	1.1	18.07%	3.0%
17 OSNOVA	<i>Parma, OH</i>	490	4.5	4.9%	26	0.60%	0.5	11.88%	5.1%
19 Ukrainian	<i>Washington, DC</i>	267	1.1	18.4%	9	0.89%	0.1	6.79%	13.0%
20 Ukrainian	<i>Milwaukee, WI</i>	71	0.2	-5.6%	-2	-1.26%	0.0	30.81%	-4.1%
Total		90,764	1,752.0	10.1%	19,511	1.17%	255.8	14.60%	15.3%
<i>Yr/Yr Growth %</i>		<i>5.8%</i>			<i>23.4%</i>		<i>0.0%</i>		
<i>Total 2001</i>		<i>85,811</i>	<i>1,591.5</i>	<i>10.7%</i>	<i>15,817</i>	<i>1.04%</i>	<i>255.8</i>	<i>14.32%</i>	<i>13.9%</i>
<i>Savings and Loan Bank</i>									
First SecurityFed Financial Inc	<i>Chicago, IL</i>	n/a	464.3	7.7%	11,976	2.89%	72.0	15.52%	15.6%

*Net Income is before extraordinary items.

Schedule 2

**UKRAINIAN CREDIT UNIONS IN THE UNITED STATES
as at December 31, 2003**

Name of credit union	Location	As a % of average assets						
		Net Loans (\$Mils)	Allowance/ Total Loans	Deposits (\$Mils)	Net Interest Margin	Operating expenses	Loan Loss Provision	Productivity Expense Ratio(a)
1 Self Reliance	<i>New York, NY</i>	206.6	2.28%	349.5	3.06%	1.22%	0.02%	38.40%
2 Self Reliance	<i>Chicago, IL</i>	199.0	2.72%	315.4	2.62%	1.54%	0.32%	53.77%
3 SUMA	<i>Yonkers, NY</i>	69.3	3.04%	118.5	2.80%	1.42%	0.00%	48.37%
4 Self Reliance	<i>Warren, MI</i>	59.1	0.09%	126.6	1.71%	1.60%	-0.07%	84.92%
5 Self Reliance	<i>Philadelphia</i>	64.6	1.60%	105.7	2.70%	1.78%	0.00%	63.51%
6 Ukrainian Orthodox	<i>New York, NY</i>	34.0	1.30%	86.6	2.36%	1.87%	-0.12%	76.36%
7 Rochester Ukarinian	<i>Rochester, NY</i>	40.0	0.68%	66.0	3.30%	2.08%	0.15%	57.16%
8 Self Reliance	<i>Clifton, NJ</i>	27.2	1.20%	68.0	2.28%	1.84%	0.00%	74.66%
9 Ukrainan Future	<i>Warren, MI</i>	40.4	0.11%	60.4	3.04%	2.15%	0.09%	62.00%
10 Self Reliance	<i>Parma, OH</i>	35.3	0.21%	56.9	2.65%	1.59%	0.01%	57.24%
11 Self Reliance	<i>Hartford, CI</i>	18.1	0.23%	22.9	3.76%	3.43%	0.15%	87.64%
12 Self Reliance	<i>Syracuse, NY</i>	4.0	1.04%	14.4	2.61%	2.22%	0.11%	79.44%
13 Self Reliance	<i>Baltimore, MD</i>	6.9	0.43%	11.8	1.68%	1.62%	0.09%	84.99%
14 Self Reliance	<i>Pittsburg, PA</i>	1.4	3.58%	7.3	0.73%	2.14%	-1.46%	-78.47%
15 Ukr. Dnipro Home	<i>Buffalo, NY</i>	5.3	1.37%	6.9	4.20%	3.02%	0.00%	71.16%
16 Ukrainian	<i>Minneapolis</i>	2.8	1.09%	6.5	3.21%	3.65%	2.23%	103.89%
17 Ukr. Fraternal	<i>Boston, MA</i>	2.7	2.54%	5.1	2.77%	2.25%	0.00%	79.90%
17 OSNOVA	<i>Parma, OH</i>	2.0	0.26%	3.9	2.55%	2.08%	0.12%	74.38%
19 Ukrainian	<i>Washington, DC</i>	0.6	1.00%	1.0	2.40%	1.71%	0.00%	65.61%
20 Ukrainian	<i>Milwaukee, WI</i>	0.05	10.19%	0.1	3.98%	3.54%	1.70%	88.95%
Total		819.2	1.82%	1,433.7	2.71%	1.61%	0.09%	56.23%
Growth Yr/Yr%		7.9%		10.3%				
Total 2001		759.1	1.87%	1,300.1	2.51%	1.60%	0.07%	58.97%
Savings and Loan Bank								
First SecurityFed Financial Inc	Chicago, IL	301.6	0.96%	290.6	4.40%	1.71%	0.03%	36.97%

(a) Productivity expense ratio - operating expenses % of operating revenue