

UKRAINIAN CREDIT UNIONS IN CANADA

2010 FINANCIAL RESULTS

By Bohdan Leshchyshen, MBA, CFA

October 2011

Five Year Results of Ukrainian Credit Unions in Canada

The financial results of Ukrainian Credit Unions in Canada over the last five years have been mixed: asset quality as measured by allowance as a % of loans and loan loss provision has improved primarily due to lower a lower interest rate environment. Ukrainian credit unions have endeavoured to provide loans using lower loan to value ratio than the maximum of 80% which has helped reduce the loan loss ratio. Capital to assets ratio is a record level of 7.41%. The return on assets and the return of equity improved significantly in 2010. The membership has increased after experiencing two years of consecutive declines but has not reached the record level of 72,280, which was achieved in 2007. The members of the Ukrainian credit unions have continued to financially benefit by receiving significant dividends and patronage payments.

Performance. Return on equity was 8.5% compared to 8.0% in 2009. Ukrainian credit unions assets significantly grew by 9.6% in 2010 compared to 4.4% growth in 2009 and 7.9% in 2008. *[Highest level in the last 8 years]*. In 2010, the largest credit unions in Canada saw their assets grow by 5.7% compared to 6.5% in 2009. Due to a lower inflationary environment in Canada and low interest rates, deposits grew by 8.9% compared to 3.7% in the previous year. This significant increase in deposits maybe due to members seeking guaranteed yields after experiencing volatile stock markets. The Ukrainian Credit Union's net income before dividend and patronage payments increased by 16.0% to \$9.5 million from \$8.2 million, primarily due to increase in net interest margin and reduced loan loss provision as a percentage of average assets. *[This is the second year of increased net income after two years of declining net income.]* The decline in operating expense ratio over the last few years by the Ukrainian credit union has stopped. The operating expense ratio as a % of average assets was 1.98%, still much lower than the largest credit unions in Canada, which had an operating expense ratio of 2.57%. The Ukrainian Credit Unions paid 22.2% of their net income to their members by way of a dividend or a patronage refund totalling \$2.083 million compared to \$2.153 million in the previous year. These patronage dividends helped increase the capital of the credit unions by 12.3% to \$121.0 million representing 7.41% of the assets. The ratio of capital to assets has increased compared to the previous year.

The return on assets (ROA) increased to 0.62% in 2010, which was line with the largest credit unions in Canada, which had an average ROA of 0.63%.

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 represented 18.2% of total net operating revenue compared to 15.7% in the previous year. Other income represented 34.2% of the total revenue for the largest Canadian credit unions. The higher ratio of other income experienced by largest credit unions due to the significant fee income generated from their lending activities, mutual funds and investment management activities.

Asset Quality. Overall the asset quality is still quite strong. The loan loss provision as a % of average assets decreased to 0.02% from 0.04% in 2009, which compares very favourably [*one sixth of the level*] to the large Canadian credit unions, which had a loan loss provision of 0.12%. The allowance for loan losses also decreased slightly to 0.21% of total loans from 0.27% in 2009, which again compares very favourably [*more than half as much*] to the largest Canadian credit unions, which had an allowance for loan losses of 0.51%.

Loan portfolio. The Ukrainian Credit Unions have a strong concentration in lower risk residential mortgage lending which represents 64% of the loan portfolio no change from last year. However, commercial mortgage loans represented 27% of the loan portfolio with commercial mortgage loans growing by 11.2% [*second year in row of double digit growth*] compared to only 8.6% for residential mortgages. Business loans grew by 16.0% and personal loans saw growth of 6.5%. Providing secured loans to small businesses and self-employed individuals will ensure the future of Ukrainian credit unions, because these two groups of members have generally been ignored by and not well serviced by the chartered bank system in Canada. Ukrainian Credit Union experienced the largest growth in loans of 21.3% primarily due to the acquisition/merger of So-Use Credit Union. [*Effective date of merger was October 31, 2010*]. I estimate that Ukrainian Credit Union's loan portfolio grew by 5.1% not including the loans acquired through the acquisition/merger of So-Use Credit Union. Buduchnist and CP Ukrainienne De Montreal saw their loan portfolios increase by 14.5% each. New Community saw its loan portfolio increase by 12.5%.

Growth of membership. Membership has surprisingly increased by 2.0% to 70,035. Ukrainian Credit Union experienced a strong increase in membership of 5.9% or approximately 1,131 net new memberships not including the 5,446 members acquired from the merger with So-Use Credit Union. With the merger Ukrainian Credit union is now largest Ukrainian Credit union based on membership of 25,550. New Community Credit Union also saw their membership increase by 5.2% to 2,300 members.

Asset Growth. Ukrainian credit unions assets grew significantly by 14.4% in 2010 compared to 4.4% growth in 2009 and 7.9% in 2008. The largest credit unions in Canada grew by 5.7% in 2010 compared to 6.5% in 2009. Carpathia CU had the largest asset growth of 12.9%, followed by Buduchnist CU with growth of 10.7% (a portion of which was due to merger with St. Mary's CU) and New Community CU with growth of 10.5%. Ukrainian CU experienced a growth of 27.5% including the merger with So-Use CU. [*Excluding the merger -estimated growth of 9.6%*].

Deposit growth. The demographics of the membership and low interest rate environment have affected the deposit growth in 2009, but the need to for secure guaranteed returns has brought the members back to making deposits with credit unions. Deposits grew by 8.9% compared to 3.7% in 2009 and 9.1% in 2008. The largest credit unions in Canada grew by 4.4% in 2010

compared to 12.7% in 2009. Only two 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. Carpathia CU had the largest deposit growth of 13.5%, followed by New Community CU with a growth rate of 10.4%, then Buduchnist CU at 9.6%, then North Winnipeg CU at 8.8%. Ukrainian CU grew by 26.2% including the deposits obtained through the merger with So-Use CU. *[Excluding the deposits at yearend last year – estimated growth of deposits was 8.5%].*

Net Interest Margin - After declining over the last five years the net interest margin increased slightly to 2.31% in 2010 compared to 2.27% in 2009. CP Ukrainienne de Montreal had the highest net interest margin of 3.17%, followed by United Hamilton CU with 2.43% and then New Community CU with 2.40%. Hopefully, the downward trend has been broken.

Operating Costs – Ukrainian Credit Unions have an operating cost structure that is quite competitive. After decreasing for the last five years, the operating expense ratio as a % of average assets increased to 1.98% compared to 1.95% in the previous year. *[Still quite favourable compared to the largest credit unions in Canada].* The largest credit unions in Canada also increased their operating expense ratio to 2.57% from 2.55% in the previous year.

The operating expense to revenue (productivity ratio) decreased slightly to 72.5% from 72.7% in the previous year. The productivity ratio is lower than the largest Canadian credit unions, which had a productivity ratio of 74.6%.

Ukrainian Credit Unions in Canada						5 yr Avg.
	2006	2007	2008	2009	2010	
Number of Credit Unions	10	10	9	8	7	
Members	70,452	72,280	71,338	68,653	70,035	
Growth rate	-1.5%	2.6%	-1.3%	-3.8%	2.0%	-0.4%
Assets (\$Mils)	\$1,245	\$1,322	\$1,427	\$1,490	\$1,633	
Growth rate	5.6%	6.2%	7.9%	4.4%	9.6%	6.7%
Assets per member	\$17,672	\$18,290	\$20,003	\$21,703	\$23,317	
Growth rate	7.2%	3.5%	9.4%	8.5%	7.4%	7.2%
Loans (\$Mils)	\$1,027	\$1,090	\$1,176	\$1,240	\$1,353	
Growth rate	9.3%	6.1%	8.0%	5.4%	9.1%	7.6%
Allowance % loans	0.25%	0.23%	0.29%	0.27%	0.21%	0.25%
Residential mortgages (\$Mils)	\$621,296	\$717,447	\$769,625	\$798,205	\$866,555	
Growth rate %	10.5%	15.5%	7.3%	3.7%	8.6%	9.0%
Mix %	64.8%	65.8%	65.4%	64.4%	63.9%	
Commercial Mortgages (\$Mils)	\$240,122	\$285,915	\$295,952	\$328,223	\$364,909	
Growth rate %	10.7%	19.1%	3.5%	10.9%	11.2%	11.0%
Mix %	25.0%	26.2%	25.2%	26.5%	26.9%	
Consumer loans (\$Mils)	\$77,632	\$62,877	\$74,986	\$75,118	\$80,030	
Growth rate %	-0.8%	-19.0%	19.3%	0.2%	6.5%	0.5%
Mix %	8.1%	5.8%	6.4%	6.1%	5.9%	
Business Loans (\$Mils)	\$20,234	\$23,348	\$35,710	\$37,982	\$44,073	
Growth rate %	-11.8%	15.4%	52.9%	6.4%	16.0%	13.9%
Mix %	2.1%	2.1%	3.0%	3.1%	3.3%	
Deposits (\$Mils)	\$1,101	\$1,195	\$1,304	\$1,352	\$1,472	
Growth rate	2.4%	8.6%	9.1%	3.7%	8.9%	6.5%
Equity and Shares (\$Mils)	\$91.9	\$97.1	\$99.2	\$107.7	\$121.0	
Capital % assets	7.38%	7.34%	6.95%	7.23%	7.41%	7.3%
Net Income (\$Mils)	\$8.3	\$7.7	\$7.3	\$8.2	\$9.5	
Return on assets	0.68%	0.60%	0.53%	0.56%	0.62%	0.60%
Return on Equity	9.3%	8.1%	7.4%	8.0%	8.5%	8.3%
Net interest margin	2.60%	2.47%	2.28%	2.27%	2.31%	2.39%
Operating expense ratio	2.14%	2.12%	2.03%	1.95%	1.98%	2.04%
Loan loss ratio	0.04%	0.02%	0.07%	0.04%	0.02%	0.04%
Productivity ratio	70.7%	73.4%	74.4%	72.7%	72.5%	72.7%
Dividends/Patronage paid (\$Mils)	\$2.711	\$2.559	\$1.280	\$2.153	\$2.083	
% return to members	23.7%	21.9%	16.1%	26.3%	22.0%	

Brief Overview of the Ukrainian Credit Unions in Canada

Buduchnist Credit Union is the largest Ukrainian credit union in Canada, 12th largest credit union in Ontario [14th last year] and 44th largest in Canada based on asset size [48th last year].

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

- Buduchnist CU spent \$1,670,100 or 18.9% of its operating expenses on promotions, donations and advertising compared to \$1,243,868 or 16.9% 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.
- **Sponsorship of Youth** – funding for annual graduation of the students from Ukrainian heritage programs (“Matura”), [provided each student with \$100 towards a new graduate account, as well as commemorative, one-of-a-kind sterling silver trident pendant]; grade eight graduations at Ukrainian bilingual schools; St. Nicholas Day celebrations, sponsorship for Ukrainian Youth Associations- SUM and “Plast” [funding for two scout cabins at the Plastova Sich summer camp in Grafton, Ontario]. Buduchnist CU scholarship program provided four scholarships to university students recognizing both academic achievement and community involvement.
- **Sponsorship of Culture** – continued to be the Gold Sponsor of the Festival of Young Talent organized by the Association of Ukrainians “Zakerzonia; and the Ukrainian Canadian Music Festival *Zolotyj Klen* organized by the League of Ukrainian Canadian Women, The League of Ukrainian Canadians and the Ukrainian Youth Association; Bronze

Sponsor of the international cultural festival Carassauga in Mississauga; a sponsor of the Toronto Ukrainian Festival in the city's Bloor West Village and the sponsor of the performance at the 2010 Festival of the bank *Ephyra* from Chicago. Continued to support schools of music, dance groups, choirs, folk and contemporary ensembles In Toronto, Hamilton, Oakville, Burlington and Ottawa. The credit union believes in helping the community maintain and develop Ukrainian traditions and culture, ensuring that they are preserved through the generations. The credit union continued to sponsor the Ukrainian Music festival in which 200 children demonstrate talent in voice and on musical instruments.

- **Sponsorship of Art** - was one of the main sponsors of the 35th fall exhibit *Emalevi Kazky* (enamel tales) at the Canadian Ukrainian Art Foundation featuring the works of well-known artist Yulia Boroday from Ukraine; the annual art exhibit and sale, Expressions of Art, sponsored by the St. Volodymyr Cultural Centre in Oakville; an art exhibit at the Mississauga Convention Centre sponsored by the Mississauga Arts council.
- **Sponsorship of Church Activities** – advertises in church publications such as bulletins and calendars, supports fundraising initiatives of local church organizations including Christmas and Easter bazaars, golf tournaments, and supports their charitable and humanitarian activities. Gold Sponsors of the *Bili Kastany* Ball organized to raise funds for the All Saints of Ukraine Ukrainian Orthodox Chapel on the grounds of the St. Volodymyr Cultural Centre in Oakville.
- **Sponsorship of Community organizations** – sponsors and supports local organizations which help found the credit union the Ukrainian Youth Association, the League of Ukrainian Canadians and Ukrainian Women. In addition, made substantial contributions to Ukrainian World Congress and the World Federation of Ukrainian Women's Organizations.
- **Sponsorship of Unique Projects** – proudly sponsored Ulana Kopystansky fundraising efforts for research into a cure for children's cancers. Ulana participated in a cycling tour from Vancouver to Halifax- The Sear National Kids Cancer Ride. She participated in memory of her daughter, Taisa, who lost her battle with cancer at the young age of thirteen. Sponsored the "Pier 21 project" undertaken by the League of Ukrainian Canadian Women [*document the experiences of Ukrainian immigrants who passed through Pier 21 in Halifax upon first arriving in Canada after World War II*]
- Total assets grew by \$50.7 million in 2010 or 10.7% increase to \$523.3 million compared to an increase of \$35.7 million or 8.6% increase in the previous year.

- Buduchnist CU's net loan portfolio increased by 14.5% in 2010 to \$459.0 million compared to 4.0% increase in the previous year. *[Not including the acquisition of St. Mary's Credit Union]*. The strong growth included a 19.9% increase in business loans and 10.2% increase in commercial mortgages and 16.3% increase in residential mortgages. Consumer loans declined slightly. Buduchnist CU decreased its allowance for impaired loans by 6.7% to \$729,010 from \$780,954, which represented a respectable 0.16% of the loans outstanding compared to 0.19% in the previous year. The actual loans written off decreased to \$103,924 from \$149,558, a decrease of 30.5%. Among the Ukrainian Credit Unions Buduchnist has the largest % of business loans at 6.3%.
- Total deposits increased by 9.6% in 2010 compared to 1.4% in 2009 *[Not including the acquisition of St. Mary's Credit Union]* primarily due to a strong growth of 18.1% in term deposits and 9.1% increase in registered plans, while demand deposits declined by 4.4%.
- The membership grew by only 0.9% in 2010 compared increase of 2.2% in 2009, *[Not including the acquisition of St. Mary's Credit Union]*. Buduchnist had 131 members, who passed away in 2010 compared to 114 in the previous year and 86 members who passed away in 2008.
- The net income (before dividends) increased by 31% to \$3.492 million in 2010, due to an improvement in net interest margin *[increased to 2.27% from 2.17%]* and lower income tax rate *[decreased to 0.13% from 0.18% as a 5 of avg. assets]*. The capital and retained earnings stood at \$44.2 million compared representing 8.65% of assets to \$40.9 million in the previous year.
- Buduchnist CU introduced a patronage share program in 1997. The credit union made patronage and dividend payment of \$696,000 in 2010 compared to \$597,000 in previous year. The 2010 payment represented 19.9% of its net income compared to 17% in the previous year. Since, the introduction of the patronage program in 1997, Buduchnist has shared approximately \$8.4 million of its profits with its members.
- Buduchnist CU had a return on assets of 0.70% compared to 0.59% in the previous year. The return on equity was 8.2% compared to 6.9% in the previous year.
- Buduchnist CU has mutual funds and securities under administration, which increased by 18.2% and now stands at \$90.4 million. (Of which, \$4.4 million is securitized residential mortgages). The mutual funds under administration increased by 33.8% to \$86 million compared to \$64.3 million in the previous year.

- Buduchnist CU provided \$12.4 million of loans to its employees and directors, which represented 2.7% of the total loan portfolio compared to \$14.8 million (3.7% of total loans) in the previous year.

Buduchnist CU had a record year in total new lending activity:

- Buduchnist advanced 370 residential mortgages in 2010 for a total value of \$97.6 million, an increase of **53%** in loan value (average loan size of \$263,800) compared to 316 loans and loan value of \$63.7 million (average loan size of \$201,700) in the previous year.
- Buduchnist issued 120 commercial loans and mortgages for a total value of \$31.2 million, a **decrease of 4%** in loan value (average loan size of \$260,300) compared to 110 loans for a total of \$32.6 million (average loan size of \$296,200).
- Buduchnist provided 411 personal loans for a total value of \$5.7 million, an increase of 9% in loan value compared to 480 loans for total value of \$5.2 million.
- Total loans of 901 were issued amounting to \$134.6 million, an increase of **33%** in loan value compared to 906 loans amounting to \$101.5 million in the previous year.

Ukrainian Credit Union is the second largest Ukrainian credit union in Canada, 13th largest credit union in Ontario and 45th largest in Canada based on asset size.

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

Source: Website

- In 2010, Ukrainian CU spent a \$513,090 or 5.1% of its operating expenses on promotions, donations and advertising compared to \$383,967 or 4.4% of its operating expenses in the previous year. In 2009, 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 an 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 by \$109.2 million in 2010 [*I estimated that approximately \$72.3 million came due to the merger with So-Use CU*] or 27.5% increase [*growth of 9.3% not including So-Use CU assets*] to \$506.5 million compared to an increase of \$13.4.7 million or 3.5% increase in the previous year.
- Ukrainian CU's loan portfolio increased by 21.3% [*adjusted for So-Use – 5.1% internal growth*] compared to 2.0% in the previous year. The loan growth included 9.4% increase in commercial mortgages, 3.8% increase in residential mortgages and 11.8% increase in consumer loans. Ukrainian CU increased its allowance for impaired loans by 45.2% to \$882,838 from \$608,220, which represented a reasonable 0.22% of the loans outstanding compared to 0.19% in the previous year. [*The main reason for the increase in the allowance was special provision assumed on the acquisition of So-Use credit union of \$414,661*]. The actual loans written off decreased to \$130,043 from \$216,032, a decrease of 39.8%. The mix of loans did not change significantly from 2009. Residential mortgages represent 73.5% of total loans, commercial mortgages represent 23.1% of total loans and consumer loans represent 3.4% of total loans.
- The total deposits increased by 26.2% in 2010 [*adjusted for So-Use the growth was 11.8%*] compared to 3.0% in 2009, primarily due to a strong growth of 15.7% in demand deposits and 11.4% increase in registered plans and 9.9% increase in term deposits.
- The membership increased by 34.7% in 2010 to 25,550 primarily due to the acquisition of So-Use CU. [Excluding So-Use members, the membership grew by 6.0%] Ukrainian has the largest branch network of any Ukrainian credit union in Canada and now the largest membership base. Ukrainian had 205 members, who passed away in 2010 compared to 190 in the previous year and 186 in 2008.

- Net income (before dividends) in 2010 decreased by 6.9% to \$1.292 million primarily due to a 16.7% increase in operating costs. The capital and retained earnings increased by 46.8% and stood at \$36.1 million representing 7.13% of assets.
- Ukrainian CU has mutual funds and securities under administration increased by 26% to \$32.9 million compared to \$26 million in the previous year.
- Ukrainian CU had a return on assets of 0.29% compared to 0.36% in the previous year. The return on equity was 4.3% compared to 6.0% in the previous year.
- 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 provided \$1.9 million of loans to its employees and directors, which represented 0.5% of the total loan portfolio compared to \$2.2 million (0.7% of total loans) in the previous year.

Ukrainian CU had a record year in total new lending activity:

- Ukrainian advanced 296 residential mortgages in 2010 for a total value of \$71.6 million (average loan size of \$242,100), an increase of 37% in loan value compared to 268 loans and loan value of \$52.4 million (average loan size of \$195,600) in the previous year.
- Ukrainian issued 73 commercial loans and mortgages for a total value of \$28.3 million, an increase of 43% in loan value (average loan size of \$388,000), compared to 44 loans for a total of \$19.8 million (average loan size of \$449,800) in the previous year.
- Ukrainian provided 647 personal loans for a total value of \$31.2 million (average loan size of \$48,300), an increase of 71% compared to 570 loans for total value of \$18.2 million (average loan size of \$32,000) in the previous year.
- Total loans of 1,016 were issued amounting to \$131.2 million, an increase of 45% in loan value compared to 882 loans amounting to \$90.4 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, 12th largest credit union in Manitoba and the 72th largest credit union in Canada.

CEO:	Walter Dlugosh
Head Office Address:	952 Main Street, 3rd Floor Winnipeg, Manitoba R2W 3P4
Telephone:	(204) 989-7400
Website:	www.carpathiacu.mb.ca
Board of Directors:	Dr. Taras Babiak - President Bohdan Halkewycz - Vice President Donna Korban - Secretary Peter Washchysheh Noella Pylypowich Walter Kulyk Demyan Hyworon DR. George Chuchman Ken Bielak
Source:	<i>Website</i>

- Carpathia CU provided over \$300,000 or over 6% of its operating expenses on promotions, donations, sponsorships, and advertising in support of promoting various local events and organizations such as seven English Ukrainian Bilingual programs. Carpathia CU provided funding to Orlan, Rozmai, and Rossdale Ukrainian Dance Ensembles; the Melos Folk Ensemble, the Hoosli Folk Ensemble, funding for musical production – “Strike! The Musical”, Folklorama’s Kyiv Pavilion, the Ukrainian Cultural and Educational Centre Oseredok, Holy Family Personal Care Home, Plast, SUM, Ukrainian Professional & Business Club, Immaculate Heart of Mary School, Winnipeg Dynamo Kyiv Soccer Club, Ukrainian Orthodox Church of Canada, Catholic Foundation, a number of Ukrainian Catholic parishes, Ukrainian Heritage and Saturday morning schools, and the Manitoba Parents for Ukrainian Education. Carpathia CU has sponsored a scholarship program and provided 3 scholarships to graduating Grade 12 students.
- Total assets grew by \$34.1 million or 12.9% to \$295.7 million compared to increase of \$25.8 million or 10.9% increase in the previous year.

- The membership declined by 0.5% in 2010 to 12,368 members compared to an increase of 1.1% in 2009. Carpathia welcomed 375 new members and 108 associates during 2010. In terms of associated status which was introduced in 2003 *[to expand credit union membership beyond the Ukrainian Community]*, the credit union had 507 associates as at Sept. 30, 2010. Interestingly associate loans outstanding comprised 13.0% of loans outstanding in 2010 compared to 9.8% in the previous year. While, associate deposits were 6.8% of total deposits in 2010 compared to 3.0% in 2009. Income earned from associates of the credit union was equal to 10.5% of total income in 2010 compared to 9.5% in the previous year. This strategy of expanding membership has worked quite well for Carpathia Credit Union.
- Carpathia CU's loan portfolio increased by 7.6% in 2010 compared to an increase of 12.6% in the previous year. The loan growth was primarily due to a 12.7% increase in commercial mortgage loans and 19.2% increase in business loans. Carpathia CU decreased its allowance for impaired loans by 3.0% to \$669,700, which represented above average 0.27% of the loans outstanding. However, the actual loans written off decreased to \$221,000 compared to \$253,000 in the previous year, a decrease of 12.8%. Commercial mortgage loans now present 35.8% of the loan portfolio compared to 34.2% last year, while business loans represent 5.4% of total loans compared to 4.9% in the previous year.
- Total deposits increased by 13.5% in 2010 compared to 11.5% in 2009 primarily due to a strong growth of 19.5% in term deposits and 12.2% increase in registered plans, while demand deposits increased by 7.7%.
- The net income (before dividends) in 2010 increased by 36.8% to \$2,041,300 due primarily to an increase in net interest margin from 2.16% in 2009 to 2.23% in 2010 and a decrease in the operating cost margin from 1.83% in 2009 to 1.76% in 2010. The capital and retained earnings increased by 9.6% and stood at \$15.8 million representing 5.36% of assets.
- The credit union, which was one of the first Ukrainian credit union to introduce tax efficient patronage refunds, paid its fourteenth patronage refund and an additional dividend totalling \$374,000 to its members. From the beginning of its program, Carpathia CU has returned over \$8.5 million to its members in the form of dividends and patronage refunds.
- Carpathia CU has mutual funds under administration, which amounted to approximately \$14 million.
- Carpathia CU had a return on assets of 0.73% compared to 0.60% in the previous

year. The return on equity was 13.5% compared to 10.6% in the previous year.

Carpathia CU had a strong year in new lending activity:

- Residential mortgages issued in 2010 increased by over \$6 million for a total value in excess of \$123 million, an increase of 5% (an average loan size of some \$127,000) from the prior year.
- Commercial portfolio increased by over \$12 million to almost \$103 million, an increase of 13% from the prior year.

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

CEO:	Yourko Kulyckyj
Head Office Address:	3250 rue Beaubien Est Montreal, Quebec H1X 3C9
Telephone:	(514) 727-9456
Website:	Desjardins.com
Board of Directors:	Eugene Czoli - Chair Stephen Spilkun, Vice-President Marie-Marthe Menard Markiza, Secretary Myroslaw Balycky Myroslawa Cap Petro Choma Garry W. Grosko Helen Holowka Gregory Kowryha Martha Mayer Orest Mytko Edmond Pasiaka Igor Pryszlak Volodymyr Zhovtulya
Source: Annual Report	

- The Caisse has provided over \$79,000 in donations, scholarships and sponsorship supporting youth organizations, church organizations, Ukrainian schools, the Ukrainian festival and many other worthy community causes.
- The Caisse experienced asset growth of 5.3% to \$125.0 million compared to 2.7% growth in the previous year.

- The membership remained at approximately 4,000 members in 2010.
- The Caisse's loan portfolio increased by 12.0% in 2010 compared to an increase of 0.8% in the previous year. The loan growth was primarily due to a 14.7% increase in commercial mortgage loans and 10.1% increase in consumer loans. The Caisse decreased its allowance for impaired loans by 9.6% to \$239,400, which represented above average 0.24% of the loans outstanding. Commercial mortgage loans now present 40.8% of the loan portfolio compared to 39.8% last year, while residential mortgage loans represent 43.6% of total loans compared to 45.3% in the previous year. Consumer loans represent 15.7% total loans compared to 14.9% in the previous year. The Caisse had gross impaired loans of \$545,900 in 2010 and increase of 21.2% compared to \$450,200 in 2009.
- Total deposits increased by 2.8% in 2010 compared to 1.3% in 2009 primarily due to growth of 9% in registered plans and 10.1% increase in term deposits, while demand deposits decreased by 10.7%.
- Net income (before dividends) in 2010 increased by 16.6% to \$1.927 million, primarily due to an increase in the net interest margin and significant reduction in the loan loss provisions. The capital and retained earnings increased by 15.4% and stood at \$13.7 million representing a record high 11.04% of assets, making it the best capitalized Ukrainian credit union in Canada.
- In 2010, the Caisse paid out \$733,000 in member dividends to its members, representing a return of 38% of its net income. Since the beginning of its program, the Caisse has paid over \$8.6 million to its members in the form of such member dividends (ristournes).
- The Caisse had returns on assets and equity respectively of 1.42% and 14.6% compared to 1.50% and 15.0% respectively which represents the highest return on assets and return on equity of all the Ukrainian credit unions in Canada.

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

CEO:	Roman Hrabowych
Head Office Address:	310 Leila Avenue Winnipeg, Manitoba R2V 1L8
Telephone:	(204) 954-7450
Website:	www.nwcu.mb.ca
Board of Directors:	Sophia Kachor - Chair Myron Pawlowsky - Vice-Chair Nicholas Chubenko - Secretary Orest Deneka Ostap Hawaleshka Boris Hwozdulych Angela Iacobciuc Tania Ruday Steven Werhun
Source: Website	

- In 2010, the credit union allocated over \$13,800 in support of over 37 different community organizations, including foundation, church and youth organizations compared to \$11,295 in the previous year, an increase of 22%.
- The sponsorships went to **foundations** including Canada Ukraine Foundation, Canadian Foundation for the Ukrainian Free University, Metropolitan Andrey Sheptytsky Institute Foundation, Oserodok Ukrainian Cultural and Educational Centre, Osvita Foundation Inc., and Ukrainian Canadian Foundation of Taras Shevchenko.
- The credit union supported **youth and student organizations** including Plast – Ukrainian Youth Association, Ukrainian Camp-Park and University of Manitoba Canadian Alumni Committee.
- The credit union supported **churches and their organizations** including Holy Family Nursing Home Ladies Auxiliary, Holy Trinity Ukrainian Orthodox Cathedral, Knights of Columbus, St. Anne Ukrainian Catholic Church, St. Joseph Residence, St. Mary the Protectress Ukrainian Orthodox Church, Saint Vladimir and Olga Cathedral, Ukrainian Orthodox Church of Canada and the Youth Ministry Archdiocese of Winnipeg.

- North Winnipeg CU has sponsored a scholarship program and provided eight scholarships to university and high school students totaling \$3,700 compared to \$2,700 in the previous year.
- Total assets grew by \$7.0 million or 9.6% to \$79.9 million compared to increase of \$5.5 million or 8.1% increase in the previous year.
- North Winnipeg CU's loan portfolio increased by 6.8% in 2010 compared to a similar increase of 6.9% in the previous year. The loan growth was highlighted by a 15.8% increase in commercial mortgage loans and 5.8% increase in residential mortgage loans. North Winnipeg CU allowance for impaired loans increased by 3.8% to \$160,015. Total loan delinquency decreased from 0.38% in 2009 to 0.12% in 2010 as a percentage of total loans. The actual loans written off increased to \$49,184 compared to \$19,243 in the previous year. Commercial mortgage loans now present 22.6% of the loan portfolio compared to 20.9% last year, while business loans represent 2.4% of total loans compared to 3.0% in the previous year.
- Total loans of 384 were issued in 2010, amounting to \$16.3 million, over 10% increase from previous year.
- Total deposits increased by 8.8% in 2010 compared to 8.3% in 2009 primarily due to a strong growth of 39.2% in registered plans and 1.6% increase in term deposits, while demand deposits increased by 5.8%.
- Net income (before dividends) increased significantly by 66.2% to \$223,300 from \$134,400 in 2009, primarily due to an improved net interest margin which increased to 2.18% from 2.04% in the previous year.
- North Winnipeg CU had a return on assets of 0.29% compared to 0.19% in the previous year. The return on equity was 5.6% compared to 3.8% in the previous year.
- Members' equity stood at \$4.2 million representing 5.28% of assets. North Winnipeg introduced a Member Common Share Program allowing members to purchase up to \$5,000 in common shares of the credit union. Member common shares increased to \$516,200 from \$186,670 in 2009, and increase of 176%. This has helped significantly to maintain and increase the credit union's capital ratio.
- North Winnipeg has two branches, four ATMs, internet and telephone banking services.

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

CEO:	Bill Zerebesky
Head Office Address:	321 - 20th Street West Saskatoon, Saskatchewan S&M 0X1
Telephone:	(306) 653-1300
Website:	www.newcommunitycu.com
Board of Directors:	Dave Lalach - Chair Julius Calyniuk - Vice-Chair Delva Rebin Barry Slowski Colleen Brown Gord Kimek Elaine Koshman Rosanne Maluk Cliff Arthurs
Source:	<i>Website</i>

- In 2010, the credit union allocated over \$9,800 in marketing, education and promotion support of community organizations, including educational, church and youth organizations.
- New Community CU saw its assets grow by 10.5% to \$64.1 million compared to growth of 6.3% in the previous year.
- New Community CU's loan portfolio increased by 12.5% in 2010 compared to 13.3% in the previous year, primarily due to strong consumer lending growth of 30.9% and commercial mortgage growth of 29%. New Community CU increased its allowance for impaired loans by 6.4% to \$15.994 which represented a low 0.03% of the loans outstanding. New Community had a recovery on loans \$1,704 in 2010 compared to a recovery of \$1,724 in the previous year. Among the Ukrainian Credit unions, New Community has the highest level of residential mortgages representing 77.7% of its total loans and highest level of consumer loans representing 16.8% of its loan portfolio.
- Total deposits increased by 10.4% in 2010 compared to 6.0% in 2009 primarily due to a strong growth of 34.3% in term deposits and 18.1% increase in registered plans, while demand deposits decreased by 32.2%.

- The membership increased by 5.2% to approximately 2,300 members.
- Net income (before dividends) decreased by 20.4% to \$408,400 from \$513,000 in 2009, primarily due to a reduced net interest margin which decreased to 2.40% from 2.47% in 2009 and an increase in the operating expense ratio to 2.46% from 2.33% in the previous year.
- Due to a lower net income, New Community did not make a patronage allocation in 2010. The patronage allocation in 2009 was \$65,000, which represented 12.7% return to members.
- New Community CU had a return on assets of 0.67% compared to 0.91% in the previous year. The return on equity was 10.0% compared to 14.2% in the previous year.
- Members' equity stood at \$4.3 million representing 6.70% of assets.
- New Community CU has mutual funds under administration, which exceeded \$8.9 million.
- In addition to our loan totals on the financial statements we administer loans for Central and other credit unions in the amount of \$9.0 million.

United Ukrainian Credit Union, which has been serving the Ukrainian Community in Hamilton since 1976, when three credit unions amalgamated to form United Ukrainian. The three credit unions were St. Vladimir, Ukrainian (Hamilton) and Holy Ghost Parish. United Ukrainian is the seventh largest Ukrainian credit union in Canada.

CEO:	Adam Sotnicki
Head Office Address:	1252 Barton Street East Hamilton, Ontario L8H 2V9
Telephone:	(905) 545-1910
Website:	www.uucu.com
Board of Directors:	Olya Sheweli, Chair John Bilowus, Vice-President Peter Szlichta, Secretary Karlozlaw Makahon Stella Spytkowski Eleanor Johnstone Taras Jaciw Roman Spytkowski John Mykytyshyn

Source: Annual Report

- In 2009, the credit union allocated over \$16,515 in marketing, education and promotion support of twenty (20) community organizations, including foundations, church and youth organizations.
- The sponsorships went to **foundations** including Canadian Cancer Society, SUS Foundation, and Ukrainian Canadian Foundation of Taras Shevchenko.
- The credit union supported **youth and student organizations** including McMaster Ukrainian Students Association and William Sarchuk Ukrainian School.
- The credit union supported **churches and their organizations** including Holy Spirit School, Saint Cyril & Methodius Ukrainian Catholic Church, St. Nicholas Ukrainian Catholic Church, St. Vladimir Ukrainian Orthodox Sobor, and the Ukrainian Catholic church of the Resurrection.
- United Ukrainian CU saw its assets grow by 3.9% to \$38.4 million compared to growth of 2.8% in the previous year.

- United Ukrainian CU's loan portfolio increased by 9.5% in 2010 compared to 15.0% in the previous year, primarily due to strong commercial mortgage lending growth of 11.1%. United Ukrainian CU increased its allowance for impaired loans by 9.9% to \$167,700, which represented above average 0.54% of the loans outstanding. However, the actual loans written off decreased to \$3,340 compared to \$4,661 in the previous year, a decrease of 28.3%. United Ukrainian CU had gross impaired loans of \$782,200 in 2010 [*increase of 79%*] compared to \$436,400 in 2009. Commercial mortgage loans now present 51.9% of the loan portfolio, the highest level among the Ukrainian Credit Unions in Canada.
- Total deposits increased by 3.9% in 2010 compared to 2.7% in 2009 primarily due to a strong growth of 13.2% in registered plans and 1.2% increase in term deposits, while demand deposits increased by 2.2%.
- The credit union's membership increased by 9 members to 1,989
- Net income (before dividends) decreased by 63.4% to \$96,300 from \$262,900 in 2009, primarily due to a reduced net interest margin which decreased to 2.43% from 2.93% in 2009 and an increase in the operating expense ratio to 2.32% from 2.24% in the previous year.
- United Ukrainian CU had a return on assets of 0.26% compared to 0.72% in the previous year. The return on equity was 3.8% compared to 11.0% in the previous year.
- United Ukrainian CU paid a \$10,800 dividend in 2010 to its members representing 11.2% of its net income, compared to \$18,700 in 2009 representing 7.1%.
- Members' equity stood at \$2.6 million representing 6.74% of assets.

New Disclosure Regulations – Restricted Party Transactions

Restricted Party Transactions

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

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

Schedule 9 Director & Employee Loans		UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2010		
Name of credit union	Location	Net Loans (000's)	Director & Employee Loans (000's)	As a % of Net Loans
1 Buduchnist	Toronto	458,293	12,423	2.71%
2 Ukrainian	Toronto	393,647	1,855	0.47%
3 Carpathia	Winnipeg	249,805	1,360	0.54%
4 CP Ukrainienne de Montreal	Montreal	99,717	0	0.00%
5 North Winnipeg	Winnipeg	67,876	1,679	2.47%
6 New Community	Saskatoon	52,462	0	0.00%
7 United Ukrainian	Hamilton	30,902	1,418	4.59%
Total		1,352,703	18,735	1.34%
Growth % Year over Year		9.4%	-16.8%	
Total 2009		1,236,135	22,516	1.76%
Growth % Year over Year		5.4%	-10.6%	
Total 2008		1,172,961	25,186	2.41%
Growth % Year over Year		7.9%	17.8%	
Total 2007		1,087,081	21,387	2.17%
Growth % Year over Year		6.1%	-6.8%	
Total 2006		1,024,673	22,945	2.40%
Growth % Year over Year		9.3%	-6.0%	
Total 2005		937,129	24,406	2.78%

The restricted party loans to total loans ratio ranged from 0.54% (Carpathia CU) to a high of 4.59% (United Ukrainian located in Hamilton). Two credit unions did not disclose the level of restricted loans in their statements. The average ratio for the 5 credit unions which disclosed the loans held by restricted parties was 1.34% of the total loans outstanding compare to 1.76% in the previous year. (See schedule above).

New Disclosure Regulations - Expenses Related to Board of Directors

Expenses Related to Board of Directors

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

Total remuneration (fees & costs) paid to members of the board of directors ranged from \$8,725 to \$80,900(Ukrainian Credit Union with its head office located in Toronto). The average remuneration per director for six (6) credit unions which disclosed this information was \$4,416 per director. The director fees and costs per director ranged from \$969 to as high as \$8,989. (See schedule below).

Schedule 10 Director Fees & Costs		UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2010			
Name of credit union	Operating Expenses (000's)	Directors Fees & Costs	Directors fees & costs/ Operating Expenses %	Number of Directors	Avg. Director fess & costs/ Director
1 Buduchnist	\$8,859	\$31,820	0.36%	7	\$4,546
2 Ukrainian	\$10,124	\$80,900	0.80%	9	\$8,989
3 Carpathia	\$4,912	\$67,064	1.37%	9	\$7,452
4 CP Ukrainienne de Montreal	\$2,074	n/a	n/a	0	n/a
5 North Winnipeg	\$1,794	\$16,472	0.92%	9	\$1,830
6 New Community	\$1,501	\$8,725	0.58%	9	\$969
7 United Ukrainian	\$873	\$24,638	2.82%	9	\$2,738
Total	\$30,136	\$229,619	0.82%	52	\$4,416
Growth % Year over Year	6.8%	11.7%			31.1%
Total 2009	\$28,213	\$205,517	0.78%	61	\$3,369
Growth % Year over Year	1.5%	-19.9%			-6.8%
Total 2008	\$27,793	\$256,490	1.05%	71	\$3,613
Growth % Year over Year	2.3%	-7.4%			4.3%
Total 2007	\$27,156	\$277,017	1.15%	80	\$3,463
Growth % Year over Year	4.9%	8.1%			8.1%
Total 2006	\$25,879	\$256,186	1.12%	80	\$3,202
Growth % Year over Year	3.5%	8.3%			8.3%
Total 2005	\$24,992	\$236,618	1.06%	80	\$2,958

Future Challenges

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 mobile banking, 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. These outreach programs have brought some success. Total membership increased by 2.0% after two years of declining membership.

However, the number of Ukrainian credit unions continues to decline through mergers. So-Use Credit Union's membership agreed to a merger with Ukrainian Credit Union, which took effect on October 31, 2010. There are now only seven Ukrainian credit unions in Canada.

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. The new federal legislation allowing federally chartered credit unions may be the solution to expanding credit union services to Ukrainian communities in other cities that presently have no hope of receiving these services.

Schedule 1						
UKRAINIAN CREDIT UNIONS IN CANADA						
as at December 31, 2010						
Asset Growth & Profitability		Assets	Asset Growth	Net Income *	Return on Assets	Return on Equity
Name of credit union	Members	(\$Mils)	%	(\$000's)	%	%
1 Buduchnist	20,459	\$523	10.7%	\$3,492	0.70%	8.2%
2 Ukrainian	25,550	\$507	27.5%	\$1,292	0.29%	4.3%
3 Carpathia	12,368	\$296	12.9%	\$2,041	0.73%	13.5%
4 CP Ukrainienne de Montreal	4,000	\$125	5.3%	\$1,928	1.59%	15.0%
5 North Winnipeg	3,369	\$80	9.6%	\$223	0.29%	5.6%
6 New Community	2,300	\$64	10.5%	\$408	0.67%	10.0%
7 United Ukrainian	1,989	\$38	3.9%	\$96	0.26%	3.8%
	70,035	\$1,633	14.4%	\$9,481	0.62%	8.5%
Growth % Year over Year	2.0%			16.0%		
Total 2009	68,653	\$1,490	4.4%	\$8,172	0.56%	8.0%
Growth % Year over Year	-3.8%			12.5%		
Total 2008	71,338	\$1,427	7.9%	\$7,266	0.53%	7.4%
Growth % Year over Year	-1.3%			-5.1%		
Total 2007	72,280	\$1,322	6.2%	\$7,656	0.60%	8.1%
Growth % Year over Year	3.3%			-6.3%		
Total 2006	69,984	\$1,245	6.5%	\$8,169	0.68%	9.2%
Growth % Year over Year	-2.1%			4.2%		
Total 2005	71,516	\$1,179	5.5%	\$7,841	0.68%	9.8%
Growth % Year over Year	0.2%			54.6%		
Total 2004	71,392	\$1,117	7.5%	\$5,072	0.47%	6.4%
Growth % Year over Year	3.1%			-21.6%		

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

Schedule 2 Capitalization		UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2010			
Name of credit union	Capital (\$000's)	Capital % Assets	Growth in Capital %	Dividends & Patronage (\$000's)	Return to Members %
1 Buduchnist	\$44,245	8.45%	8.2%	\$696	19.9%
2 Ukrainian	\$36,091	7.13%	46.8%	\$249	19.3%
3 Carpathia	\$15,845	5.36%	9.6%	\$374	18.3%
4 CP Ukrainienne de Montreal	\$13,746	11.04%	15.4%	\$733	38.0%
5 North Winnipeg	\$4,219	5.28%	14.2%	\$19	8.6%
6 New Community	\$4,295	6.70%	11.5%	\$0	0.0%
7 United Ukrainian	\$2,590	6.74%	3.9%	\$11	11.2%
Total	\$121,030	7.41%	18.8%	\$2,083	22.0%
Total 2009	\$107,707	7.23%	11.3%	\$2,153	26.4%
Total 2008	\$99,189	6.95%	3.2%	\$1,280	16.1%
Total 2007	\$97,086	7.35%	5.6%	\$2,559	21.9%
Total 2006	\$91,895	7.38%	6.0%	\$2,620	23.7%
Total 2005	\$86,659	7.42%	6.7%	\$2,603	28.4%
Total 2004	\$81,202	7.27%	6.3%	\$1,981	n/a

Schedule 3 Loan Portfolio		UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2010					
Name of credit union	Residential Mortgage Loans (\$000's)	Commercial Mortgage Loans (\$000's)	Consumer Loans (\$000's)	Business Loans (\$000's)	Total Loans (\$000's)	Allowance/ Loans %	
1 Buduchnist	\$311,072	\$109,049	\$10,053	\$28,848	\$459,022	0.16%	
2 Ukrainian	\$290,157	\$91,022	\$13,351	\$0	\$394,530	0.22%	
3 Carpathia	\$123,168	\$89,711	\$24,019	\$13,577	\$250,475	0.27%	
4 CP Ukrainienne de Montreal	\$43,555	\$40,747	\$15,654	\$0	\$99,956	0.24%	
5 North Winnipeg	\$44,056	\$15,386	\$6,947	\$1,648	\$68,036	0.24%	
6 New Community	\$40,783	\$2,868	\$8,827	\$0	\$52,478	0.03%	
7 United Ukrainian	\$13,763	\$16,126	\$1,180	\$0	\$31,069	0.54%	
Total	\$866,555	\$364,909	\$80,030	\$44,073	\$1,355,567	0.21%	
Growth % Year over Year	8.6%	11.2%	6.5%	16.0%	9.4%		
<i>Mix of loans %</i>	64%	27%	6%	3%	100%		
Total 2009	\$798,205	\$328,223	\$75,118	\$37,982	\$1,239,528	0.27%	
Growth % Year over Year	3.7%	10.9%	0.2%	6.4%	5.4%		
<i>Mix of loans %</i>	64%	26%	6%	3%	100%		
Total 2008	\$769,625	\$295,952	\$74,986	\$35,710	\$1,176,273	0.24%	
Growth % Year over Year	7.3%	3.5%	19.3%	52.9%	8.0%		
<i>Mix of loans %</i>	65%	25%	6%	3%	100%		
Total 2007	\$717,447	\$285,915	\$62,877	\$23,348	\$1,089,587	0.23%	
Growth % Year over Year	15.5%	19.1%	-19.0%	15.4%	6.1%		
<i>Mix of loans %</i>	66%	26%	6%	2%	100%		
Total 2006	\$621,296	\$240,122	\$77,632	\$20,234	\$1,027,250	0.25%	
Growth % Year over Year	10.5%	10.7%	-0.8%	-11.8%	9.3%		
<i>Mix of loans %</i>	60%	23%	8%	2%	100%		
Total 2005	\$562,436	\$216,954	\$78,235	\$22,948	\$939,731	0.28%	
Growth % Year over Year	7.4%	6.7%	6.1%	20.3%	8.4%		
<i>Mix of loans %</i>	60%	23%	8%	2%	100%		
Total 2004	\$523,595	\$203,269	\$73,728	\$19,069	\$866,607	0.30%	
Growth % Year over Year	10.6%	1.9%	3.9%	n/a	10.3%		
<i>Mix of loans %</i>	60%	23%	9%	2%	100%		
Total 2003	\$473,311	\$199,521	\$70,982	n/a	\$785,808	0.37%	
<i>Mix of loans %</i>	60%	25%	9%		100%		

Schedule 4 Deposit Portfolio		UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2010				
Name of credit union	Borrowings (\$'000's)	Demand Deposits (\$'000's)	Term Deposits (\$'000's)	Registered Savings (\$'000's)	Total Deposits (\$'000's)	
1 Buduchnist	\$16,293	\$130,651	\$267,949	\$58,588	\$457,188	
2 Ukrainian	\$0	\$153,865	\$232,587	\$77,926	\$464,377	
3 Carpathia	\$0	\$98,460	\$117,801	\$59,956	\$276,218	
4 CP Ukrainienne de Montreal	\$3,299	\$31,985	\$73,113	\$0	\$105,098	
5 North Winnipeg	\$0	\$20,462	\$38,460	\$15,166	\$74,088	
6 New Community	\$0	\$12,089	\$40,077	\$7,384	\$59,549	
7 United Ukrainian	\$0	\$12,887	\$14,983	\$7,655	\$35,525	
Total	\$19,592	\$460,399	\$784,970	\$226,675	\$1,472,044	
Growth % Year over Year	69%	-2.8%	16.4%	11.2%	8.9%	
<i>Mix of deposits</i>		31.3%	53.3%	15.4%		
Total 2009	\$11,593	\$473,883	\$674,382	\$203,757	\$1,352,022	
Growth % Year over Year	444%	17.1%	1.2%	12.3%	3.7%	
<i>Mix of deposits</i>		35.0%	49.9%	15.1%		
Total 2008	\$2,132	\$404,852	\$666,631	\$181,453	\$1,303,818	
Growth % Year over Year	-71%	16.4%	-1.5%	6.7%	9.1%	
<i>Mix of deposits</i>		32.3%	53.2%	14.5%		
Total 2007	\$7,378	\$347,911	\$677,100	\$170,059	\$1,195,070	
Growth % Year over Year	-78%	3.8%	13.2%	5.4%	9.2%	
<i>Mix of deposits</i>		29.1%	56.7%	14.2%		
Total 2006	\$33,341	\$335,091	\$598,223	\$161,374	\$1,094,688	
Growth % Year over Year	66.2%	-2.9%	8.2%	2.7%	3.8%	
<i>Mix of deposits</i>		30.6%	54.6%	14.7%		
Total 2005	\$20,056	\$345,077	\$552,724	\$157,101	\$1,054,902	
Growth % Year over Year	70.9%	3.6%	5.8%	3.4%	4.7%	
<i>Mix of deposits</i>		32.7%	52.4%	14.9%		
Total 2004	\$11,738	\$333,147	\$522,445	\$151,888	\$1,007,480	
Growth % Year over Year	114.6%	15.5%	2.1%	7.2%	7.0%	
<i>Mix of deposits</i>		33.1%	51.9%	15.1%		

Schedule 5		UKRAINIAN CREDIT UNIONS IN CANADA			
Operating results		as at December 31, 2010			
		As a % of Average Assets			
		Net			
Name of credit union		Interest Margin	Other Income	Operating Income	Operating Expenses
1	Buduchnist	2.27%	0.35%	2.62%	1.78%
2	Ukrainian	2.16%	0.41%	2.57%	2.24%
3	Carpathia	2.23%	0.41%	2.63%	1.76%
4	CP Ukrainienne de Montreal	3.17%	0.51%	3.68%	1.71%
5	North Winnipeg	2.18%	0.57%	2.75%	2.35%
6	New Community	2.40%	0.84%	3.24%	2.46%
7	United Ukrainian	2.43%	0.23%	2.65%	2.32%
	Total	2.31%	0.42%	2.73%	1.98%
	Total 2009	2.27%	0.42%	2.68%	1.95%
	Total 2008	2.28%	0.44%	2.73%	2.03%
	Total 2007	2.47%	0.41%	2.88%	2.12%
	Total 2006	2.61%	0.44%	3.04%	2.14%
	Total 2005	2.62%	0.41%	3.03%	2.20%
	Total 2004	2.56%	0.40%	2.96%	2.39%
		(\$000s)	(\$000s)	(\$000s)	(\$000s)
1	Buduchnist	\$11,293	\$1,760	\$13,053	\$8,859
2	Ukrainian	\$9,780	\$1,840	\$11,621	\$10,124
3	Carpathia	\$6,206	\$1,130	\$7,337	\$4,912
4	CP Ukrainienne de Montreal	\$3,853	\$620	\$4,473	\$2,074
5	North Winnipeg	\$1,665	\$438	\$2,104	\$1,794
6	New Community	\$1,466	\$511	\$1,978	\$1,501
7	United Ukrainian	\$915	\$86	\$1,001	\$873
	Total	\$35,180	\$6,386	\$41,566	\$30,136
	Growth % Year over Year	7.3%	6.3%	7.3%	6.8%
	Total 2009	\$32,781	\$6,006	\$38,737	\$28,213
	Growth % Year over Year	4.9%	-1.3%	3.8%	1.5%
	Total 2008	\$31,245	\$6,087	\$37,331	\$27,793

Schedule 6 Operating results		UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2010 As a % of Average Assets			
Name of credit union	Net Income Before loan losses	Provision for Loan Losses	Income Taxes	Net income	
1 Buduchnist	0.84%	0.01%	0.13%	0.70%	
2 Ukrainian	0.33%	0.00%	0.05%	0.29%	
3 Carpathia	0.87%	0.07%	0.07%	0.73%	
4 CP Ukrainienne de Montreal	1.98%	-0.02%	0.40%	1.59%	
5 North Winnipeg	0.41%	0.07%	0.04%	0.29%	
6 New Community	0.78%	0.00%	0.12%	0.67%	
7 United Ukrainian	0.34%	0.05%	0.03%	0.26%	
Total	0.75%	0.02%	0.11%	0.62%	
Total 2009	0.73%	0.04%	0.12%	0.56%	
Total 2008	0.70%	0.07%	0.10%	0.53%	
Total 2007	0.77%	0.02%	0.15%	0.60%	
Total 2006	0.89%	0.04%	0.18%	0.68%	
Total 2005	0.83%	0.03%	0.12%	0.68%	
Total 2004	0.54%	0.02%	0.07%	0.47%	
Total 2003	0.82%	0.05%	0.12%	0.65%	
	(\$000s)	(\$000s)	(\$000s)	(\$000s)	
1 Buduchnist	4194	50	653	3492	
2 Ukrainian	1497	(15)	221	1292	
3 Carpathia	2425	200	184	2041	
4 CP Ukrainienne de Montreal	2400	(19)	491	1928	
5 North Winnipeg	310	55	31	223	
6 New Community	477	(3)	71	408	
7 United Ukrainian	127	18	13	96	
Total	\$11,430	\$285	\$1,664	\$9,481	
Growth % Year over Year	8.1%	-55.8%	-5.3%	16.0%	
Total 2009	\$10,574	\$646	\$1,757	\$8,172	
Growth % Year over Year	10.9%	-32.7%	33.8%	12.5%	
Total 2008	\$9,539	\$960	\$1,313	\$7,266	

Schedule 7 Operating results		UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2010 As a % of Average Assets Net			
Name of credit union	Net Income*	Dividends & Patronage	ABCP Writeoff	Net Income	
1 Buduchnist	0.70%	0.14%	-0.08%	0.70%	
2 Ukrainian	0.29%	0.06%	0.00%	0.22%	
3 Carpathia	0.73%	0.13%	0.00%	0.60%	
4 CP Ukrainienne de Montreal	1.59%	0.60%	0.00%	1.16%	
5 North Winnipeg	0.29%	0.03%	0.00%	0.27%	
6 New Community	0.67%	0.00%	0.00%	0.67%	
7 United Ukrainian	0.26%	0.03%	0.00%	0.23%	
Total	0.62%	0.14%	-0.03%	0.54%	
Total 2009	0.56%	0.15%	-0.02%	0.45%	
	(\$000s)	(\$000s)	(\$000s)	(\$000s)	
1 Buduchnist	3,492	696	(401)	3,474	
2 Ukrainian	1,292	249	0	984	
3 Carpathia	2,041	374	0	1,671	
4 CP Ukrainienne de Montreal	1,928	733	0	1,413	
5 North Winnipeg	223	19	0	204	
6 New Community	408	0	0	408	
7 United Ukrainian	96	11	0	85	
Total	\$9,481	\$2,083	(\$401)	\$8,240	
Growth % Year over Year	16.0%	-3.3%	25.9%	26.1%	
Total 2009	\$8,172	\$2,153	(\$319)	\$6,534	
	* net income before distributions to members and extraordinary writeoffs				

Schedule 8 Expense Analysis		UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2010			
Name of credit union	As a % of Average Assets			Total Operating Expenses	Productivity Expense Ratio (a)
	Salary Expense	Occupancy Expense	Other Expenses		
1 Buduchnist	0.84%	0.15%	0.78%	1.78%	67.9%
2 Ukrainian	1.16%	0.28%	0.81%	2.24%	87.1%
3 Carpathia	0.91%	0.23%	0.62%	1.76%	66.9%
4 CP Ukrainienne de Montreal	0.74%	0.13%	0.84%	1.71%	46.4%
5 North Winnipeg	1.12%	0.41%	0.82%	2.35%	85.3%
6 New Community	1.35%	0.16%	0.95%	2.46%	75.9%
7 United Ukrainian	1.16%	0.15%	1.01%	2.32%	87.3%
Total	0.98%	0.22%	0.78%	1.98%	72.5%
Total 2009	0.97%	0.24%	0.74%	1.95%	72.7%
Total 2008	1.03%	0.25%	0.75%	2.03%	74.4%
Total 2007	1.05%	0.26%	0.80%	2.12%	73.4%
Total 2006	1.08%	0.25%	0.81%	2.14%	70.7%
Total 2005	1.13%	0.25%	0.82%	2.20%	72.7%
Total 2004	1.19%	0.26%	0.95%	2.39%	75.0%

Schedule 11		UKRAINIAN CREDIT UNIONS IN CANADA				
Branch, Member & Employee averages		as at December 31, 2010				
Name of credit union	Branches	Deposits/ Branch (\$Mils)	Members	Assets/ Member	Number of Employees	Average Compensation /Employee
1 Buduchnist	9	\$50.8	20,459	\$25,580	70	\$59,901
2 Ukrainian	14	\$33.2	25,550	\$19,825	96	\$54,512
3 Carpathia	3	\$92.1	12,368	\$23,906	50	\$50,822
4 CP Ukrainienne de Montreal	1	\$105.1	4,000	\$31,141	13	\$68,791
5 North Winnipeg	2	\$37.0	3,369	\$23,725	16	\$53,275
6 New Community	1	\$59.5	2,300	\$27,849	13	\$63,219
7 United Ukrainian	1	\$35.5	1,989	\$19,319	8	\$54,443
Total	31	\$47.5	70,035	\$23,310	266	\$56,283
Growth % Year over Year	3.3%	5.3%	2.0%	7.4%	1.9%	4.4%
Total 2009	30	\$45.1	68,653	\$21,706	261	\$53,908
Growth % Year over Year	7.1%	-3.2%	-3.8%	8.5%	-4.7%	4.3%
Total 2008	28	\$46.6	71,338	\$20,007	274	\$51,695
Growth % Year over Year	-3.4%	13.1%	-1.3%	9.4%	-1.1%	6.0%
Total 2007	29	\$41.2	72,280	\$18,284	277	\$48,779

Schedule 12		UKRAINIAN CREDIT UNIONS IN CANADA			
Promotions, Donations & Advertising		as at December 31, 2010			
Name of credit union	2009 Total (\$000)	2009 Total (\$000)	09/08 Total Growth %	2010 Total (\$000)	10/09 Total Growth %
1 Buduchnist	\$820	\$1,244	51.6%	\$1,670	34.3%
2 Ukrainian	\$455	\$384	-15.6%	\$513	33.6%
3 Carpathia	\$50	\$75	50.0%	\$300	300.0%
4 CP Ukrainienne de Montreal	\$99	\$60	-39.4%	\$79	31.7%
5 North Winnipeg	\$12	\$11	-8.2%	\$14	22.2%
6 So-Use	\$50	\$64	27.7%	\$0	-100.0%
7 New Community	\$10	\$12	17.0%	\$17	41.2%
8 United Ukrainian	\$10	\$17	71.0%	\$10	-42.7%
Total	\$1,506	\$1,867	23.9%	\$2,602	39.4%

Profile Bob (Bohdan) Leshchysheh

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

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

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

For further information and previous reports, please visit:

www.canadiancreditunion.ca