

# **UKRAINIAN CREDIT UNIONS IN CANADA**

## **2008 FINANCIAL RESULTS**

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## Brief Overview of the Ukrainian Credit Unions in Canada

The Ontario based credit unions experienced a write-down and market value adjustment related to asset-backed commercial paper (“ABCP”) program which was frozen in August 2007. Although, the credit unions did not hold third party ABCP at the time these investments were frozen in August 2007, it subsequently developed exposure through its membership shares in Credit Union Central of Ontario (“CUCO”) (which did hold these types of investments). Each credit union had to write-down a portion of their investment in shares of CUCO.

On July 1, 2008, the Ontario based credit unions became members of Central 1 through the merger of CUCO and Credit Union Central of British Columbia. To meet a precondition of the merger, CUCO was required to transfer its holdings in Asset-Backed Commercial Paper to a limited partnership in which each credit union was required to purchase a proportionate interest. The market value of this proportionate interest underwent a fair value adjustment which resulted in market value loss.

The above two items were reflected in the income statements of each of the Ontario based credit unions.

**Buduchnist Credit Union** is the largest Ukrainian credit union in Canada, 13th largest credit union in Ontario and 50th largest in Canada based on asset size.

- Buduchnist CU spent \$820,284 or 12.1% of its operating expenses on promotions, donations and advertising compared to \$1,027,045 or 16.1% of its operating expenses in the previous year. As such, Buduchnist and BCU Foundation supported the cultural, social, political and educational endeavours of the Ukrainian community in which it operates, touching virtually every aspect of Ukrainian community life in Canada. Among others, this amount included financial support of the annual graduation of the students from Ukrainian heritage programs (“Matura”), grade eight graduations at Ukrainian bilingual schools, St. Nicholas Day celebrations, sponsorship for Ukrainian Youth Associations- SUM and “Plast”, corporate sponsorship of the Bloor West Village Ukrainian Festival, Zolotyj Klen Music Festival, Ukrainian Independence Day sponsored by the Ukrainian Canadian Congress (Toronto) and supported numerous Ukrainian golf tournaments held as fundraising events. This past year, Buduchnist participated in the year-end festivities of Catholic bilingual schools – Josyf Cardinal Slypij in Toronto, St. Sofia in Mississauga and the new Halton Ukrainian Heritage School in Oakville. Every year Buduchnist becomes involved in unique projects. Highlights of the year included sponsorship of Ukrainian singer Ruslana’s Canadian concert tour; special concert

commemorating the 75th anniversary of the Holodomor in Ukraine; Myroslav Ivanyk's documentary film about the Ukrainian Insurgent Army (UPA) which premiered in May 2008; and Buduchnist delegates participated in the 5<sup>th</sup> Conference of the World Council of Ukrainian Credit Unions in Kyiv, Ukraine in August 2008. Buduchnist CU has a scholarship program which provides up to five scholarships to university students recognizing both academic achievement and community involvement.

- Total assets grew by \$31 million or 7.8% to \$435.2 million
- Buduchnist CU's net loan portfolio increased by 6.6% in 2008 primarily due to 61% increase in business loans and 9.4% increase in commercial mortgages. Buduchnist CU increased their allowance for impaired loans by 84% to \$709,688. However, the actual loans written off increased to \$94,417 compared to \$75,797 in the previous year.
- Total deposits increased by 9.4% in 2008 compared to 10.3% in 2007 primarily due to a strong growth of 50.3% in demand deposits.
- The membership grew by only 2.2% in 2008 compared to 4.4% in 2007. Buduchnist had 86 members, who passed away in 2008 compared to 102 in the previous year.
- The net income before write-offs decreased by 4.3% to \$2.7 million in 2008, primarily due to lower net interest margin. The capital and retained earnings stood at \$36.2 million representing 8.33% of assets.
- Buduchnist CU introduced a patronage share program in 1997. The credit union made reduced patronage and dividend payment of \$160,000 in 2008 representing 7% of its net income before taxes and write-down of CUCO shares and fair value adjustment to ABCP investment held by the Central. Since, the introduction of the patronage program in 1997, Buduchnist has shared approximately \$7.1 million of its profits with its members.
- Buduchnist CU had a return on assets of 0.65% and return on equity of 7.6% before the write-down on Central shares and value adjustment of ABCP. Buduchnist CU has mutual funds and securities under administration, which increased by 66% and now stands at \$70 million. (of which, \$24 million securitized residential mortgages).
- Buduchnist CU has an investment of \$3.4 million in Central 1 shares after taking a write-down of \$183,471 on their income statement.
- Buduchnist CU has an investment in the ABCP limited partnership of \$2.1 million remaining after taking a fair value adjustment loss of \$632,228.

- Buduchnist CU provided \$14.5 million of loans to its employees and directors which represent 4% of the total loan portfolio.

Buduchnist CU had a strong year in new lending activity:

- Buduchnist advanced 288 residential mortgages in 2008 for a total value of \$58.3 million, a decrease of 25% in loan value (average loan size of \$202,400) compared to 396 loans and loan value of \$78.0 million (average loan size of \$196,900) in the previous year.
- Buduchnist issued 122 commercial loans and mortgages for a total value of \$25.4million, an increase of 22% in loan value (average loan size of \$207,900) compared to 140 loans for a total of \$20.8 million (average loan size of \$148,900).
- Buduchnist provided 529 personal loans for a total value of \$6.1 million, a decrease of 4% in loan value compared to 615 loans for total value of \$6.4 million.
- Total loans of 939 were issued amounting to \$89.8 million, a decrease of 15% in loan value compared to 1,151 loans amounting to \$105.3 million in the previous year.

**Ukrainian Credit Union** is the second largest Ukrainian credit union in Canada, 14th largest credit union in Ontario and 54th largest in Canada based on asset size.

- In 2008, Ukrainian CU spent a \$454,694 or 5.7% of its operating expenses on promotions, donations and advertising compared to \$511,469 or 6.6% of its operating expenses in the previous year. In 2008, Ukrainian CU supported over 100 different charitable and volunteer organizations, including over 10 different churches and church organizations, the UNYF, SUM and Plast youth organizations, various cultural ensembles, six charitable golf tournaments and over 15 nursery schools, Ukrainian Heritage and Saturday morning schools. As part of its emphasis on youth support, UCU operates a in-school banking program in three Toronto-area Eastern Rite Catholic Schools. The credit union's community support program also includes an employee volunteer program under which UCU employees can use up two paid days per year to volunteer in the non-profit sector. Ukrainian CU has sponsored an extensive scholarship program and provided 8 scholarships to university students.
- Total assets grew significantly in 2007 by \$35.4 million or 10.1% to \$383.9 million, which included \$10.3 million of assets from the acquisition of Ukrainian (St. Catharines) Credit Union. Not including the acquisition, organic asset growth was 7.2%
- Ukrainian CU's loan portfolio increased by 4.2% in 2008 compared to 13.4% in the previous year and the total deposits increased by 10.8% in 2008 compared to 11.5% in

2007. Ukrainian CU had impaired loans of \$1,237,222 in 2008 and increase of 111% compared to \$628,898 in 2007.

- The membership increased by 1.0% in 2008 to 22,086 compared to increase of 2.3% in previous year. Ukrainian has the largest membership base and branch network of any Ukrainian credit union in Canada. Ukrainian had 186 members, who passed away in 2008 compared to 120 in the previous year.
- Net income before write-offs in 2008 increased by 13.2% to \$1,289,000, primarily due good operating cost control (2.30% of avg. assets compared to 2.45% in the previous year) and lower income tax expense. The capital and retained earnings stood at \$21.3 million representing 5.56% of assets.
- Ukrainian CU has mutual funds and securities under administration remains at approximately \$28 million compared to \$35 million in the previous year.
- Ukrainian CU had a return on assets of 0.35% and return on equity of 6.2%. Ukrainian CU has 5 Toronto area-branches and 7 branches outside of Toronto, 6 ATM locations, together with a Call Centre, a web site, e-mail, Internet and telephone banking services. On November 30, 2008, Ukrainian (St. Catharines) Credit Union Ltd. agreed to merge with Ukrainian CU. The transaction was accounted for as a purchase of assets and liabilities totaling \$10.3 million.
- Ukrainian CU operates a separately branded suite of no fee internet banking products under the name **ucublu™** and **ucublu too™** which respectively include high interest savings and free daily transaction accounts.
- Ukrainian CU has an investment of \$3.0 million in Central 1 shares after taking a write-down of \$161,138 on their income statement.
- Ukrainian CU has an investment in the ABCP limited partnership of \$1.8 million remaining after taking a fair value adjustment loss of \$523,671.

Ukrainian CU had a slower year in new lending activity:

- Ukrainian advanced 292 residential mortgages in 2008 for a total value of \$60.1 million (average loan size of \$205,800), a decrease of 8% in loan value compared to 319 loans and loan value of \$65.2 million (average loan size of \$204,300) in the previous year.
- Ukrainian issued 38 commercial loans and mortgages for a total value of \$10.5 million, a decrease of 40% in loan value (average loan size of \$276,000), compared to 75 loans for a total of \$17.4 million (average loan size of \$231,400) in the previous year.

- Ukrainian provided 778 personal loans for a total value of \$25.6 million (average loan size of \$32,900) compared to 854 loans for total value of \$29.0 million (average loan size of \$24,200) in the previous year.
- Total loans of 1,108 were issued amounting to \$96.2 million, a decrease of 14% in loan value compared to 1,248 loans amounting to \$111.5 million in the previous year.

**Carpathia Credit Union** is Western Canada's largest Ukrainian Financial Institution and one of the oldest Ukrainian credit union in Canada. The credit union is the 3rd largest Ukrainian credit union in Canada, 11<sup>h</sup> largest credit union in Manitoba and the 77<sup>th</sup> largest credit union in Canada.

- Carpathia CU provided over \$50,000 in donations and sponsorships, supporting and promoting various local events and organizations such as seven English Ukrainian Bilingual programs, Holy Family Nursing Home, Orlan, Rozmai and Rusalka Ukrainian Dance Ensembles, and UAS Eastern European Adoption Services, Ukrainian Catholic Archeparchy of Winnipeg, Plast Ukrainian Youth Association, Ukrainian Cultural and Educational Centre Oseredok and Folklorama's Kyiv Pavilion. Carpathia CU has sponsored a scholarship program and provided 4 scholarships to graduating Grade 12 students.
- Carpathia CU experienced record asset growth and saw its assets increase 10.9% in 2008 to \$236.1 million compared to an increase of 8.5% in the previous year.
- The membership increased by 1.04% in 2008 to 12,374.
- Carpathia CU's loan portfolio increased by 13.1% in 2008 compared to an increase of 9.4% in the previous year and total deposits increased by record 11.1% in 2008 compared to 8.7% in previous year. The strong loan growth was primarily due to a 17% increase in residential mortgage loans.
- The net income in 2008 decreased by 6.9% to \$1,439,000 due primarily to a decrease in the net interest margin from 2.58% in 2007 to 2.37% in 2008.
- The credit union, which was one of the first Ukrainian credit union to introduce tax efficient patronage refunds, paid its twelfth patronage refund and an additional dividend totalling \$534,000 to its members. From the beginning of its program, Carpathia CU has returned over \$7.7 million to its members in the form of dividends and patronage refunds.
- Members' equity stood at \$13.8 million representing 5.83% of assets.

- Carpathia CU has mutual funds under administration, which amounted to approximately \$20.4 million.
- Carpathia CU had a return on assets of 0.64% and return on equity of 11%. Carpathia CU has 3 branches, 3 ATMs, a web site, telephone banking, Internet banking, a full service financial planning and wealth management operation and a commercial portfolio. Carpathia also offers online securities trading through its alliance with Qtrade.

Carpathia CU had a strong year in new lending activity:

- Residential mortgages issued in 2008 increased by over \$15.6 million for a total value in excess of \$108.3 million, an increase of 17% (an average loan size of some \$150,000) from the prior year.
- Commercial portfolio increased by over \$2.7 million to almost \$74 million, an increase of 4% from the prior year.

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

- The Caisse has provided over \$99,000 in donations and sponsorship supporting youth organizations, church organizations, Ukrainian schools, the Ukrainian festival and other community causes.
- The Caisse experienced asset growth of 4.2% to \$115.0 million compared to 1.7% growth in the previous year.
- The Caisse’s loan portfolio increased by 24% in 2008 compared to an increase of 13.1% in the previous year and total deposits increased by record 5.1% in 2008 compared to 2.1% in previous year.
- The net income before write-offs in 2008 decreased by 28.6% to \$942,005, primarily due to lower net interest margin and higher loan loss provision. The capital and retained earnings stood at \$10.7 million representing 9.27% of assets, making it the second best capitalized Ukrainian credit union in Canada.
- In 2008, the Caisse paid out \$304,000 in member dividends and patronage payments to its members, representing a return of 32% of its net income. Since the beginning of its program, the Caisse has paid over \$7.3 million to its members in the form of such member dividends.
- The Caisse had return on assets of 0.84% which is second highest after New Community

CU and return on equity of 8.7%.

- Just as the Ontario-based credit unions had to reflect a proportionate share of market value loss of the ABCP held by their Central. The Quebec-base caisses populaires each had to provide a fair value adjustment for their capital shares related to investments in Desjardins subsidiary companies. The market value loss for the Caisse was \$912,241, (compared to an income of \$428,150 in the previous year). This loss was related to the subsidiaries asset-backed commercial paper write-down and the disinvestment operations in the hedge funds underlying the market-linked guaranteed investments.

**So-Use Credit Union** is 5th largest Ukrainian credit union in Canada based on asset size.

- So-Use CU continues to support the community at large by donating and providing sponsorship for local Ukrainian schools, Churches (Orthodox and Catholic), dance and musical groups. As well, yearly donations to help preserve the Ukrainian presence in the GTA were provided to the Ukrainian Pavilions during Carabram and to the highly successful Bloor West Village Ukrainian Festival. Financial support was provided to St. Vladimir Institute and other affiliated organizations and the very successful annual Expressions in Art Show and Sale. Participation and donations toward the major golf tournaments help charitable groups with their important work. So-Use Credit Union continued its financial support of the Ukrainian Canadian Care Centre Capital Campaign. Approximately 35% of So-Use Credit Union staff continues to hold leadership positions within the Ukrainian Canadian community in the GTA.
- So-Use Credit Union awarded five scholarships, each averaging \$1,500 to help students, who are members, achieve their academic goals.
- So-Use CU experienced another decrease in its assets of 1.9% to \$75.9 million compared to a decrease of 0.3% in the previous year.
- So-Use CU deposits increased by 0.5% compared to 1.2% in the previous year. Total loans decreased by 5.8% in 2008 compared to a decrease of 4.5% in the previous year.
- The membership decreased by 5.3% in 2008 to 5,446 compared to increase of 2.2% in previous year. So-Use CU had 44 members, who died in 2008 compared to 66 in the previous year.
- So-Use CU experienced its first loss in over 10 years of \$42,800 before write-offs compared to a profit of \$236,100 in the previous year. The net loss was primarily due to lower net interest margin. The capital and retained earnings stood at \$5.8 million representing 7.58% of assets.



- The credit union had an average return on assets of -0.06% and a return on equity of -0.7%. So-Use has two branches, two ATMs, Internet site, and telephone banking services.

So-Use CU had a strong year in new lending activity:

- So-Use CU advanced 71 residential mortgages in 2008 for a total value of \$10.2 million, (average loan size of \$143,200) compared to 73 loans and loan value of \$10.2 million (average loan size of \$140,300) in the previous year.
- So-Use CU provided 60 personal loans for a total value of \$762,000, an increase of 44% in loan value compared to 63 loans for total value of \$531,000.
- Total loans of 131 were issued amounting to \$10.9 million, an increase of 2% compared to 136 loans amounting to \$10.8 million in the previous year.

**North Winnipeg Credit Union**, which has been serving the Ukrainian Community in Manitoba for over 65 years, is the sixth largest Ukrainian credit union in Canada. North Winnipeg CU continued to enhance its tradition of community service.

- In 2008, the credit union allocated over \$12,500 in support of community organizations, including educational, church and youth organizations. The larger sponsorships went to Oserodok Ukrainian Cultural and Educational Centre and Plast Ukrainian Youth Association of Manitoba. Other sponsorships were provided to 2009 Youth Winter games, Ukrainian Orthodox Summer Camp "Veselka", Manitoba Council of the Ukrainian Canadian Congress, Rusalka, Romanetz and Rozmai Ukrainian Dance Ensembles, Knight of Columbus, Osvita Foundation, St. Vladimir and Olga Cathedral, Canadian Ukrainian Institute Prosvita and the Elizabeth Fry Society. North Winnipeg CU has sponsored a scholarship program and provided 7 scholarships to university and high school students totaling \$3,700.
- North Winnipeg CU saw its assets grow by 11.7% to \$67.5 million compared to growth of 6.6% in the previous year.
- North Winnipeg CU's loan portfolio increased by 14.2% in 2008 compared to 14.3% in the previous year, primarily due to strong residential mortgage lending growth of 23%.
- Total deposits increased by 11.9% in 2008 compared to 6.7% in the previous year. The membership increased by 0.8% in 2008 to 3,395 members compared to a decline of 3.1% in previous year.

- Net income before dividends increased by 167.1% to \$251,976 from \$94,345 in 2007 due to good control of operating expenses which resulted in the operating expense ratio decreasing from 2.95% from 2.70% and reduction of the loan loss provision.
- North Winnipeg CU had a return on assets of 0.39% and return on equity of 7.6%.
- North Winnipeg CU was one of the first Ukrainian credit union to introduce tax efficient patronage refunds, paid its thirteenth patronage refund and an additional dividend totaling \$30,000 to its members, which represents 12% of its net income. From the beginning of its program, North Winnipeg CU has returned over \$1,052,000 to its members in the form of dividends and patronage refunds. Members' equity stood at \$3.4 million representing 5.04% of assets.
- North Winnipeg CU now has mutual funds under administration, which exceeded \$1.1 million.
- North Winnipeg opened a second branch in April 2007. This 2,800 square foot branch, offers full financial services including two ATMs. With two branches, North Winnipeg offers its members four ATMs, telephone banking and Internet banking.

**New Community Credit Union** has been serving the Ukrainian Community in Saskatchewan for over 70 years and was incorporated on January 29, 1939. New Community CU is the seventh largest Ukrainian credit union in Canada.

- In 2008, the credit union allocated over \$10,000 in support of community organizations, including educational, church and youth organizations. The larger sponsorships went to Ukrainian organizations.
- New Community CU saw its assets grow by 35.3% to \$54.6 million compared to growth of 19.1% in the previous year. New Community was the fastest growing Ukrainian credit union in Canada.
- New Community CU's loan portfolio increased by 29.8% in 2008 compared to 15.3% in the previous year, primarily due to strong residential mortgage lending growth of 38.5%.
- Total deposits increased by 38.6% in 2008 compared to 19.3% in the previous year. The membership remained constant in 2008 at 2190 compared to an increase of 3.0% in previous year.
- Net income before patronage dividends increased by 31.6% to \$471,622 from \$358,372 in 2007 due to good control of operating expenses which resulted in the operating expense ratio decreasing from 3.32% from 2.74%.

- New Community CU had the best return on assets of 0.99% and best return on equity of 15.0% among the Ukrainian credit unions in Canada in 2008.
- New Community CU paid a patronage refund of \$75,700 to its members, which represents 16% of its net income. From the beginning of its program, New Community CU has returned over \$850,000 to its members in the form of dividends and patronage refunds. Members' equity stood at \$3.4 million representing 6.14% of assets.
- New Community CU now has mutual funds under administration, which exceeded \$6.0 million.
- CU has one branch, shared ATM and internet banking

**United Ukrainian Credit Union**, which has been serving the Ukrainian Community in Hamilton for over 32 years, is the eighth largest Ukrainian credit union in Canada based on asset size.

- In 2008, the credit union allocated over \$15,750 in support of community organizations, including educational, church and youth organizations. The larger sponsorships went to Holodomor Museum, Ukrainian Canadian Social Services, and the McMaster Ukrainian Student Association.
- United Ukrainian CU saw its assets grow by 7.5% to \$36.0 million compared to growth of 3.5% in the previous year.
- United Ukrainian CU's loan portfolio increased by 4.6% in 2008 compared to 15.4% in the previous year, primarily due to strong residential mortgage lending growth of 13.6%.
- Total deposits increased by 7.5% in 2008 compared to 4.6% in the previous year. The membership increased by 9.6% in 2008 to 2,083 members compared to a decline of 7.3% in previous year.
- Net income before write-downs and dividends increased by 221% to \$185,578 from \$57,825 in 2007 due to improvement in the net interest margin from 2.24% to 2.67%. United Ukrainian CU had a return on assets of 0.53% and return on equity of 8.4%.
- United Ukrainian CU's capital and retained earnings stood at \$2.3 million representing 6.31% of assets.
- United Ukrainian CU now has mutual funds under administration, which exceeded \$ 1 million.
- United Ukrainian CU has one branch, one ATM, telephone banking and internet banking.

United Ukrainian CU had an average year in new lending activity:

- United Ukrainian CU advanced 20 residential mortgages in 2008 for a total value of \$2.4 million, (average loan size of \$117,700) compared to 20 loans and a loan value of \$ 1.76 million (average loan size of \$ 88,000) in the previous year.
- United Ukrainian CU provided 27 commercial loans for a total value of \$2.6 million, (average size \$95,800) a decrease of 37% in loan value compared to 28 loans for total value of \$ 4.1 million.
- United Ukrainian CU provided 31 personal loans for a total value of \$247,000, a decrease of 76% in loan value compared to 45 loans for total value of \$1,041,000.

Total loans of 78 were issued amounting to \$5.2 million, a decrease of 25% compared to 93 loans amounting to \$ 6.9 million in the previous year.

## New Disclosure Regulations

### 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 (loans to directors and employees of the credit union) to total loans ratio ranged from 0.7% (Ukrainian CU) to a high of 16% (St. Mary's CU). Two credit unions did not disclose the level of restricted loans in their statements. The average ratio for the 8 credit unions which disclosed the loans held by restricted parties was 2.4% of the total loans outstanding (See schedule 9 below).

<b>Schedule 9 Restricted party Loans (Director &amp; Employee Loans)</b>		<b>UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2008</b>		
<b>Name of credit union</b>	<b>Location</b>	<b>Net Loans (000's)</b>	<b>Director &amp; Employee Loans (000's)</b>	<b>As a % of Net Loans %</b>
1 Buduchnist	Toronto	358,404	14,529	4.05%
2 Ukrainian	Toronto	318,151	2,310	0.73%
3 Carpathia	Winnipeg	206,065	2,195	1.07%
4 CP Ukrainienne de Montreal	Montreal	87,912	n/a	n/a
5 So-Use	Toronto	61,154	884	1.45%
6 North Winnipeg	Winnipeg	59,457	1,734	2.92%
7 New Community	Saskatoon	41,156	n/a	n/a
8 United Ukrainian	Hamilton	24,541	955	3.89%
9 St. Mary's	Toronto	16,121	2,579	16.00%
<b>Total 2008</b>		<b>1,172,961</b>	<b>25,186</b>	<b>2.41%</b>
<i>Growth % Year over Year</i>		<i>14.5%</i>	<i>9.8%</i>	
<b>Total 2007</b>		<b>1,087,081</b>	<b>21,387</b>	<b>2.17%</b>
<i>Growth % Year over Year</i>		<i>6.1%</i>	<i>-6.8%</i>	
<b>Total 2006</b>		<b>1,024,673</b>	<b>22,945</b>	<b>2.40%</b>
<i>Growth % Year over Year</i>		<i>9.3%</i>	<i>-6.0%</i>	
<b>Total 2005</b>		<b>937,129</b>	<b>24,406</b>	<b>2.78%</b>

### 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 affairs with their credit union.

Total remuneration paid to members of the board of directors ranged from \$nil to \$99,900 (Ukrainian Credit Union with its head office located in Toronto). The average remuneration per director for eight (7) credit unions which disclosed this information was \$4,014 per director. The director fees per director ranged from \$nil to as high as \$7,167. (See schedule 10 below)

<b>Schedule 10</b>		<b>UKRAINIAN CREDIT UNIONS IN CANADA</b>					
<b>Director Fees &amp; Expenses</b>		<b>as at December 31, 2008</b>					
<b>Name of credit union</b>	<b>Location</b>	<b>Operating Expenses (000's)</b>	<b>Directors Fees &amp; Costs</b>	<b>Directors</b>		<b>Avg. Director Fee/ Director</b>	
				<b>fees/ Operating Expenses %</b>	<b>Number of Directors</b>		
1	Buduchnist	Toronto	\$6,792	\$28,500	0.42%	7	\$4,071
2	Ukrainian	Toronto	\$7,918	\$99,900	1.26%	16	\$6,244
3	Carpathia	Winnipeg	\$4,728	\$64,505	1.36%	9	\$7,167
4	CP Ukrainienne de Montreal	Montreal	\$1,998	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
5	So-Use	Toronto	\$1,948	\$33,536	1.72%	10	\$3,354
6	North Winnipeg	Winnipeg	\$1,724	\$20,146	1.17%	9	\$2,238
7	New Community	Saskatoon	\$1,299	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
8	United Ukrainian	Hamilton	\$785	\$11,873	1.51%	9	\$1,319
9	St. Mary's	Toronto	\$601	\$26,530	4.42%	11	\$2,412
<b>Total 2008</b>			<b>\$27,793</b>	<b>\$284,990</b>	<b>1.16%</b>	<b>71</b>	<b>\$4,014</b>
<b>Growth % Year over Year</b>			<b>2.3%</b>	<b>2.9%</b>			<b>15.9%</b>
<b>Total 2007</b>			<b>\$27,156</b>	<b>\$277,017</b>	<b>1.15%</b>	<b>80</b>	<b>\$3,463</b>
<b>Growth % Year over Year</b>			<b>4.9%</b>	<b>8.1%</b>			<b>8.1%</b>
<b>Total 2006</b>			<b>\$25,879</b>	<b>\$256,186</b>	<b>1.12%</b>	<b>80</b>	<b>\$3,202</b>
<b>Growth % Year over Year</b>			<b>3.5%</b>	<b>8.3%</b>			<b>8.3%</b>
<b>Total 2005</b>			<b>\$24,992</b>	<b>\$236,618</b>	<b>1.06%</b>	<b>80</b>	<b>\$2,958</b>

## Future Challenges and Opportunities

The changing financial services environment has required Ukrainian credit unions to be more innovative in the services and products that they have been providing to their membership. Many credit unions reviewed in this article 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 and trying to encourage the thousands of new Ukrainian immigrants to embrace the Ukrainian credit unions with some success. However, the number of Ukrainian credit unions continues to decline through mergers. The Ukrainian credit unions experienced strong lending growth especially in residential mortgages and commercial mortgages. This strong growth may be in reaction to the credit crunch which began in August 2007 due to the asset-backed commercial paper problem. Many of the Canadian chartered banks have been selectively reducing the credit exposure to small businesses.

The major challenge 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. More importantly, the Ukrainian communities in Vancouver, Calgary and Edmonton should try to lobby their respective governments to allow them to establish new credit unions in those important markets. By doing so, I believe that they will be able to attract more new and younger members and ensure their survival for future generations.

We continue to see more mergers and amalgamations occurring. St. Mary's Credit Union's membership agreed to be acquired by Buduchnist Credit Union at their annual membership meeting in May 2009. Over the next few years it is possible that the other two Ontario based credit union – So-Use in Toronto and United Ukrainian in Hamilton may look to be acquired by another credit union.

## Ukrainian Credit Union's Penetration of Ukrainian Population in Canada [Based on Statistics Canada 2006 Census of Urban Centres] (see tables below)

### Some interesting facts:

- Edmonton continues to have the largest Ukrainian population of 144,625, which increased by 15% and represents 13.97% of Edmonton (CMA).
- Toronto has the second largest Ukrainian population of 122,510, which increased by 17.2% and represents only 2.40% of Toronto (CMA).
- Winnipeg has the third largest Ukrainian population of 110,335, which increased by 7.5% and represents 15.88% of Winnipeg (CMA).
- Ukrainians make up over 10% of the population of these cities – Winnipeg, Saskatoon, Edmonton, Thunder Bay and Regina.
- The following cities have seen their Ukrainian populations grow by over 20% since the last census – Saskatoon, St. John's - Newfoundland, Montreal, Ottawa, St. Catharines and Kitchener.

### Ukrainian Credit Unions

- CP Ukrainenne de Montreal membership represents 15.3% of the Ukrainians in Montreal.
- The two Ukrainian Credit Unions in Winnipeg (Carpathia & North Winnipeg) membership represents 13.3% of the Ukrainians in Winnipeg.
- United Hamilton CU membership represents 7.0% of the Ukrainians in Hamilton.
- Ukrainian (St. Catharines) CU membership represents 4.8% of the Ukrainians in St. Catharines.
- New Community CU membership represents 5.5% of the Ukrainians in Saskatoon.
- Two largest Ukrainian Credit Unions have multi-city branch networks. Buduchnist CU represents 8.9% of the Ukrainians in three cities in which it has branches. While, Ukrainian CU represents 10.7% of the Ukrainians in six cities in which it has branches.

### Provincial Statistics

- The two smallest provinces in Canada have seen the largest growth in Ukrainian population (albeit from a small base)
- As a region the Maritime Provinces have experienced above average growth in Ukrainian population.
- Quebec, Ontario and Alberta have experienced above average growth of Ukrainians since the last census in 2001.



## Ukrainian Demographics

<b>Canadian Population</b>	<b>1996 Census</b>	<b>2001 Census</b>	<b>Yr/Yr Chng %</b>	<b>2006 Census</b>	<b>Yr/Yr Chng %</b>
Newfoundland	551,792	512,930	-7.0%	505,469	-1.5%
Prince Edward Island	134,557	135,294	0.5%	135,851	0.4%
Nova Scotia	909,282	908,007	-0.1%	913,462	0.6%
New Brunswick	738,133	729,498	-1.2%	729,997	0.1%
Quebec	7,138,795	7,237,479	1.4%	7,546,131	4.3%
Ontario	10,753,573	11,410,046	6.1%	12,160,282	6.6%
Manitoba	1,113,898	1,119,583	0.5%	1,148,401	2.6%
Saskatchewan	990,237	978,933	-1.1%	968,157	-1.1%
Alberta	2,696,826	2,974,807	10.3%	3,290,350	10.6%
British Columbia	3,724,500	3,907,738	4.9%	4,113,487	5.3%
Yukon Territory	30,766	28,674	-6.8%	30,372	5.9%
Northwest Territory	39,672	37,360	-5.8%	41,464	11.0%
<b>Total</b>	<b>28,846,761</b>	<b>30,007,094</b>	<b>4.0%</b>	<b>31,612,897</b>	<b>5.4%</b>

<b>Ethnic Ukrainians</b>	<b>1996 Census</b>	<b>2001 Census</b>	<b>Yr/Yr Chng %</b>	<b>2006 Census</b>	<b>Yr/Yr Chng %</b>
Newfoundland	680	580	-14.7%	945	62.9%
Prince Edward Island	600	320	-46.7%	780	143.8%
Nova Scotia	5,760	6,305	9.5%	7,500	19.0%
New Brunswick	2,335	1,970	-15.6%	2,455	24.6%
Quebec	24,150	24,030	-0.5%	31,955	33.0%
Ontario	276,950	290,925	5.0%	336,355	15.6%
Manitoba	159,735	157,655	-1.3%	167,170	6.0%
Saskatchewan	125,395	121,735	-2.9%	129,265	6.2%
Alberta	258,920	285,725	10.4%	332,180	16.3%
British Columbia	168,765	178,880	6.0%	197,265	10.3%
Yukon Territory	1,485	1,525	2.7%	1,620	6.2%
Northwest Territory	1,670	1,270	-24.0%	1,440	13.4%
<b>Total</b>	<b>1,026,475</b>	<b>1,071,060</b>	<b>4.3%</b>	<b>1,209,090</b>	<b>12.9%</b>

<b>Ukrainians as % of total population</b>	<b>Penetration Rate 1996</b>	<b>Penetration Rate 2001</b>	<b>Penetration basis points increase</b>	<b>Penetration Rate 2006</b>	<b>Penetration basis points increase</b>
Newfoundland	0.12%	0.11%	-1	0.19%	7
Prince Edward Island	0.45%	0.24%	-21	0.57%	3
Nova Scotia	0.63%	0.69%	6	0.82%	13
New Brunswick	0.32%	0.27%	-5	0.34%	7
Quebec	0.34%	0.33%	-1	0.42%	9
Ontario	2.58%	2.55%	-3	2.77%	22
Manitoba	14.34%	14.08%	-26	14.56%	48
Saskatchewan	12.66%	12.44%	-23	13.35%	92
Alberta	9.60%	9.60%	0	10.10%	49
British Columbia	4.53%	4.58%	5	4.80%	22
Yukon Territory	4.83%	5.32%	49	5.33%	2
Northwest Territory	4.21%	3.40%	-81	3.47%	7
<b>Total</b>	<b>3.56%</b>	<b>3.57%</b>	<b>1</b>	<b>3.82%</b>	<b>26</b>

<b>Ukrainians in Canada Municipalities</b>	<b>Census Data 2001</b>	<b>Total Canada 2001</b>	<b>% of Total</b>	<b>Census Data 2006</b>	<b>Total Canada 2006</b>	<b>2006/ 2001 Chng %</b>	<b>% of Total</b>	<b>Chng</b>
<b>Maritime Provinces</b>								
St. John's - NFLD	270	172,918	<i>0.16%</i>	515	181,113	<i>90.7%</i>	<i>0.28%</i>	<i>0.13%</i>
PEI	320	135,294	<i>0.24%</i>	780	135,851	<i>143.8%</i>	<i>0.57%</i>	<i>0.34%</i>
Halifax - NS	3,580	355,940	<i>1.01%</i>	4,030	372,858	<i>12.6%</i>	<i>1.08%</i>	<i>0.08%</i>
Moncton - NB	415	118,678	<i>0.35%</i>	420	126,424	<i>1.2%</i>	<i>0.33%</i>	<i>-0.02%</i>
<b>Quebec</b>								
Montreal	20,050	3,451,027	<i>0.58%</i>	26,150	3,635,571	<i>30.4%</i>	<i>0.72%</i>	<i>0.14%</i>
<b>Ontario</b>								
Toronto	104,490	4,682,897	<i>2.23%</i>	122,510	5,113,149	<i>17.2%</i>	<i>2.40%</i>	<i>0.16%</i>
Hamilton	24,070	662,401	<i>3.63%</i>	27,080	692,911	<i>12.5%</i>	<i>3.91%</i>	<i>0.27%</i>
Ottawa	17,235	806,096	<i>2.14%</i>	21,520	846,802	<i>24.9%</i>	<i>2.54%</i>	<i>0.40%</i>
St. Catherines	16,735	377,009	<i>4.44%</i>	20,990	390,317	<i>25.4%</i>	<i>5.38%</i>	<i>0.94%</i>
Mississauga	17,260	610,815	<i>2.83%</i>	18,960	665,655	<i>9.8%</i>	<i>2.85%</i>	<i>0.02%</i>
Thunder Bay	16,250	121,986	<i>13.32%</i>	17,620	122,907	<i>8.4%</i>	<i>14.34%</i>	<i>1.01%</i>
Oshawa	11,035	296,298	<i>3.72%</i>	12,555	330,594	<i>13.8%</i>	<i>3.80%</i>	<i>0.07%</i>
London	9,745	435,600	<i>2.24%</i>	10,765	457,720	<i>10.5%</i>	<i>2.35%</i>	<i>0.11%</i>
Kitchener	8,650	414,284	<i>2.09%</i>	10,425	451,235	<i>20.5%</i>	<i>2.31%</i>	<i>0.22%</i>
Windsor	9,165	307,877	<i>2.98%</i>	9,725	323,342	<i>6.1%</i>	<i>3.01%</i>	<i>0.03%</i>
Oakville	5,360	143,690	<i>3.73%</i>	6,430	164,485	<i>20.0%</i>	<i>3.91%</i>	<i>0.18%</i>
Sudbury	7,140	190,841	<i>3.74%</i>	7,560	192,391	<i>5.9%</i>	<i>3.93%</i>	<i>0.19%</i>
<b>Prairie Provinces</b>								
Winnipeg	102,635	676,594	<i>15.17%</i>	110,335	694,668	<i>7.5%</i>	<i>15.88%</i>	<i>0.71%</i>
Regina	23,220	192,800	<i>12.04%</i>	25,725	194,971	<i>10.8%</i>	<i>13.19%</i>	<i>1.15%</i>
Saskatoon	34,385	225,927	<i>15.22%</i>	38,825	233,923	<i>12.9%</i>	<i>16.60%</i>	<i>1.38%</i>
Calgary	65,040	951,494	<i>6.84%</i>	76,240	1,079,310	<i>17.2%</i>	<i>7.06%</i>	<i>0.23%</i>
Edmonton	125,720	937,845	<i>13.41%</i>	144,615	1,034,945	<i>15.0%</i>	<i>13.97%</i>	<i>0.57%</i>
Vancouver	76,525	1,986,965	<i>3.85%</i>	81,725	2,116,581	<i>6.8%</i>	<i>3.86%</i>	<i>0.01%</i>
Victoria	12,770	311,902	<i>4.09%</i>	15,020	330,088	<i>17.6%</i>	<i>4.55%</i>	<i>0.46%</i>
<b>Total</b>	<b>1,071,060</b>	<b>30,007,094</b>	<b>3.57%</b>	<b>1,209,090</b>	<b>31,612,897</b>	<b>12.9%</b>	<b>3.82%</b>	<b>0.26%</b>

<b>2006 Census Analysis of Credit Union Membership Penetration</b>	<b>CU Membership 2,006</b>	<b>2006/ 2001 Grwth %</b>	<b>Head Office City</b>	<b>Census Data Total Ukr. 2006</b>	<b>Penetration CU/ Total</b>
United Ukrainian	1,901	10.3%	Hamilton	20,990	9.1%
CP Ukrainienne de Montreal	4,000	-23.3%	Montreal	26,150	15.3%
New Community	2,121	34.1%	Saskatoon	38,825	5.5%
Ukrainian (St. Catharines)	1,006	-2.7%	St. Catharines	9,725	10.3%
Buduchnist	16,957	31.7%	Toronto		78.8%
Ukrainian	21,376	14.4%	Toronto		99.3%
So-Use	5,751	-6.9%	Toronto		26.7%
St. Mary's	2,211	-4.9%	Toronto		10.3%
	<b>46,295</b>	<b>13.6%</b>		21,520	<b>215.1%</b>
Carpathia	11,292	8.2%	Winnipeg		10.2%
North Winnipeg	3,369	24.0%	Winnipeg		3.1%
	<b>14,661</b>	2.8%		110,335	<b>13.3%</b>
<b>Total</b>	<b>69,984</b>	16.9%		<b>1,209,090</b>	<b>5.8%</b>
<i>assume 10% overalp</i>	<i>55,987</i>			<i>1,209,090</i>	<i>4.6%</i>

<b>Ukrainian Credit Unions with Multiple Branches</b>	<b>CU Membership 2006</b>	<b>Census Data Total Ukr. 2006</b>	<b>Penetration CU/ Total</b>
<b>Buduchnist CU</b>			
Toronto		122,510	
Hamilton		27,080	
Ottawa		21,520	
Mississauga		18,960	
<b>Total</b>	<b>16,957</b>	<b>190,070</b>	<b>8.9%</b>
<b>Ukrainian CU</b>			
Toronto		122,510	
Mississauga		18,960	
Thunder Bay		17,620	
Oshawa		12,555	
London		10,765	
Windsor		9,725	
Sudbury		7,560	
<b>Total</b>	<b>21,376</b>	<b>199,695</b>	<b>10.7%</b>

## Ranking by Penetration

Ukrainians in Canada Municipalities	Province	Census Data	Census Data	2006/ 2001 Chng %	Total Canada 2001	Total Canada 2006	2006/ 2001 Chng %	Penetration of Ukrainians			
		2001	2006					2001	2006	06/01 Chng*	
1	Yorkton	Saskatchewan	5,940	5,950	0.2%	17,285	17,438	0.9%	34.37%	34.12%	(24)
2	Saskatoon	Saskatchewan	34,385	38,825	12.9%	225,927	233,923	3.5%	15.22%	16.60%	138
3	Winnipeg	Manitoba	102,635	110,335	7.5%	676,594	694,668	2.7%	15.17%	15.88%	71
4	Prince Albert	Saskatchewan	6,005	6,305	5.0%	39,890	40,766	2.2%	15.05%	15.47%	41
5	Thunder Bay	Ontario	16,250	17,620	8.4%	121,986	122,907	0.8%	13.32%	14.34%	101
6	Brandon	Manitoba	5,800	6,750	16.4%	40,275	48,256	19.8%	14.40%	13.99%	(41)
7	Edmonton	Alberta	125,720	144,615	15.0%	937,845	1,034,945	10.4%	13.41%	13.97%	57
8	Kenora	Ontario	2,380	2,115	-11.1%	15,590	15,177	-2.6%	15.27%	13.94%	(133)
9	North Battleford	Saskatchewan	2,190	2,465	12.6%	17,205	17,765	3.3%	12.73%	13.88%	115
10	Lloydminster	Alberta	1,960	3,580	82.7%	20,715	27,023	30.5%	9.46%	13.25%	379
11	Estevan	Saskatchewan	1,430	1,470	2.8%	11,920	11,135	-6.6%	12.00%	13.20%	120
12	Regina	Saskatchewan	23,220	25,725	10.8%	192,800	194,971	1.1%	12.04%	13.19%	115
13	Portage la Prairie	Manitoba	2,150	2,515	17.0%	19,830	20,494	3.3%	10.84%	12.27%	143
14	Camrose	Alberta	1,465	1,665	13.7%	14,355	15,620	8.8%	10.21%	10.66%	45
15	Thompson	Manitoba	1,225	1,370	11.8%	13,225	13,593	2.8%	9.26%	10.08%	82
16	Vernon	British Columbia	4,000	5,355	33.9%	50,805	55,418	9.1%	7.87%	9.66%	179
17	Moose Jaw	Saskatchewan	3,425	3,175	-7.3%	32,510	33,360	2.6%	10.54%	9.52%	(102)
18	Grande Prairie	Alberta	3,450	6,790	96.8%	58,787	71,868	22.3%	5.87%	9.45%	358
19	Kelowna	British Columbia	11,235	13,425	19.5%	145,950	162,276	11.2%	7.70%	8.27%	58
20	Wetaskiwin	Alberta	780	960	23.1%	10,820	11,673	7.9%	7.21%	8.22%	102
21	Salmon Arm	British Columbia	n/a	1,315	n/a	15,388	16,205	n/a	n/a	8.11%	n/a
22	Cranbrook	British Columbia	1,500	1,945	29.7%	24,060	24,138	0.3%	6.23%	8.06%	182
23	Kamloops	British Columbia	6,570	7,285	10.9%	86,025	92,882	8.0%	7.64%	7.84%	21
24	Quesnel	British Columbia	1,630	1,760	8.0%	24,215	22,449	-7.3%	6.73%	7.84%	111
25	Lethbridge	Alberta	4,745	7,125	50.2%	87,388	96,196	10.1%	5.43%	7.41%	198
26	Medicine Hat	Saskatchewan	3,860	5,075	31.5%	61,115	68,822	12.6%	6.32%	7.37%	106
27	Medicine Hat	Alberta	3,860	5,075	31.5%	61,115	68,822	12.6%	6.32%	7.37%	106
28	Red Deer	Alberta	5,325	7,010	31.6%	87,388	95,196	8.9%	6.09%	7.36%	127
29	Calgary	Alberta	65,040	76,240	17.2%	951,494	1,079,310	13.4%	6.84%	7.06%	23
30	Canmore	Alberta	n/a	820	n/a	10,792	12,039	n/a	n/a	6.81%	n/a
31	Wood Buffalo	Alberta	2,545	3,455	35.8%	42,500	52,643	23.9%	5.99%	6.56%	57
32	Chilliwack	British Columbia	4,050	5,295	30.7%	69,130	80,892	17.0%	5.86%	6.55%	69
33	Parksville	British Columbia	1,050	1,590	51.4%	24,120	25,518	5.8%	4.35%	6.23%	188
34	Swift Current	Saskatchewan	860	1,030	19.8%	16,330	16,533	1.2%	5.27%	6.23%	96
35	Whitehorse	Territories	1,300	1,410	8.5%	21,265	22,898	7.7%	6.11%	6.16%	4
36	Brooks	Saskatchewan	675	1,315	94.8%	21,685	22,452	3.5%	3.11%	5.86%	274
37	Campbell River	British Columbia	2,045	2,120	3.7%	33,705	36,461	8.2%	6.07%	5.81%	(25)
38	Penticton	British Columbia	2,635	2,500	-5.1%	41,335	43,313	4.8%	6.37%	5.77%	(60)
39	Powell River	British Columbia	1,000	895	-10.5%	18,075	16,537	-8.5%	5.53%	5.41%	(12)
40	St. Catherines	Ontario	16,735	20,990	25.4%	377,009	390,317	3.5%	4.44%	5.38%	94
41	Kitimat	British Columbia	365	475	30.1%	10,235	8,987	-12.2%	3.57%	5.29%	172
42	Yellowknife	Territories	860	985	14.5%	16,455	18,700	13.6%	5.23%	5.27%	4
43	Williams Lake	British Columbia	1,250	980	-21.6%	19,768	18,760	-5.1%	6.32%	5.22%	(110)
44	Abbotsford	British Columbia	6,960	8,090	16.2%	144,985	159,020	9.7%	4.80%	5.09%	29
45	Port Alberni	British Columbia	1,055	1,255	19.0%	25,190	25,297	0.4%	4.19%	4.96%	77
46	Nanaimo	British Columbia	3,695	4,230	14.5%	84,470	92,361	9.3%	4.37%	4.58%	21
47	Victoria	British Columbia	12,770	15,020	17.6%	311,902	330,088	5.8%	4.09%	4.55%	46
48	Sault Ste. Marie	Ontario	3,450	3,585	3.9%	78,908	80,098	1.5%	4.37%	4.48%	10
49	Duncan	British Columbia	1,455	1,845	26.8%	38,235	41,387	8.2%	3.81%	4.46%	65
50	Dawson Creek	British Columbia	1,055	485	-54.0%	10,754	10,994	2.2%	9.81%	4.41%	(540)
<b>All Municipalities</b>			<b>862,820</b>	<b>992,860</b>	<b>15.1%</b>	<b>21,866,595</b>	<b>23,437,885</b>	<b>7.2%</b>	<b>3.95%</b>	<b>4.24%</b>	<b>29</b>
<b>All of Canada</b>			<b>1,071,060</b>	<b>1,209,090</b>	<b>12.9%</b>	<b>30,007,094</b>	<b>31,612,897</b>	<b>5.4%</b>	<b>3.57%</b>	<b>3.82%</b>	<b>26</b>

## Five Year Results of Ukrainian Credit Unions in Canada

The financial results of Ukrainian Credit Unions in Canada over the last five years have seen a decline in profitability in latest two years primarily due to declining net interest margins, higher operating costs and in 2008 an increase in the allowance for doubtful loans.

**Performance.** Return on equity was 7.4% compared to 8.1% in 2007. Ukrainian credit unions assets grew at an above average rate of 8.0% in 2008. Canadian banks assets grew by 19.7% and the largest credit unions in Canada saw their assets grow by 9.0%. The Ukrainian Credit Union's net income before dividend and patronage payments decreased by 5.1% to \$7.3 million from \$7.7 million, primarily due to the a decrease of 19 basis points in the net interest margin to 2.28% from 2.47% in the previous year .[This does not include any extraordinary items]. The Ukrainian Credit Unions only paid 16.1% of their net income to their members by way of a dividend or a patronage refund totalling \$1.3 million compared to \$2.6 million in the previous year. This has been the lowest level of patronage dividend payments in the last six years. These patronage dividends helped increase the capital of the credit unions by 2.2% to \$99.2 million representing 6.95% of the assets. The ratio of capital to assets has decreased compared to the previous year.

The return on assets (ROA) declined to 0.53% in 2008, which was higher than the average level of the large Canadian banks at 0.48% and but lower than the largest credit unions in Canada, which had an average ROA of 0.66%.

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 represents 16.1% of total net operating revenue compared to 14.2% last year. Other income as % of total revenue represented 42.6% for the large Canadian banks and 27.1% for the 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.

Ukrainian Credit Unions have operating cost structure is quite competitive. The operating expense ratio as a % of average assets decreased to 2.03% compared to 2.12% in the previous year. The Canadian chartered banks have reduced their operating expenses in the last two years. The large Canadian bank's operating expenses ratio was 1.85% in 2008 compared to 2.04% in the previous year. The largest credit unions in Canada also reduced their operating expense ratio marginally to 2.71% from 2.74% in the previous year. The operating expense to revenue (productivity ratio) for the Ukrainian credit unions increased marginally to 74.4% from 73.4% last year. The productivity ratio is higher than the large Canadian banks at 69.9% and slightly lower than the largest Canadian credit unions, which had a productivity ratio of 74.8%.

**Asset Quality.** Overall the asset quality is still quite strong. The loan loss provision as a % of average assets increased significantly to 0.07% from 0.02% in 2007, which still compares very favourably to the large Canadian banks at 0.22% and large Canadian credit unions at 0.12%. The allowance for loan losses also increased to 0.28% of total loans from 0.23% in 2007, which compares very favourably to the large Canadian banks at 0.83% and to the large Canadian credit unions at 0.50%.

**Loan portfolio.** The Ukrainian Credit Unions have a strong concentration in lower risk residential mortgage lending which represents 65% of the loan portfolio an increase from 63% in the previous year. This represents an 11.8% increase in residential mortgages. Commercial mortgage loans represented 25% of the loan portfolio with commercial mortgage loans growing by 16.7% and business loans grew strongly by 52.9% and represent 3% of the total loan portfolio, while personal loans increased by 41.8% after declining by 31.9% in the previous year. Providing secured loans to small businesses and self-employed individuals will ensure the future of Ukrainian credit unions because these two groups are have presently been ignored by and not well serviced by the chartered bank system in Canada due to the credit crunch which began in August 2007 and has continued through most of 2008.

**Growth.** Average asset growth over the last 5 years was 6.6%. The Ukrainian credit unions assets grew by 8.0% in 2008 (best growth in the last six years) compared to 6.2% in the previous year. The asset growth was stronger for the Ukrainian Credit Unions because four credit unions had seen their assets grow significantly, including Ukrainian CU, Carpathia CU, North Winnipeg CU and New Community CU (which had 35.3% increase in assets).

Membership increased by 0.6% on average over the last five years. The decline in membership in 2005, 2006 and 2008 was a result of two factors:

- *Aging membership* - we estimate that approximately 400-500 members have passed in each of the last three years.
- *Mergers* – two credit unions were dissolved or merged in 2006 and 2008 which resulted in some membership loss.

**Deposits.** The demographics of the membership and low interest rate environment have affected the deposit growth in 2005 and 2006. The asset backed commercial paper problem in Canada interested short-term interest rates in the later half of 2007 and this resulted in above average deposit growth in 2007. However, due to the decline in interest rates in 2008, deposits grew by 4.8% to \$1.253 billion compared to 8.6% growth in 2007. Two of the credit unions – Buduchnist and CP Ukrainienne de Montreal have borrowed money from their respective Centrals. The borrowings from the Central supplemented their deposits and improved their ability to provide loans to their members.

	2004	2005	2006	2007	2008	5 yr Avg.
<b>Number of Credit Unions</b>	12	12	10	10	9	
<b>Members</b>	72,046	71,516	70,452	72,280	71,451	
<b>Growth rate</b>	4.0%	-0.7%	-1.5%	2.6%	-1.1%	<b>0.6%</b>
<b>Assets (\$Mils)</b>	\$1,117	\$1,179	\$1,245	\$1,322	\$1,427	
<b>Growth rate</b>	7.6%	5.6%	5.6%	6.2%	8.0%	<b>6.6%</b>
<b>Assets per member</b>	\$15,500	\$16,486	\$17,672	\$18,290	\$19,975	
<b>Growth rate</b>	3.4%	6.4%	7.2%	3.5%	9.2%	<b>5.9%</b>
<b>Loans (\$Mils)</b>	\$866	\$940	\$1,027	\$1,087	\$1,176	
<b>Growth rate</b>	10.6%	8.5%	9.3%	5.8%	8.2%	<b>8.5%</b>
<b>Allowance % loans</b>	0.30%	0.28%	0.25%	0.23%	0.28%	<b>0.27%</b>
<b>Deposits (\$Mils)</b>	\$1,019	\$1,075	\$1,101	\$1,195	\$1,253	
<b>Growth rate</b>	8.2%	5.5%	2.4%	8.6%	4.8%	<b>5.9%</b>
<b>Equity and Shares (\$Mils)</b>	\$81.0	\$86.7	\$91.9	\$97.0	\$99.2	
<b>Capital % assets</b>	7.26%	7.35%	7.38%	7.34%	6.95%	<b>7.26%</b>
<b>Net Income (\$Mils)</b>	\$5.433	\$7.841	\$8.259	\$7.656	\$7.266	
<b>Return on assets</b>	0.50%	0.68%	0.68%	0.60%	0.53%	<b>0.60%</b>
<b>Return on Equity</b>	7.0%	9.8%	9.3%	8.1%	7.4%	<b>8.3%</b>
<b>Net interest margin</b>	2.56%	2.62%	2.61%	2.47%	2.28%	<b>2.51%</b>
<b>Operating expense ratio</b>	2.39%	2.20%	2.14%	2.12%	2.03%	<b>2.18%</b>
<b>Productivity ratio</b>	79.8%	72.7%	70.7%	73.4%	74.4%	<b>74.2%</b>
<b>Dividends/Patronage paid (\$Mils)</b>	\$1.660	\$2.623	\$2.711	\$2.559	\$1.238	
<b>% return to members</b>	34.1%	28.4%	23.7%	21.9%	16.1%	

Schedule 1 Asset Growth & Profitability		UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2008						
		Name of credit union	Location	Members	Assets (\$Mils)	Asset	Net	Return on
						Growth	Income *	Assets
					%	(\$000's)	%	%
1	Buduchnist	Toronto	18,098	\$435	7.8%	\$2,712	0.65%	7.6%
2	Ukrainian	Toronto	22,086	\$384	10.1%	\$1,289	0.35%	6.2%
3	Carpathia	Winnipeg	12,374	\$236	10.9%	\$1,439	0.64%	10.7%
4	CP Ukrainienne de Montreal	Montreal	4,000	\$115	4.2%	\$942	0.84%	8.7%
5	So-Use	Toronto	5,446	\$76	-1.9%	(\$43)	-0.06%	-0.7%
6	North Winnipeg	Winnipeg	3,395	\$67	11.7%	\$248	0.39%	7.6%
7	New Community	Saskatoon	2,187	\$55	35.3%	\$472	0.99%	15.0%
8	United Ukrainian	Hamilton	2,083	\$36	7.5%	\$186	0.53%	8.4%
9	St. Mary's	Toronto	1,782	\$23	-2.5%	\$22	0.09%	0.9%
<b>Total 2008</b>			<b>71,451</b>	<b>\$1,427</b>	<b>8.9%</b>	<b>\$7,266</b>	<b>0.53%</b>	<b>7.4%</b>
<b>Growth % Year over Year</b>			<b>-1.1%</b>			<b>-5.1%</b>		
<b>Total 2007</b>			<b>72,280</b>	<b>\$1,322</b>	<b>6.2%</b>	<b>\$7,656</b>	<b>0.60%</b>	<b>8.1%</b>
<b>Growth % Year over Year</b>			<b>3.3%</b>			<b>-6.3%</b>		
<b>Total 2006</b>			<b>69,984</b>	<b>\$1,245</b>	<b>6.5%</b>	<b>\$8,169</b>	<b>0.68%</b>	<b>9.2%</b>
<b>Growth % Year over Year</b>			<b>-2.1%</b>			<b>4.2%</b>		
<b>Total 2005</b>			<b>71,516</b>	<b>\$1,179</b>	<b>5.5%</b>	<b>\$7,841</b>	<b>0.68%</b>	<b>9.8%</b>
<b>Growth % Year over Year</b>			<b>0.2%</b>			<b>54.6%</b>		
<b>Total 2004</b>			<b>71,392</b>	<b>\$1,117</b>	<b>7.5%</b>	<b>\$5,072</b>	<b>0.47%</b>	<b>6.4%</b>
<b>Growth % Year over Year</b>			<b>3.1%</b>			<b>-21.6%</b>		
<b>Total 2003</b>			<b>69,264</b>	<b>1,038.2</b>	<b>7.5%</b>	<b>\$6,468</b>	<b>0.65%</b>	<b>8.7%</b>

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



<b>Schedule 2 Capitalization</b>		<b>UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2008</b>					
<b>Name of credit union</b>	<b>Location</b>	<b>Capital (\$000's)</b>	<b>Capital % Assets</b>	<b>Growth in Capital %</b>	<b>Dividends &amp; Patronage (\$000's)</b>	<b>Return to Members %</b>	
1	Buduchnist	Toronto	\$36,236	8.33%	4.4%	\$160	5.9%
2	Ukrainian	Toronto	\$21,347	5.56%	4.2%	\$67	5.2%
3	Carpathia	Winnipeg	\$13,774	5.83%	5.0%	\$534	37.1%
4	CP Ukrainienne de Montreal	Montreal	\$10,654	9.27%	-2.4%	\$304	32.3%
5	So-Use	Toronto	\$5,756	7.58%	-6.2%	\$68	n/a
6	North Winnipeg	Winnipeg	\$3,402	5.04%	7.9%	\$30	12.1%
7	New Community	Saskatoon	\$3,351	6.14%	13.8%	\$76	16.1%
8	United Ukrainian	Hamilton	\$2,270	6.31%	6.0%	\$0	0.0%
9	St. Mary's	Toronto	\$2,400	10.32%	-5.7%	\$0	0.0%
<b>Total 2008</b>			<b>\$99,189</b>	<b>6.95%</b>	<b>3.2%</b>	<b>\$1,238</b>	<b>16.1%</b>
<b>Growth % Year over Year</b>			<b>2.2%</b>			<b>-51.6%</b>	
<b>Total 2007</b>			<b>\$97,086</b>	<b>7.35%</b>	<b>5.6%</b>	<b>\$2,559</b>	<b>21.9%</b>
<b>Growth % Year over Year</b>			<b>5.6%</b>			<b>-2.3%</b>	
<b>Total 2006</b>			<b>\$91,895</b>	<b>7.38%</b>	<b>6.0%</b>	<b>\$2,620</b>	<b>23.7%</b>
<b>Growth % Year over Year</b>			<b>6.0%</b>			<b>0.7%</b>	
<b>Total 2005</b>			<b>\$86,659</b>	<b>7.42%</b>	<b>6.7%</b>	<b>\$2,603</b>	<b>28.4%</b>
<b>Growth % Year over Year</b>			<b>6.7%</b>			<b>31.4%</b>	
<b>Total 2004</b>			<b>\$81,202</b>	<b>7.27%</b>	<b>6.3%</b>	<b>\$1,981</b>	<b>n/a</b>
<b>Growth % Year over Year</b>			<b>6.3%</b>			<b>-18.0%</b>	
<b>Total 2003</b>			<b>\$76,360</b>	<b>7.35%</b>	<b>n/a</b>	<b>\$2,415</b>	<b>n/a</b>

<b>Schedule 3 Loan Portfolio</b>		<b>UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2008</b>						
<b>Name of credit union</b>	<b>Location</b>	<b>Residential</b>	<b>Commercial</b>	<b>Consumer Loans (\$000's)</b>	<b>Business Loans (\$000's)</b>	<b>Total Allowance/ Loans</b>		
		<b>Mortgage Loans (\$000's)</b>	<b>Mortgage Loans (\$000's)</b>			<b>Loans (\$000's)</b>	<b>%</b>	
1	Buduchnist	Toronto	\$241,874	\$86,510	\$10,203	\$20,527	\$359,114	0.20%
2	Ukrainian	Toronto	\$238,010	\$68,283	\$12,475	\$0	\$318,768	0.19%
3	Carpathia	Winnipeg	\$108,340	\$62,497	\$24,468	\$11,454	\$206,759	0.34%
4	CP Ukrainienne de Montreal	Montreal	\$37,200	\$38,437	\$12,890	\$0	\$88,528	0.70%
5	So-Use	Toronto	\$48,726	\$11,162	\$985	\$687	\$61,559	0.66%
6	North Winnipeg	Winnipeg	\$36,955	\$13,094	\$6,462	\$3,042	\$59,553	0.16%
7	New Community	Saskatoon	\$32,168	\$2,616	\$6,388	\$0	\$41,173	0.04%
8	United Ukrainian	Hamilton	\$11,293	\$12,421	\$949	\$0	\$24,664	0.50%
9	St. Mary's	Toronto	\$15,059	\$932	\$164	\$0	\$16,155	0.21%
<b>Total 2008</b>			<b>\$769,625</b>	<b>\$295,952</b>	<b>\$74,986</b>	<b>\$35,710</b>	<b>\$1,176,273</b>	<b>0.28%</b>
<b>Growth % Year over Year</b>			<b>11.8%</b>	<b>16.7%</b>	<b>41.8%</b>	<b>52.9%</b>	<b>8.0%</b>	
<b>Mix of loans %</b>			<b>65%</b>	<b>25%</b>	<b>6%</b>	<b>3%</b>	<b>100%</b>	
<b>Total 2007</b>			<b>\$688,377</b>	<b>\$253,590</b>	<b>\$52,877</b>	<b>\$23,348</b>	<b>\$1,089,587</b>	<b>0.23%</b>
<b>Growth % Year over Year</b>			<b>10.8%</b>	<b>5.6%</b>	<b>-31.9%</b>	<b>15.4%</b>	<b>6.1%</b>	
<b>Mix of loans %</b>			<b>63%</b>	<b>23%</b>	<b>5%</b>	<b>2%</b>	<b>100%</b>	
<b>Total 2006</b>			<b>\$621,296</b>	<b>\$240,122</b>	<b>\$77,632</b>	<b>\$20,234</b>	<b>\$1,027,250</b>	<b>0.25%</b>
<b>Growth % Year over Year</b>			<b>10.5%</b>	<b>10.7%</b>	<b>-0.8%</b>	<b>-11.8%</b>	<b>9.3%</b>	
<b>Mix of loans %</b>			<b>60%</b>	<b>23%</b>	<b>8%</b>	<b>2%</b>	<b>100%</b>	
<b>Total 2005</b>			<b>\$562,436</b>	<b>\$216,954</b>	<b>\$78,235</b>	<b>\$22,948</b>	<b>\$939,731</b>	<b>0.28%</b>
<b>Growth % Year over Year</b>			<b>7.4%</b>	<b>6.7%</b>	<b>6.1%</b>	<b>20.3%</b>	<b>8.4%</b>	
<b>Mix of loans %</b>			<b>60%</b>	<b>23%</b>	<b>8%</b>	<b>2%</b>	<b>100%</b>	
<b>Total 2004</b>			<b>\$523,595</b>	<b>\$203,269</b>	<b>\$73,728</b>	<b>\$19,069</b>	<b>\$866,607</b>	<b>0.30%</b>
<b>Growth % Year over Year</b>			<b>10.6%</b>	<b>1.9%</b>	<b>3.9%</b>	<b>n/a</b>	<b>10.3%</b>	
<b>Mix of loans %</b>			<b>60%</b>	<b>23%</b>	<b>9%</b>	<b>2%</b>	<b>100%</b>	
<b>Total 2003</b>			<b>\$473,311</b>	<b>\$199,521</b>	<b>\$70,982</b>	<b>n/a</b>	<b>\$785,808</b>	<b>0.37%</b>
<b>Mix of loans %</b>			<b>60%</b>	<b>25%</b>	<b>9%</b>		<b>100%</b>	

<b>Schedule 4 Deposit Portfolio</b>		<b>UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2008</b>					
<b>Name of credit union</b>	<b>Location</b>	<b>Borrowings (\$000's)</b>	<b>Demand Deposits (\$000's)</b>	<b>Term Deposits (\$000's)</b>	<b>Registered Savings (\$000's)</b>	<b>Total Deposits (\$000's)</b>	
1	Buduchnist	Toronto	\$1,154	\$116,446	\$228,915	\$45,944	\$391,305
2	Ukrainian	Toronto	\$0	\$109,754	\$188,232	\$59,141	\$357,126
3	Carpathia	Winnipeg	\$0	\$91,875	\$79,068	\$47,392	\$218,336
4	CP Ukrainienne de Montreal	Montreal	\$978	\$16,377	\$74,579	\$9,917	\$100,873
5	So-Use	Toronto	\$0	\$23,791	\$33,004	\$11,808	\$68,603
6	North Winnipeg	Winnipeg	\$0	\$18,678	\$35,193	\$8,992	\$62,864
7	New Community	Saskatoon	\$0	\$0	\$0	\$0	\$50,881
8	United Ukrainian	Hamilton	\$0	\$11,420	\$15,180	\$6,669	\$33,269
9	St. Mary's	Toronto	\$0	\$6,595	\$12,459	\$1,506	\$20,561
<b>Total 2008</b>			<b>\$2,132</b>	<b>\$394,936</b>	<b>\$666,631</b>	<b>\$191,370</b>	<b>\$1,252,937</b>
<b>Growth % Year over Year</b>			<b>-71.1%</b>	<b>13.5%</b>	<b>-1.5%</b>	<b>12.5%</b>	<b>4.8%</b>
<i>Mix of deposits &amp; borrowings %</i>			<i>0%</i>	<i>33%</i>	<i>55%</i>	<i>16%</i>	
<b>Total 2007</b>			<b>\$7,378</b>	<b>\$347,911</b>	<b>\$677,100</b>	<b>\$170,059</b>	<b>\$1,195,070</b>
<b>Growth % Year over Year</b>			<b>-77.9%</b>	<b>3.8%</b>	<b>13.2%</b>	<b>5.4%</b>	<b>9.2%</b>
<i>Mix of deposits &amp; borrowings %</i>			<i>1%</i>	<i>29%</i>	<i>56%</i>	<i>14%</i>	
<b>Total 2006</b>			<b>\$33,341</b>	<b>\$335,091</b>	<b>\$598,223</b>	<b>\$161,374</b>	<b>\$1,094,688</b>
<b>Growth % Year over Year</b>			<b>66.2%</b>	<b>-2.9%</b>	<b>8.2%</b>	<b>2.7%</b>	<b>3.8%</b>
<i>Mix of deposits &amp; borrowings %</i>			<i>3%</i>	<i>30%</i>	<i>53%</i>	<i>14%</i>	
<b>Total 2005</b>			<b>\$20,056</b>	<b>\$345,077</b>	<b>\$552,724</b>	<b>\$157,101</b>	<b>\$1,054,902</b>
<b>Growth % Year over Year</b>			<b>70.9%</b>	<b>3.6%</b>	<b>5.8%</b>	<b>3.4%</b>	<b>4.7%</b>
<i>Mix of deposits &amp; borrowings %</i>			<i>2%</i>	<i>32%</i>	<i>51%</i>	<i>15%</i>	
<b>Total 2004</b>			<b>\$11,738</b>	<b>\$333,147</b>	<b>\$522,445</b>	<b>\$151,888</b>	<b>\$1,007,480</b>
<b>Growth % Year over Year</b>			<b>114.6%</b>	<b>15.5%</b>	<b>2.1%</b>	<b>7.2%</b>	<b>7.0%</b>
<i>Mix of deposits &amp; borrowings %</i>			<i>1%</i>	<i>33%</i>	<i>51%</i>	<i>15%</i>	
<b>Total 2003</b>			<b>\$5,469</b>	<b>\$288,485</b>	<b>\$511,664</b>	<b>\$141,694</b>	<b>\$941,843</b>
<i>Mix of deposits &amp; borrowings %</i>			<i>1%</i>	<i>30%</i>	<i>54%</i>	<i>15%</i>	

**Schedule 5**  
**Operating results**
**UKRAINIAN CREDIT UNIONS IN CANADA**  
**as at December 31, 2008**

As a % of Average Assets

Name of credit union	Location	Net			
		Interest Margin	Other Income	Operating Income	Operating Expenses
1 Buduchnist	Toronto	2.02%	0.45%	2.47%	1.62%
2 Ukrainian	Toronto	2.30%	0.30%	2.60%	2.16%
3 Carpathia	Winnipeg	2.37%	0.57%	2.95%	2.11%
4 CP Ukrainienne de Montreal	Montreal	2.54%	0.51%	3.05%	1.77%
5 So-Use	Toronto	2.28%	0.22%	2.50%	2.54%
6 North Winnipeg	Winnipeg	2.44%	0.72%	3.15%	2.70%
7 New Community	Saskatoon	2.98%	0.93%	3.92%	2.74%
8 United Ukrainian	Hamilton	2.67%	0.21%	2.88%	2.26%
9 St. Mary's	Toronto	2.31%	0.31%	2.62%	2.55%
<b>Total 2008</b>		<b>2.28%</b>	<b>0.44%</b>	<b>2.73%</b>	<b>2.03%</b>
<b>Total 2007</b>		<b>2.47%</b>	<b>0.41%</b>	<b>2.88%</b>	<b>2.12%</b>
<b>Total 2006</b>		<b>2.61%</b>	<b>0.44%</b>	<b>3.04%</b>	<b>2.14%</b>
<b>Total 2005</b>		<b>2.62%</b>	<b>0.41%</b>	<b>3.03%</b>	<b>2.20%</b>
<b>Total 2004</b>		<b>2.56%</b>	<b>0.40%</b>	<b>2.96%</b>	<b>2.39%</b>
<b>Total 2003</b>		<b>2.86%</b>	<b>0.40%</b>	<b>3.27%</b>	<b>2.45%</b>
		<b>(\$000s)</b>	<b>(\$000s)</b>	<b>(\$000s)</b>	<b>(\$000s)</b>
1 Buduchnist	Toronto	\$8,457	\$1,890	\$10,347	\$6,792
2 Ukrainian	Toronto	\$8,408	\$1,113	\$9,520	\$7,918
3 Carpathia	Winnipeg	\$5,327	\$1,289	\$6,616	\$4,728
4 CP Ukrainienne de Montreal	Montreal	\$2,863	\$576	\$3,439	\$1,998
5 So-Use	Toronto	\$1,745	\$171	\$1,916	\$1,948
6 North Winnipeg	Winnipeg	\$1,558	\$459	\$2,017	\$1,724
7 New Community	Saskatoon	\$1,416	\$443	\$1,859	\$1,299
8 United Ukrainian	Hamilton	\$928	\$73	\$1,001	\$785
9 St. Mary's	Toronto	\$543	\$74	\$617	\$601
<b>Total 2008</b>		<b>\$31,245</b>	<b>\$6,087</b>	<b>\$37,331</b>	<b>\$27,793</b>
<b>Growth % Year over Year</b>					
<b>Total 2008</b>					

<b>Schedule 6</b>		<b>UKRAINIAN CREDIT UNIONS IN CANADA</b>				
<b>Operating results</b>		<b>as at December 31, 2008</b>				
		<b>As a % of Average Assets</b>				
<b>Name of credit union</b>	<b>Location</b>	<b>Net Income</b>	<b>Provision</b>	<b>Income</b>	<b>Net</b>	
		<b>Before</b>	<b>for Loan</b>	<b>Taxes</b>	<b>income</b>	
		<b>loan losses</b>	<b>Losses</b>			
1	Buduchnist	Toronto	0.85%	0.10%	0.10%	0.65%
2	Ukrainian	Toronto	0.44%	0.05%	0.03%	0.35%
3	Carpathia	Winnipeg	0.84%	0.09%	0.11%	0.64%
4	CP Ukrainienne de Montreal	Montreal	1.28%	0.11%	0.33%	0.84%
5	So-Use	Toronto	-0.04%	0.01%	0.00%	-0.06%
6	North Winnipeg	Winnipeg	0.46%	0.02%	0.05%	0.39%
7	New Community	Saskatoon	1.18%	0.01%	0.18%	0.99%
8	United Ukrainian	Hamilton	0.62%	0.03%	0.06%	0.53%
9	St. Mary's	Toronto	0.07%	-0.02%	0.00%	0.09%
<b>Total 2008</b>			<b>0.70%</b>	<b>0.07%</b>	<b>0.10%</b>	<b>0.53%</b>
<b>Total 2007</b>			<b>0.77%</b>	<b>0.02%</b>	<b>0.15%</b>	<b>0.60%</b>
<b>Total 2006</b>			<b>0.89%</b>	<b>0.04%</b>	<b>0.18%</b>	<b>0.68%</b>
<b>Total 2005</b>			<b>0.83%</b>	<b>0.03%</b>	<b>0.12%</b>	<b>0.68%</b>
<b>Total 2004</b>			<b>0.54%</b>	<b>0.02%</b>	<b>0.07%</b>	<b>0.47%</b>
<b>Total 2003</b>			<b>0.82%</b>	<b>0.05%</b>	<b>0.12%</b>	<b>0.65%</b>
			<b>(\$000s)</b>	<b>(\$000s)</b>	<b>(\$000s)</b>	<b>(\$000s)</b>
1	Buduchnist	Toronto	\$3,555	\$414	\$429	\$2,712
2	Ukrainian	Toronto	\$1,602	\$192	\$121	\$1,289
3	Carpathia	Winnipeg	\$1,887	\$200	\$249	\$1,439
4	CP Ukrainienne de Montreal	Montreal	\$1,441	\$123	\$375	\$942
5	So-Use	Toronto	(\$32)	\$11	\$0	(\$43)
6	North Winnipeg	Winnipeg	\$293	\$11	\$34	\$248
7	New Community	Saskatoon	\$561	\$5	\$85	\$472
8	United Ukrainian	Hamilton	\$216	\$9	\$21	\$186
9	St. Mary's	Toronto	\$16	(\$6)	\$0	\$22
<b>Total 2008</b>			<b>\$9,539</b>	<b>\$960</b>	<b>\$1,313</b>	<b>\$7,266</b>

<b>Schedule 7 Operating results</b>		<b>UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2008</b>					
		<b>As a % of Average Assets</b>					
<b>Name of credit union</b>	<b>Location</b>	<b>Net Income*</b>	<b>Net Dividends &amp; Patronage</b>	<b>Central Share Writeoff</b>	<b>ABCP Writeoff</b>	<b>Net Income</b>	
1	Buduchnist	Toronto	0.65%	0.04%	0.04%	0.15%	0.41%
2	Ukrainian	Toronto	0.35%	0.02%	0.04%	0.14%	0.15%
3	Carpathia	Winnipeg	0.64%	0.21%	0.00%	0.00%	0.44%
4	CP Ukrainienne de Montreal	Montreal	0.84%	0.18%	0.00%	0.81%	-0.15%
5	So-Use	Toronto	-0.06%	0.09%	0.05%	0.16%	-0.35%
6	North Winnipeg	Winnipeg	0.39%	0.04%	0.00%	0.00%	0.35%
7	New Community	Saskatoon	0.99%	0.16%	0.00%	0.00%	0.83%
8	United Ukrainian	Hamilton	0.53%	0.00%	0.04%	0.15%	0.35%
9	St. Mary's	Toronto	0.09%	0.00%	0.05%	0.17%	-0.13%
<b>Total 2008</b>			<b>0.53%</b>	<b>0.08%</b>	<b>0.03%</b>	<b>0.17%</b>	<b>0.26%</b>
			<b>(\$000s)</b>	<b>(\$000s)</b>	<b>(\$000s)</b>	<b>(\$000s)</b>	<b>(\$000s)</b>
1	Buduchnist	Toronto	\$2,712	\$160	\$183	\$632	\$1,737
2	Ukrainian	Toronto	\$1,289	\$67	\$161	\$524	\$537
3	Carpathia	Winnipeg	\$1,439	\$460	\$0	\$0	\$978
4	CP Ukrainienne de Montreal	Montreal	\$942	\$204	\$0	\$912	(\$165)
5	So-Use	Toronto	(\$43)	\$68	\$35	\$123	(\$269)
6	North Winnipeg	Winnipeg	\$248	\$26	\$0	\$0	\$222
7	New Community	Saskatoon	\$472	\$76	\$0	\$0	\$396
8	United Ukrainian	Hamilton	\$186	\$0	\$15	\$50	\$120
9	St. Mary's	Toronto	\$22	\$0	\$11	\$41	(\$31)
<b>Total 2008</b>			<b>\$7,266</b>	<b>\$1,060</b>	<b>\$406</b>	<b>\$2,282</b>	<b>\$3,526</b>
<i>* net income before distributions to members and extraordinary writeoffs</i>							

<b>Schedule 8 Expense Analysis</b>		<b>UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2008</b>					
<b>Name of credit union</b>	<b>Location</b>	<b>As a % of Average Assets</b>			<b>Total</b>	<b>Productivity</b>	
		<b>Salary Expense</b>	<b>Occupancy Expense</b>	<b>Other Expenses</b>	<b>Operating Expenses</b>	<b>Expense Ratio (a)</b>	
1	Buduchnist	Toronto	0.78%	0.14%	0.70%	1.62%	65.6%
2	Ukrainian	Toronto	1.12%	0.30%	0.75%	2.16%	83.2%
3	Carpathia	Winnipeg	1.11%	0.32%	0.67%	2.11%	71.5%
4	CP Ukrainienne de Montreal	Montreal	0.75%	0.14%	0.89%	1.77%	58.1%
5	So-Use	Toronto	1.44%	0.41%	0.69%	2.54%	101.7%
6	North Winnipeg	Winnipeg	1.31%	0.45%	0.93%	2.70%	85.5%
7	New Community	Saskatoon	1.59%	0.21%	0.94%	2.74%	69.8%
8	United Ukrainian	Hamilton	1.17%	0.14%	0.95%	2.26%	78.4%
9	St. Mary's	Toronto	1.53%	0.24%	0.79%	2.55%	97.4%
<b>Total 2008</b>			<b>1.03%</b>	<b>0.25%</b>	<b>0.75%</b>	<b>2.03%</b>	<b>74.4%</b>
<b>Total 2007</b>			<b>1.05%</b>	<b>0.26%</b>	<b>0.80%</b>	<b>2.12%</b>	<b>73.4%</b>
<b>Total 2006</b>			<b>1.08%</b>	<b>0.25%</b>	<b>0.81%</b>	<b>2.14%</b>	<b>70.7%</b>
<b>Total 2005</b>			<b>1.13%</b>	<b>0.25%</b>	<b>0.82%</b>	<b>2.20%</b>	<b>72.7%</b>
<b>Total 2004</b>			<b>1.19%</b>	<b>0.26%</b>	<b>0.95%</b>	<b>2.39%</b>	<b>75.0%</b>
<b>Total 2003</b>			<b>1.25%</b>	<b>0.30%</b>	<b>0.90%</b>	<b>2.38%</b>	<b>72.8%</b>

<b>Schedule 11 Branch, Member &amp; Employee averages</b>		<b>UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2008</b>						
<b>Name of credit union</b>	<b>Location</b>	<b>Branches</b>	<b>Deposits/ Branch</b>		<b>Assets/ Member</b>	<b>Number of Employees</b>	<b>Average Compensation /Employee</b>	
			<b>(\$Mils)</b>	<b>Members</b>				
1	Buduchnist	Toronto	6	\$65.2	18,098	\$24,045	64	\$50,897
2	Ukrainian	Toronto	11	\$32.5	22,086	\$17,383	79	\$51,898
3	Carpathia	Winnipeg	3	\$72.8	12,374	\$19,077	46	\$54,393
4	CP Ukrainienne de Montreal	Montreal	1	\$100.9	4,000	\$28,738	13	\$64,580
5	So-Use	Toronto	2	\$34.3	5,446	\$13,938	19	\$58,058
6	North Winnipeg	Winnipeg	2	\$31.4	3,395	\$19,871	17	\$49,418
7	New Community	Saskatoon	1	\$50.9	2,187	\$24,953	13	\$58,123
8	United Ukrainian	Hamilton	1	\$33.3	2,083	\$17,272	7	\$58,094
9	St. Mary's	Toronto	1	\$20.6	1,782	\$13,047	8	\$44,993
<b>Total 2008</b>			<b>28</b>	<b>\$46.6</b>	<b>71,451</b>	<b>\$19,975</b>	<b>266</b>	<b>\$53,250</b>
<b>Growth % Year over Year</b>								

## Profile Bob (Bohdan) Leshchysheh

**Bob (Bohdan) Leshchysheh'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 Managers** (Canada), a unit of Prudential Life Insurance Company, and **McNeil Mantha**.

Bob's Credit Union experience includes over fifteen 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. Recently, he was appointed as 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.

He presently holds the position of Director of Corporate Development with CHF Investor Relations.

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.

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