

UKRAINIAN CREDIT UNIONS IN CANADA

2011 FINANCIAL RESULTS

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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 a continued 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 declined slightly to 7.39% compared to the record level of 7.41% in the previous year. The return on assets and the return of equity improved slightly in 2011 compared to 2010. The membership has decreased again after an improvement in the previous year. The membership totalled 68,446 and is far from 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 8.6% compared to 8.5% in 2010. Ukrainian credit unions assets significantly grew by 5.0% in 2011 compare to record growth of 9.6% in 2010. In 2011, the largest credit unions in Canada saw their assets grow by 8.8% compared to 5.7% in 2010. Due to low interest rates, Ukrainian Credit Union's total deposits **declined** by 0.4% compared to a growth of 8.9% in the previous year. Both demand deposits and term deposits saw a decline, while Registered Plans (RRSP and RRIF deposits) increased by 15.6% compared to 11.2% in the previous year.

The Ukrainian Credit Union's net income before dividend and patronage payments increased by 117% to \$10.6 million from \$9.5 million, primarily due to decrease in operating expense ratio to 1.90% from 1.98% of average assets. The operating expense ratio as a % of average assets was 1.90%, still much lower than the largest credit unions in Canada, which had an operating expense ratio of 2.55%. This means that the Ukrainian Credit Unions are low cost providers of financial services. The Ukrainian Credit Unions paid 15.7% of their net income to their members by way of a dividend or a patronage refund totalling \$1.665 million compared to \$2.083million in the previous year. These patronage dividends helped increase the capital of the credit unions by 4.7% to \$1216.7 million representing 7.39% of the assets. The ratio of capital to assets has decreased slightly compared to the previous year.

The return on assets (ROA) increased slightly to 0.63% compared to 0.62% in 2011, which was line with the largest credit unions in Canada, which had an average ROA of 0.64%.

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 15.2% of total net operating revenue compared to 15.4% in the previous year. Other income represented 33.5% of the total revenue for the largest Canadian

credit unions. The higher ratio of other income experienced by largest credit unions in Canada was due to the significant fee income generated from their lending activities, mutual funds and investment management activities.

Asset Quality. Overall the asset quality is still quite strong. The loan loss provision as a % of average assets decreased to 0.00% from 0.02% in 2010, which compares very favourably to the large Canadian credit unions, which had a loan loss provision of 0.10%.

The allowance for loan losses also decreased to 0.15% of total loans from 0.21% in 2010, which again compares very favourably [*less than half*] to the largest Canadian credit unions, which had an allowance for loan losses of 0.39%.

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 29% of the loan portfolio with commercial mortgage loans growing by 15.2% compared to only 5.0% for residential mortgages. Personal loans saw growth of 3.6%. Business loans declined because of a reclassification of loans at Buduchnist Credit Union.

Providing secured commercial mortgage 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.

New Community CU experienced the largest growth in loans of 11.2%. Ukrainian and Carpathia CUs saw their loan portfolios increase by 7.7% and 5.4% respectively. Buduchnist CU saw its loan portfolio increase by 12.5%.

Growth of membership. Membership has surprisingly decreased by 2.3% to 68,390. Usually after a merger, it takes a few years for the credit union to identify and consolidate the dual membership of its members. This is what happened to Buduchnist and Ukrainian CUs which saw their member's numbers decline by 20 and 1,495 respectively. Only Carpathia CU saw net increase of 46 members. The other problem is that with an aging membership the larger credit unions have about 80 to 100 deceased members per year.

Asset Growth. Ukrainian credit unions assets grew significantly by 5.0% in 2011 compared to 9.6% growth in 2010 and 4.4% in 2009. The largest credit unions in Canada grew by 8.8% in 2011 compared to 5.7% in 2010.

New Community CU had the largest asset growth of 8.1%, followed by Carpathia CU with growth of 7.9% and Buduchnist CU with growth of 7.4%. (See schedule 1)

Deposit growth. The demographics of the membership and low interest rate environment have affected the deposit growth in 2011. CU members have been seeking higher interest rates outside of the credit union and using excess funds on deposit to reduce their outstanding debts. This has resulted in a very difficult and competitive deposit taking environment. Deposits decreased by 0.4% compared to growth of 8.9% in 2010. The largest credit unions in Canada grew by 8.0% in 2011 compared to 4.5% in 2010.

Three credit unions – Buduchnist CU, Ukrainian CU and CP Ukrainienne de Montreal have borrowed money from their respective Centrals. The borrowings from the Centrals supplemented their deposits and improved their ability to provide loans to their members.

Carpathia CU had the largest deposit growth of 7.6%, followed by New Community CU with a growth rate of 6.7%, then North Winnipeg CU at 5.3%, then United Ukrainian CU at 4.5%. Ukrainian CU (0.4%) and Buduchnist CU (7.9%) both saw their deposits decline from the previous year.

Net Interest Margin - After increasing in 2010, the net interest margin continued to decline. Net interest margin decreased to 2.25% compared to 2.31% in the previous year and was below the level of 2.27% in 2009.

CP Ukrainienne de Montreal had the highest net interest margin of 3.33%, followed by United Hamilton CU with 2.51% and then Ukrainian CU with 2.22%. The competitive deposit and loan environment in Canada has resulted in the net interest margin getting squeezed.

The largest credit unions in Canada had a net interest margin of 2.54% compared to 2.57% in the previous year.

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% in 2010 and in 2011 the operating expense ratio declined to 1.90%. *[Still quite favourable compared to the largest credit unions in Canada].*

The largest credit unions in Canada also increased their operating expense ratio to 2.55% from 2.57% in the previous year.

The operating expense to revenue (productivity ratio) decreased significantly to 71.7% from 72.5% in the previous year. The productivity ratio is lower than the largest Canadian credit unions, which had a productivity ratio of 75.2%.

Capitalization – The average capital ratio decreased slightly to 7.39% from 7.41% in the previous year. This compares very favourably to the largest credit unions in Canada which had a capital ratio of 6.66% in 2011 compared to 6.68% in the previous year.

The best capitalized credit union was CP Ukrainienne de Montreal with a capital ratio of 11.59%, the next best capitalized credit union was Buduchnist CU with a capital ratio of 8.47% followed by New Community CU with 6.69% and Ukrainian CU with 6.67% capital ratio.

Canadian credit unions have had to comply with the Risk Adjusted Capital rules (Basel accord) over the last few years, which the chartered banks have been using for many years. The average Ukrainian Credit Union's Tier I risk adjusted capital ratio was 13.51% compared to 13.51% in the previous year. Again, the Ukrainian credit union's risk adjusted capital ratio compares very favourably to the largest credit unions in Canada's ratio of 12.31%.

Ukrainian Credit Unions in Canada						5 yr Avg.
	2007	2008	2009	2010	2011	
Number of Credit Unions	10	9	8	7	7	
Members	72,280	71,338	68,653	70,035	68,390	
Growth rate %	2.6%	-1.3%	-3.8%	2.0%	-2.3%	-0.6%
Assets (\$Mils)	\$1,322	\$1,427	\$1,490	\$1,633	\$1,715	
Growth rate %	6.2%	7.9%	4.4%	9.6%	5.0%	6.6%
Assets per member	\$18,290	\$20,003	\$21,703	\$23,317	\$25,077	
Growth rate %	3.5%	9.4%	8.5%	7.4%	7.5%	7.3%
Total Loans (\$Mils)	\$1,090	\$1,176	\$1,240	\$1,353	\$1,426	
Growth rate %	6.1%	8.0%	5.4%	9.1%	5.4%	6.8%
Allowance % loans	0.23%	0.29%	0.27%	0.21%	0.15%	0.23%
Residential mortgages (\$mils)	\$717	\$770	\$798	\$867	\$910	
Growth rate %	15.5%	7.3%	3.7%	8.6%	5.0%	8.0%
Commercial mortgages (\$mils)	286	296	328	365	420	
Growth rate %	19.1%	3.5%	10.9%	11.2%	15.2%	12.0%
Consumer Loans (\$mils)	63	75	75	80	83	
Growth rate %	-19.0%	19.3%	0.2%	6.5%	3.6%	2.1%
Total Deposits (\$mils)	\$1,195	\$1,304	\$1,352	\$1,472	\$1,467	
Growth rate %	8.6%	9.1%	3.7%	8.9%	-0.4%	6.0%
Demand deposits (\$mils)	348	405	474	460	440	
Growth rate %	3.8%	16.4%	17.1%	-2.8%	-4.4%	6.0%
Term deposits (\$mils)	677	667	674	785	765	
Growth rate %	13.2%	-1.5%	1.2%	16.4%	-2.6%	5.3%
Registered deposits (\$mils)	170	181	204	227	262	
Growth rate %	5.4%	6.7%	12.3%	11.2%	15.6%	10.2%

Ukrainian Credit Unions in Canada						5 yr Avg.
	2007	2008	2009	2010	2011	
Equity and Shares (\$mils)	\$97.1	\$99.2	\$107.7	\$121.0	\$130.3	
Capital % assets	7.34%	6.95%	7.23%	7.41%	7.59%	7.31%
Donations, Promotion & Advertising	n/a	\$1,506	\$1,867	\$2,602	\$2,108	
As a % total operating expenses	n/a	5.42%	6.62%	8.63%	6.61%	6.82%
Net Income (\$Mils)	\$7.7	\$7.3	\$8.2	\$9.5	\$10.6	
Growth rate %	-6.3%	-5.1%	12.5%	16.0%	11.7%	5.8%
Return on assets	0.60%	0.53%	0.56%	0.62%	0.63%	0.59%
Return on Equity	8.1%	7.4%	8.0%	8.5%	8.5%	8.1%
Net interest margin	2.47%	2.28%	2.27%	2.31%	2.25%	2.32%
Other Income	0.41%	0.44%	0.42%	0.42%	0.40%	0.42%
Gross Income	2.88%	2.73%	2.68%	2.73%	2.66%	2.73%
Operating expense ratio	2.12%	2.03%	1.95%	1.98%	1.90%	2.00%
Loan loss ratio	0.02%	0.07%	0.04%	0.02%	0.00%	0.03%
Other income % total income	14.2%	16.1%	15.7%	15.4%	15.2%	15.3%
Number of employees	277	274	261	266	273	
Salary expenses (\$mils)	13.5	14.2	14.1	15.0	16.4	
Average salary per employee	\$48,779	\$51,695	\$53,908	\$56,283	\$59,974	
Productivity ratio	73.4%	74.4%	72.7%	72.5%	71.7%	72.9%
Dividends/Patronage paid (\$Mils)	\$0.000	\$1.280	\$2.153	\$2.083	\$1.674	
% return to members	21.9%	16.1%	26.3%	22.0%	15.8%	20.4%

Brief Overview of the Ukrainian Credit Unions in Canada

Buduchnist Credit Union is the largest Ukrainian credit union in Canada, 11th largest credit union in Ontario [12th last year] and 42th largest in Canada based on asset size [44th last year].

CEO:	Oksana Prociuk-Ciz
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Website:	www.buduchnist.com
Board of Directors:	Michael Szepetyk - Chair Teodosij Buyniak- Honorary Board Member Rt. Rev. Dr. Myron Stasiw - Honorary Board Member Bohdan Leshchyshen - Vice Chair Roman Medyk Orest Kostruba Oleh Romanyshyn Andrew Tarapacky Irene Hryniuk
Source: Website	

- Buduchnist CU spent \$1,188,921 or 12.9% of its operating expenses on promotions, donations and advertising compared to \$1,670,100 or 18.5% 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.
- **BCU Foundation** – the charitable institution launched in Toronto by Buduchnist Credit Union in 2006– plays an important role in the life of our community in Canada and around the world. The Foundation provides a permanent means of supporting a wide array of endeavors, including charity fundraisers, non-profit organizations, scholarships and youth camps, concerts, cultural festivals, art exhibitions, documentary films, musical recordings, scholarly research and publications. In 2011, we hosted the inaugural BCU Foundation Golf Tournament in support of the “Hallmark of Excellence Fund”, which promotes Ukrainian-Canadian athletes who excel in various sports in Canada and internationally. The Foundation also oversees 20 different Designated Funds. These

funds are earmarked for a special purpose, cause, organization, or area of interest specified by the fund's creator. The annual income earned from the invested capital of each Designated Fund is disbursed to the beneficiaries or projects according to the instructions specified by the Fund's founder or donor. An individual, family, organization or institution can create their own Designated Fund, thereby leaving a personal legacy in support of generations to come. In December of 2011, BCU Foundation held a celebratory Luncheon Presentation in Toronto honoring the founders of its Designated Funds. Guests received copies of the Foundation's new bilingual publication, compiled and edited by Lesia Shymko, which outlines its many funds, charitable activities, and ways that you can create your very own Designated Fund.

- **A Leading Community player** - Since its establishment in 1952, Buduchnist CU has played a leading role as a visible and committed community partner. The growth and profitability of our financial institution enables us to continue to be a prominent and steadfast benefactor in our community. We invite you to examine the impressive number of organizations and institutions listed on pages 30-31 of our Annual Report, all of whom received sponsorship support from BCU Financial Group over the past year. Buduchnist Credit Union and its charitable partner, BCU Foundation, support a wide spectrum of community organizations, projects, and events. These include educational institutions, hospitals, Canadian NGO's, community centres, cultural festivals, women's organizations, professional associations, and faith-based institutions of the Ukrainian Catholic and Ukrainian Orthodox Churches in Canada.
- **Supporting Youth and Sports** - BCU has a strong track record of investing in our youth. We are committed supporters of the Ukrainian Youth Association of Canada (CYM) and the Ukrainian Youth Association PLAST. Each year, we also award BCU Scholarships to university students who have demonstrated academic excellence and a commitment to community volunteerism. BCU has also developed partnerships with university students' associations across Canada. We are also sponsors of countless charity golf tournaments across Ontario.
- **Culture and the Arts** - BCU is a visible supporter of the arts in our community. Each year, we provide financial assistance to countless cultural events and organizations. We support music festivals, visual artists, choirs, orchestras, dance groups, and drama studios. Music and the arts cross all boundaries and help bring communities together. BCU believes that fostering music and artistic expression is essential to preserving our cultural heritage in Canada.

- **Buduchnist Supports our Kids** - BCU is a committed supporter of our community schools and daycare centres. Each year, we distribute close to \$5,000 worth of toys and gifts as part of pre-Christmas St. Nicholas Day celebrations at schools, kindergartens, and daycare centres throughout the GTA and Hamilton regions. This year, we sponsored countless children's events and helped St. Josaphat Catholic School celebrate its milestone 50th anniversary.
- **Charity and Compassion** - Each year, Buduchnist provides a helping hand to those in need. In 2011, we were the Presenting Sponsor of "Dishing for Dzherelo" – a celebrity cooking competition featuring renown chefs Lynn Crawford of the Food Network and Anne Yaremowich, Executive Chef at the Art Gallery of Ontario. Proceeds from the fundraiser benefitted the Dzherelo Children's Rehabilitation Centre in Lviv, Ukraine. We were a corporate sponsor of "Rock the Cradle" – an event raising funds for the construction of a Neonatal Intensive Care Unit at St. Joseph's Health Centre. We supported the 25th anniversary commemorative activities of the Children of Chernobyl Canadian Fund, and donated to countless other charitable endeavours in our community.

Financial Analysis

- Total assets grew by \$38.9 million in 2011 or 7.4% increase to \$563.1 million compared to an increase of \$50.7 million or 10.7% increase in the previous year.
- Buduchnist CU's net loan portfolio increased by 5.1% in 2011 to \$482.3 million compared to 14.5% increase in the previous year. The reasonable growth included a 6.0% increase in commercial mortgages, 4.9% increase in residential mortgages and 3.1% increase in consumer loans. Buduchnist CU decreased its allowance for impaired loans by 2.2% to \$645,810 from \$661,163, which represented a respectable 0.13% of the loans outstanding compared to 0.16% in the previous year. The actual loans written off increased to \$141,430 from \$103,924, an increase of 36.1%.
- Total deposits increased by 6.2% in 2011 compared to an increase of 9.6% in 2010 primarily due to an increase of 3.5% in term deposits, while demand deposits increased by 13.8% and registered plans increased by 9.7%.
- The membership declined by 0.1% in 2011 compared increase of 0.9% in 2010. Buduchnist had 139 members, who passed away in 2011 compared to 131 in the previous year.

- The net income (before dividends) decreased by 10.2% to \$3.137 million in 2011, primarily due to an decline in net interest margin [*decreased to 2.08% from 2.27%*].
- The capital and retained earnings stood at \$47.7 million compared representing 8.47% of assets compared to \$44.2 million in the previous year. On a risk adjusted capital basis the total ratio is 14.90%.
- Buduchnist CU introduced a patronage share program in 1997. The credit union made patronage and dividend payment of \$502,000 in 2011 compared to \$696,000 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 \$8.9 million of its profits with its members.
- Buduchnist CU had a return on assets of 0.58% compared to 0.70% in the previous year. The return on equity was 6.8% compared to 8.2% in the previous year.
- Buduchnist CU has mutual funds and securities under administration, which increased by 9.2% and now stands at \$98.7 million. (Of which, \$7.6 million is securitized residential mortgages). The mutual funds under administration increased by 5.9% to \$91.4 million compared to \$86 million in the previous year.
- Buduchnist CU provided \$5.3 million of loans to its employees and directors, which represented 1.1% of the total loan portfolio compared to \$12.4 million (2.7% of total loans) in the previous year.

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

- Buduchnist CU advanced 329 residential mortgages in 2011 for a total value of \$84.4 million, a **decrease of 14%** in loan value (average loan size of \$256,600) compared to 370 loans and loan value of \$97.6 million (average loan size of \$263,800) in the previous year.
- Buduchnist CU issued 125 commercial loans and mortgages for a total value of \$30.7 million, a **decrease of 2%** in loan value (average loan size of \$245,900) compared to 120 loans for a total of \$31.2 million (average loan size of \$263,800).
- Buduchnist provided 359 personal loans for a total value of \$5.4 million (average loan size of \$15,100), a **decrease of 5%** in loan value compared to 411 loans for total value of \$5.7 million (average loan size of \$13,900).
- Total loans of 813 were issued amounting to \$120.6 million, a **decrease of 10%** in loan value compared to 901 loans amounting to \$134.6 million in the previous year.

Ukrainian Credit Union is the second largest Ukrainian credit union in Canada, 13th largest credit union in Ontario and 48th largest in Canada based on asset size. [45th last year].

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Board of Directors:	Eugene Roman - Chair Andre Sochaniwsky - Vice Chair Michael Shipowick - Honourary Director Jerry Pryshlak - Secretary Natalie Witiuk Walter Kish Walter Dorozdowsky Borden Osmak Myron Oleksyshyn Orest Romanish Annie Mishchenko Greg Adamowich
Source: Website	

- In 2011, Ukrainian CU spent \$551,000 or 4.7% of its operating expenses on promotions, donations and advertising compared to \$513,090 or 5.1% of its operating expenses in the previous year.
- Ukrainian Credit Union continues to provide its membership with the largest network of branches, service points and ATMs of any Ukrainian Credit Union. In 2011 the Ukrainian Credit Union network consisted of 11 branches, 10 ATMs, a Wealth Strategies Group and the Head Office which houses our Commercial lending operations.
- **Ukrainian CU in the Community** - Besides maintaining their tradition throughout 2011 of building community by contributing nearly 12% of total pre-tax income to support the worthwhile cultural and not-for-profit undertakings, Ukrainian CU also pursued some new initiatives to leverage its own giving. For instance, the credit union was the first financial institution in Canada to pioneer the Changelit® charitable giving program,

allowing members to round up their debit card transactions to support charities in the Ukrainian community and beyond. Another initiative was to hold a fund raising evening which generated over \$24,000 for the Ukrainian World Congress with the help of organizations and individuals who were invited to join Ukrainian CU in supporting the valuable international work of this organization, which touches the lives of Ukrainian communities on all five continents. 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 Credit Union is a key sponsor of the Toronto Ukrainian Festival – each year helping to bring in the headline act including bands and performers such as Mandry, MadHeads XL, Ruslana, V.V., Haydamaky and many, many others.

- In 2011, Ukrainian CU supported over 100 different charitable and volunteer organizations, including dozens of 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. Ukrainian CU has sponsored an extensive scholarship program and provided 8 scholarships to university students. Ukrainian Credit Union also sponsors the annual "UCU/Western Union Matura Video Contest" which provides monetary prizes to participating students and matching funds to the schools they represent.
- As an Ontario-wide financial institution, UCU supports Ukrainian and community events such as the Windsor Ukrainian Heritage Festival, Mississauga Yarmarok, the London Ukrainian Festival, Sudbury Yarmarok, Thunder Bay Movie Nights in the Park, Toronto Ukrainian Festival and Malankas and Golf tournaments in these cities plus Oshawa, St. Catharines and Hamilton.

Financial Analysis

- Total assets grew by \$3.8 million in 2011 or 0.7% to \$510.3 million compared to an increase of \$109.2 million or 27.5% increase in the previous year *[or a 2010 growth of 9.3% not including approximately \$72.3 million So-Use CU assets]*
- Ukrainian CU's loan portfolio increased by \$30.8 in 2011 or 7.8% to \$424.8 million compared to an increase of \$69.0 million or 21.3% *[5.1% internal growth when adjusted for So-Use merger]* in the previous year.

- The loan growth included 14.1% increase in commercial mortgages, 6.1% increase in residential mortgages and 2.2% decrease in consumer loans. Ukrainian CU decreased its allowance for impaired loans by 40.5% to \$466,000 from \$783,000, which represented a respectable 0.11% of the loans outstanding compared to 0.22% in the previous year. The actual loans written off increased to \$176,000 from \$130,000 an increase of 35.4%. Residential mortgages represented 72.5% of total loans, commercial mortgages represented 24.4% of total loans and consumer loans represented 3.1% of total loans.
- The total deposits decreased by 0.4% in 2011 to \$462.4 million compared to an increase of 26.2% in 2010. In 2011 deposits were purposely maintained at 2010 levels to preserve financial margin.
- The membership decreased by 5.9% in 2011 to 24,055 primarily due to the elimination of duplicate members which were acquired during the So-Use CU acquisition. Ukrainian CU has the largest branch network of any Ukrainian credit union in Canada and now the largest membership base. Ukrainian had 219 members, who passed away in 2011 compared to 205 in the previous year and 190 in 2009.
- Net income (before dividends) in 2011 increased by 22.3% to \$1.580 million primarily due improvement in net interest margin.
- The capital and retained earnings increased by 4.2% and stood at \$37.6 million representing 7.37% of assets. On a risk adjusted capital basis the total ratio is 15.70%.
- Ukrainian CU had mutual funds and securities under administration decrease by 7.3% to \$26.0 million compared to \$28.1 million in the previous year.
- Ukrainian CU had a return on assets of 0.31% compared to 0.29% in the previous year. The return on equity was 4.3% compared to 4.3% in the previous year.

Ukrainian CU provided \$3.72 million of loans to its employees and directors, which represented 0.87% of the total loan portfolio compared to \$3.54 million (0.90% of total loans) in the previous year.

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

- Ukrainian advanced 292 residential mortgages in 2011 for a total value of \$65.2 million (average loan size of \$223,400), **a decrease of 9%** in loan value compared to 296 loans and loan value of \$71.6 million (average loan size of \$242,100) in the previous year.

- Ukrainian issued 76 commercial loans and mortgages for a total value of \$36.0 million, an increase of 27% in loan value (average loan size of \$474,000), compared to 73 loans for a total of \$28.3 million (average loan size of \$388,000) in the previous year.
- Ukrainian provided 778 personal loans for a total value of \$37.3 million (average loan size of \$47,900), an increase of 19% compared to 647 loans for total value of \$31.2 million (average loan size of \$48,300) in the previous year.
- Total loans of 1,146 were issued amounting to \$138.5million, an increase of 6% in loan value compared to 1,016 loans amounting to \$131.2 million in the previous year.

Carpathia Credit Union is Western Canada's largest Ukrainian Financial Institution and one of the oldest Ukrainian credit unions in Canada. The credit union is the 3rd largest Ukrainian credit union in Canada, 11th largest credit union in Manitoba and the 73rd largest credit union in Canada. [72th last year]. As Carpathia embarks upon 2012, they have actively engaged in the construction of their fourth branch on Grant Avenue and Waverley Street.

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Board of Directors:	Dr. Taras Babiak - President Donna Korban - Vice President Noella Pylypowich - Secretary Bohdan Halkewycz Peter Washchysen Noella Pylypowich Walter Kulyk Demyan Hyworon Don Clinsky Roman Zubach
Source: Website	

- Carpathia CU provided nearly \$240,000 or over 3.7% 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, Rusalka, Rossdale, Romanetz, and Troyanda Ukrainian Dance Ensembles; the Hoosli Folk Ensemble, the Macenko Memorial Choir, the O. Koshetz Choir, Folklorama's Kyiv Pavilion, Canada's National Ukrainian Festival, 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, IPAC Ukrainian Soccer Club, Ukrainian Canadian Congress-Manitoba, Ukrainian Professional and Business Club of Winnipeg, a number of Ukrainian Orthodox and Ukrainian Catholic parishes, the University of Manitoba, the Winnipeg Art Gallery's

William Kurelek exhibit, 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.

Financial Analysis

- Total assets grew by \$23.4 million or 7.9% to \$319.0 million compared to increase of \$34.1 million or 12.9% increase in the previous year.
- The membership increased by 0.4% in 2011 (net 60 members) to 12,432 members compared to a decrease of 0.5% in 2010. The only Ukrainian credit union with a significant net increase in 2011.
- Carpathia welcomed 339 new members and 150 associates during 2011, compared to 375 new members and 108 associates during 2010. In terms of the associate status, which was introduced in 2003, *[to expand credit union membership beyond the Ukrainian Community]*, Carpathia Credit Union had 610 associates as at September 30, 2011. Interestingly, associate loans outstanding as at September 30, 2011 comprised 14% of total loans outstanding (13% in 2010), while associate deposits were 8.5% of total deposits payable (6.8% in 2010). Income earned from associates of the credit union was equal to 12.6% of the total income earned by the credit union in 2011. This was an increase over the 10.5% of the total income earned in 2010.
- Carpathia CU's loan portfolio increased by 5.4% in 2011 compared to an increase of 7.6% in the previous year. The loan growth was primarily due to a 3.9% increase in consumer loans and 7.7% increase in commercial mortgage loans. Carpathia CU decreased its allowance for impaired loans by 26.6% to \$491,500, which represented a reasonable average 0.19% of the loans outstanding. However, the actual loans written off decreased to \$178,000 compared to \$221,000 in the previous year, a decrease of 19.3%. Commercial mortgage loans now present 36.9% of the loan portfolio compared to 35.8% last year, while business loans represent 5.2% of total loans compared to 5.4% in the previous year.
- Total deposits increased by 7.6% in 2011 compared to 13.5% in 2010 primarily due to a strong growth of 10.5% in term deposits and 13.0% increase in registered plans, while demand deposits increased by 0.9%.
- The net income (before dividends) in 2011 increased by 37.1% to \$2,799,000 due primarily to a decrease in the operating cost margin from 1.76% in 2010 to 1.57% in 2011.

- The capital and retained earnings increased by 14.7% and stood at \$18.2 million representing 5.70% of assets. On a risk adjusted capital basis the total ratio is 11.5%.
- The credit union, which was one of the first Ukrainian credit union to introduce tax efficient patronage refunds, paid its fifteenth patronage refund and an additional dividend totalling \$373,000 to its members. From the beginning of its program, Carpathia CU has returned over \$9 million to its members in the form of dividends and patronage refunds.
- Carpathia CU had a return on assets of 0.91% compared to 0.73% in the previous year. The return on equity was 16.5% compared to 13.5% in the previous year.

Carpathia CU lending activity was comprised of:

- Residential mortgages issued in 2011 increased by over \$3 million for a total value in excess of \$126.3 million, an increase of 2.5% (an average loan size of some \$150,000) from the prior year.
- Commercial portfolio increased by \$8 million to \$111 million, an increase of 7.8% 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 Czolij - Chair Stephen Spilkin, Vice-President Marie-Marthe Ménard-Markiza, Secretary Myroslaw Balycky Petro Choma Garry W. Grosko Helen Holowka Orest Humenny Gregory Kowryha Martha Mayer Orest Mytko Edmond Pasieka Igor Pryszlak George Sztyk Volodymyr Zhovtulya
Source: Annual Report	

Financial Analysis

- The Caisse experienced asset growth of 3.6% to \$129.0 million compared to 5.3% growth in the previous year.
- The membership declined by 2.5% to 3,900 members in 2011.
- The Caisse’s loan portfolio decreased by 2.8% in 2011 compared to an increase of 12.0% in the previous year. The decline in loan growth was primarily due to a 5.3% decrease in commercial mortgage loans. The Caisse decreased its allowance for impaired loans by 22% to \$187,000, which represented a reasonable 0.19% of the loans outstanding. Commercial mortgage loans now present 39.7% of the loan portfolio compared to

40.8% last year, while residential mortgage loans represent 44.1% of total loans compared to 43.6% in the previous year. Consumer loans represent 16.4% total loans [*highest level among the Ukrainian Credit Unions*] compared to 15.7% in the previous year. The Caisse had gross impaired loans of \$262,000 in 2011 and decrease of 52.0% compared to \$545,900 in 2010.

- Total deposits increased by 2.0% in 2011 compared to 2.8% in 2010.
- Net income (before dividends) in 2011 increased by 18.9% to \$2.292 million, primarily due to an increase in the net interest margin [increased to 3.33% from 3.17%] and reduction in the operating expense ratio [decreased to 1.57% from 1.71%].
- The capital and retained earnings increased by 15.0% and stood at \$14.9 million representing a record high 11.59% of assets, making it the best capitalized Ukrainian credit union in Canada. On a risk adjusted capital basis the total ratio is 22.09%.
- In 2011, the Caisse paid out \$677,000 in member dividends to its members, representing a return of 29.5% of its net income. Since the beginning of its program, the Caisse has paid over \$9.3 million to its members in the form of such member dividends (ristournes).
- The Caisse had returns on assets and equity respectively of 1.81% and 16.4% compared to 1.59% and 15.0% respectively which represents the highest return on assets 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. North Winnipeg has two branches, four ATMs, internet, telephone banking services, website and mobile banking access.

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

- In 2011, the credit union allocated over \$14,489 in support of over 40 different community organizations, including foundation, church and youth organizations compared to \$13,800 in the previous year
- The sponsorships went to foundations including Canada Ukraine Foundation, Metropolitan Andrey Sheptytsky Institute Foundation, Oseredok Ukrainian Cultural and Educational Centre, Osvita Foundation, Ukrainian Canadian Foundation of Taras Shevchenko and Optimist of Winnipeg Foundation Inc.
- The credit union supported youth and student organizations including Plast – Ukrainian Youth Association, Ukrainian Camp-Park, Ukrainian Orthodox Summer Camp “Veselka”, KUCA – Knights of Columbus Youth Winter Games, Immaculate Heart of Mary School and Manitoba Parents for Ukrainian Education Inc.

- The credit union supported churches and their organizations including Holy Trinity Ukrainian Orthodox Cathedral, Knights of Columbus, St. Anne Ukrainian Catholic Church, St. Joseph's Ukrainian Catholic Church, Saint Vladimir and Olga Cathedral and Ukrainian Orthodox Church of Canada
- North Winnipeg CU has sponsored a scholarship program and provided seven scholarships to university and high school students totaling \$2,700.

Financial Analysis

- Total assets grew by \$4.6 million or 5.8% to \$84.5 million compared to increase of \$7.0 million or 9.6% increase in the previous year.
- North Winnipeg CU's loan portfolio increased by 2.0% in 2011 compared to an increase of 6.8% in the previous year. The loan growth was highlighted by a 10.0% increase in residential mortgage loans and 22.4% decrease in commercial mortgage loans. North Winnipeg CU allowance for impaired loans increased by 0.4% to \$175,090. Total loan allowance was 0.25% in 2011 as a percentage of total loans compared to 0.24% in the previous year. The actual loans written off decreased to \$6,759 compared to \$49,184 in the previous year. Commercial mortgage loans now represent 17.2% of the loan portfolio [after the significant decline] compared to 22.6% last year, while business loans represent 2.5% of total loans compared to 2.4% in the previous year.
- Total loans of 419 were issued in 2011, amounting to \$19.8 million, over 20% increase from previous year compared to total loans of 384, which were issued in 2010, amounting to \$16.3 million.
- Total deposits increased by 5.3% in 2011 compared to 8.8% in 2010 primarily due to a strong growth of 14.9% in registered plans and 15.0% increase in demand deposits, while term deposits decreased by 3.6%, resulting in a slower growth in deposits.
- Net income (before dividends) increased significantly by 66.2% to \$371,200 from \$223,300 in 2010, primarily due to an improved operating expense ratio which decreased to 2.18% from 2.35% in the previous year.
- North Winnipeg CU had a return on assets of 0.45% compared to 0.29% in the previous year. The return on equity was 8.2% compared to 5.6% in the previous year.
- Members' equity stood at \$4.7 million representing 5.58% of assets. On a risk adjusted capital basis the total ratio is 15.43%.

New Community Credit Union is the oldest Ukrainian credit union in Canada and was incorporated on January 26, 1939, which has been serving the Ukrainian Community in

Saskatoon for over seventy three years. New Community is the sixth largest Ukrainian credit union in Canada.

CEO:	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:	Julius Calyniuk - Chairman Gord Klimek - Vice Chairman Delva Rebin Barry Slowski Colleen Brown Laura Hosaluk George Zerebecky Cliff Arthurs
Source: Website	

- In 2011, the credit union allocated over \$14,900 in marketing, education and promotion support of community organizations, including educational, church and youth organizations.

Financial Analysis

- New Community CU saw its assets grow by 8.1% to \$69.2 million compared to growth of 10.5% in the previous year.
- New Community CU's loan portfolio increased by 11.2% in 2011 compared to 12.5% in the previous year, primarily due to strong commercial mortgage growth of 90.2% [non-personal loans]. New Community CU decreased its allowance for impaired loans by 26.5% to \$11,751 which represented a low 0.02% of the loans outstanding. The actual loans written off was \$2345 in 2011 compared to a recovery of \$2809 in the previous year. Among the Ukrainian Credit unions, New Community has the highest level of residential mortgages representing 75.3% of its total loans.
- Total deposits increased by 6.7% in 2011 compared to 10.4% in 2010 primarily due to a

strong growth of 71.1% in demand deposits, while term deposits decreased by 10.6% and registered plans decreased by 5.2%.

- The membership decreased by 1.0% to approximately 2,278 members.
- Net income (before dividends) decreased by 16.3% to \$342.100 from \$408,400 in 2010, primarily due to a reduced net interest margin which decreased to 2.05% from 2.40% in 2010.
- New Community CU had a return on assets of 0.51% compared to 0.67% in the previous year. The return on equity was 7.7% compared to 10.0% in the previous year.
- Members' equity stood at \$4.6 million representing 6.69% of assets. On a risk adjusted capital basis the total ratio is 15.44%.
- New Community CU had funds under administration of \$19.3 million [increase of 11.6%]; of which \$9.6 million are mutual funds and \$9.7 million are securitized loans. In 2010, New Community CU had funds under administration of \$17.3 million; of which \$8.9 million are mutual funds and \$8.4 million are securitized loans

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 (Hamilton), Ukrainian (Hamilton) and Holy Ghost Parish. United Ukrainian is the seventh largest Ukrainian credit union in Canada.

On July 10, 2012, The Boards of Directors of United Ukrainian Credit Union Limited (UUCU) and Ukrainian Credit Union Limited (UCU) announced they had signed a Letter of Intent to merge. The Letter of Intent allowed for the completion of negotiations to bring together the two financial co-operatives into a single full-service financial institution with 25,000 members and over \$550 million in assets. UUCU would continue operating at its current location as the UCU Hamilton Branch. United Hamilton CU membership vote was held on October 18th, 2012. Merger resolution was passed and United Ukrainian Credit Union will merge with Ukrainian Credit Union effective November 1, 2012.

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 Yarozlaw Makahon Stella Spytrowsky Eleanor Johnstone Taras Jaciw Roman Spytrowsky John Mykytyshyn
Source: Annual Report	

- In 2011, the credit union allocated over \$15,000 in marketing, education and promotion support for over 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, William Sarchuk Ukrainian School and Holy Spirit School.
- The credit union supported **churches and their organizations** including Holy Spirit Ukrainian Catholic Church, Saint Cyril & Methodius Ukrainian Catholic Church, St. Nicholas Ukrainian Catholic Church, St. Vladimir Ukrainian Orthodox Sobor, and the Ukrainian Catholic church of the Resurrection.

Financial Analysis

- United Ukrainian CU saw its assets grow by 4.4% to \$40.1 million compared to growth of 3.9% in the previous year.
- United Ukrainian CU's loan portfolio increased by 3.6% in 2011 compared to 9.5% in the previous year, primarily due to strong consumer lending growth of 8.6%. United Ukrainian CU decreased its allowance for impaired loans by 11.8% to \$147,800, which represented above average 0.46% of the loans outstanding. The actual loans written off increased to \$78,943 compared to \$2,951 in the previous year. United Ukrainian CU had gross impaired loans of \$246,400 in 2011 [*decrease of 68%*] compared to \$782,200 in 2010. Commercial mortgage loans now present 52.7% of the loan portfolio, the highest level among the Ukrainian Credit Unions in Canada.
- Total deposits increased by 4.5% in 2011 compared to 3.9% in 2010 primarily due to a strong growth of 10.9% in demand deposits, while registered plans increased by 2.5%.
- The credit union's membership decreased slightly to 1,933.
- Net income (before dividends) decreased by 26.4% to \$70,900 from \$96,300 in 2010, primarily due to an increase in the operating expense ratio to 2.49% from 2.32% in the previous year.
- United Ukrainian CU had a return on assets of 0.16% compared to 0.26% in the previous year. The return on equity was 2.6% compared to 3.8% in the previous year.
- United Ukrainian CU paid a \$6,600 patronage shares and dividend in 2011 to its members representing 9.2% of its net income, compared to \$5,940 in 2010 representing 4.3% of its net income.
- Members' equity stood at \$2.5 million representing 6.22% of assets. On a risk adjusted capital basis the total ratio is 9.83%.

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, 2011		
Name of credit union	Location	Net Loans (000's)	Director & Employee Loans (000's)	As a % of Net Loans
1 Buduchnist	Toronto	481,608	5,345	1.11%
2 Ukrainian	Toronto	424,354	3,715	0.88%
3 Carpathia	Winnipeg	263,578	1,400	0.53%
4 CP Ukrainienne de Montreal	Montreal	96,945	0	0.00%
5 North Winnipeg	Winnipeg	69,211	385	0.56%
6 New Community	Saskatoon	58,357	1,195	2.05%
7 United Ukrainian	Hamilton	32,028	2,162	6.75%
Total		1,426,081	14,201	0.97%
Growth % Year over Year		5.4%	-24.2%	
Total 2010		1,352,703	18,735	1.34%
Growth % Year over Year		9.4%	-16.8%	
Total 2009		1,236,135	22,516	1.76%
Growth % Year over Year		5.4%	-10.6%	
Total 2008		1,172,961	25,186	2.41%
Growth % Year over Year		7.9%	17.8%	
Total 2007		1,087,081	21,387	2.17%
Growth % Year over Year		6.1%	-6.8%	
Total 2006		1,024,673	22,945	2.40%
Growth % Year over Year		9.3%	-6.0%	

The restricted party loans to total loans ratio ranged from 0.53% (Carpathia CU) to a high of 6.75% (United Ukrainian located in Hamilton). One credit union did not disclose the level of restricted loans in their statements. The average ratio for the 6 credit unions which disclosed the loans held by restricted parties was 0.97% of the total loans outstanding compare to 1.34% 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 \$11,688 to \$90,000.
- The average remuneration per director for six (6) credit unions which disclosed this information was \$3,972 per director compared to \$4,416 per director in the previous year.

Schedule 10 Director Fees & Costs		UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2011				
Name of credit union	Operating Expenses (000's)	Directors Fees & Costs	Directors fees & costs/ Operating Expenses %	Number of Directors	Avg. Director fess & costs/ Director	
1 Buduchnist	\$9,204	\$44,700	0.49%	7	\$6,386	
2 Ukrainian	\$11,660	\$90,000	0.77%	12	\$7,500	
3 Carpathia	\$4,831	\$67,824	1.40%	9	\$7,536	
4 CP Ukrainienne de Montreal	\$1,988	n/a	n/a	15	n/a	
5 North Winnipeg	\$1,796	\$26,406	1.47%	9	\$2,934	
6 New Community	\$1,406	\$11,688	0.83%	9	\$1,299	
7 United Ukrainian	\$978	\$37,406	3.83%	9	\$4,156	
Total	\$31,862	\$278,024	0.93%	70	\$3,972	
Growth % Year over Year	5.7%	21.1%			-10.1%	
Total 2010	\$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	

Schedule 1		UKRAINIAN CREDIT UNIONS IN CANADA				
Asset Growth		as at December 31, 2011				
Name of credit union	Members	Assets (\$Mils)	Growth %	Income * (\$000's)	Assets %	Equity %
1 Buduchnist	20,439	\$563	7.4%	\$3,137	0.58%	6.8%
2 Ukrainian	24,055	\$510.3	0.8%	\$1,580	0.31%	4.3%
3 Carpathia	12,414	\$319	7.9%	\$2,799	0.91%	16.5%
4 CP Ukrainienne de Montreal	3,900	\$129	3.6%	\$2,292	1.81%	16.4%
5 North Winnipeg	3,371	\$85	5.8%	\$371	0.45%	8.2%
6 New Community	2,278	\$69	8.1%	\$342	0.51%	7.7%
7 United Ukrainian	1,933	\$40	4.4%	\$71	0.18%	2.9%
	68,390	\$1,715	5.0%	\$10,593	0.63%	8.5%
Total 2010	70,035	\$1,633	9.6%	9,481	0.62%	8.5%
Total 2009	68,653	\$1,490	4.4%	8,172	0.56%	8.0%
Total 2008	71,338	\$1,427	7.9%	7,266	0.53%	7.4%
Total 2007	72,280	\$1,322	6.2%	7,656	0.60%	8.1%
Total 2006	69,984	\$1,245	5.6%	8,169	0.68%	9.2%
Total 2005	71,516	\$1,179	5.6%	7,841	0.68%	9.8%
Total 2004	71,392	\$1,117	7.5%	5,072	0.47%	6.4%
Average Growth (7 years)			6.7%			

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

Schedule 2		UKRAINIAN CREDIT UNIONS IN CANADA				
Capitalization		as at December 31, 2011				
Name of credit union	Capital (\$000's)	% Assets	Growth in Capital %	Dividends & Patronage (\$000's)	Return to Members %	
1 Buduchnist	\$47,717	8.47%	7.8%	\$502	16.0%	
2 Ukrainian	\$37,603	7.37%	4.2%	\$79	5.0%	
3 Carpathia	\$18,176	5.70%	14.7%	\$369	13.2%	
4 CP Ukrainienne de Montreal	\$14,917	11.59%	15.0%	\$677	29.5%	
5 North Winnipeg	\$4,715	5.58%	8.1%	\$27	7.2%	
6 New Community	\$4,628	6.69%	7.8%	\$0	0.0%	
7 United Ukrainian	\$2,496	6.22%	2.5%	\$20	28.2%	
Total	\$130,252	7.59%	7.6%	\$1,674	15.8%	
Total 2010	\$121,030	7.41%	12.4%	\$2,083	22.0%	
Total 2009	\$107,707	7.23%	8.6%	\$2,153	26.4%	
Total 2008	\$99,189	6.95%	2.2%	\$1,280	16.1%	
Total 2007	\$97,086	7.35%	5.6%	\$2,559	21.9%	
Total 2006	\$91,895	7.38%	6.0%	\$2,620	23.7%	
Total 2005	\$86,659	7.42%	6.7%	\$2,603	28.4%	
Total 2004	\$81,202	7.27%	6.3%	\$1,981	n/a	
Average Growth (7 years)		7.29%	6.8%		23.1%	

Schedule 2a Risk Adjusted Capitalization (Basel)		UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2011					
		Tier I Risk Adjusted Capital (\$000's)	Tier II Risk Adjusted Capital (\$000's)	Total Risk Adjusted Capital (\$000's)	Risk adjusted Ratios		
2011 Name of credit union				Tier I Ratio	Tier II Ratio	Total Ratio	
1 Buduchnist	\$47,028	\$575	\$47,603	14.72%	0.18%	14.90%	
2 Ukrainian	\$36,608	\$1,304	\$37,912	15.16%	0.54%	15.70%	
3 Carpathia	\$18,180	\$0	\$18,180	8.94%	0.00%	8.94%	
4 CP Ukrainienne de Montreal	\$13,799	\$4,867	\$18,666	16.33%	5.76%	22.09%	
5 North Winnipeg	\$4,684	\$1,199	\$5,883	12.29%	3.14%	15.43%	
6 New Community	\$4,628	\$0	\$4,628	15.44%	0.00%	15.44%	
7 United Ukrainian	\$2,652	\$21	\$2,673	9.75%	0.08%	9.83%	
Total	\$127,579	\$7,966	\$135,545	13.51%	0.84%	14.36%	
Growth rate %	7.7%	1.8%	7.3%				
2010							
Buduchnist	\$42,326	\$2,553	\$44,879	14.20%	0.86%	15.06%	
Ukrainian	\$35,684	\$1,745	\$37,429	16.87%	0.83%	17.70%	
Carpathia	\$15,845	\$578	\$16,423	9.38%	0.34%	9.72%	
CP Ukrainienne de Montreal	\$13,558	\$2,863	\$16,420	16.49%	3.48%	19.97%	
North Winnipeg	\$4,219	\$54	\$4,272	11.83%	0.15%	11.98%	
New Community	\$4,295	\$12	\$4,306	13.64%	0.04%	13.68%	
United Ukrainian	\$2,578	\$23	\$2,601	9.74%	0.09%	9.83%	
Total	\$118,505	\$7,827	\$126,332	13.87%	0.92%	14.79%	

Schedule 3						
UKRAINIAN CREDIT UNIONS IN CANADA						
Loan Portfolio as at December 31, 2011						
Name of CU	Residential	Commercial	Consumer	Business	Total	Allowance/
	Mortgage	Mortgage				
	Loans	Loans	Loans	Loans	Loans	%
	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	
1 Buduchnist	\$326,151	\$145,939	\$10,164	\$0	\$482,253	0.13%
2 Ukrainian	\$307,899	\$103,868	\$13,053	\$0	\$424,820	0.11%
3 Carpathia	\$126,312	\$97,509	\$26,544	\$13,704	\$264,069	0.19%
4 CP Ukrainienne de Mor	\$42,867	\$38,608	\$15,657	\$0	\$97,132	0.19%
5 North Winnipeg	\$48,476	\$11,944	\$7,223	\$1,743	\$69,386	0.25%
6 New Community	\$43,938	\$5,455	\$8,976	\$0	\$58,369	0.02%
7 United Ukrainian	\$13,935	\$16,958	\$1,282	\$0	\$32,175	0.46%
Total	\$909,577	\$420,282	\$82,899	\$15,447	\$1,428,205	0.15%
Growth % Year over	5.0%	15.2%	3.6%	-65.0%	5.4%	
<i>Mix of loans %</i>	64%	29%	6%	1%	100%	
Total 2010	\$866,555	\$364,909	\$80,030	\$44,073	\$1,355,567	0.21%
Total 2009	\$798,205	\$328,223	\$75,118	\$37,982	\$1,239,528	0.27%
Total 2008	\$769,625	\$295,952	\$74,986	\$35,710	\$1,176,273	0.00%
Total 2007	\$717,447	\$285,915	\$62,877	\$23,348	\$1,089,587	0.23%
Total 2006	\$621,296	\$240,122	\$77,632	\$20,234	\$1,027,250	0.25%
Total 2005	\$562,436	\$216,954	\$78,235	\$22,948	\$939,731	0.28%
Total 2004	\$523,595	\$203,269	\$73,728	\$19,069	\$866,607	0.30%
Total 2003	\$473,311	\$199,521	\$70,982	<i>n/a</i>	\$785,808	0.37%
Growth rates %						
Total 2010	8.6%	11.2%	6.5%	16.0%	9.4%	0.21%
Total 2009	3.7%	10.9%	0.2%	6.4%	5.4%	0.27%
Total 2008	7.3%	3.5%	19.3%	52.9%	8.0%	0.00%
Total 2007	15.5%	19.1%	-19.0%	15.4%	6.1%	0.23%
Total 2006	10.5%	10.7%	-0.8%	-11.8%	9.3%	0.25%
Total 2005	7.4%	6.7%	6.1%	20.3%	8.4%	0.28%
Total 2004	10.6%	1.9%	3.9%		10.3%	0.30%
Average Growth (7)	9.1%	9.1%	2.3%	16.5%	8.1%	

Schedule 4		UKRAINIAN CREDIT UNIONS IN CANADA			
Deposit Portfolio		as at December 31, 2011			
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	\$7,645	\$160,448	\$277,247	\$64,290	\$421,160
2 Ukrainian	\$5,001	\$173,813	\$205,471	\$83,128	\$462,412
3 Carpathia	\$0	\$99,329	\$130,164	\$67,744	\$297,236
4 CP Ukrainienne de Montreal	\$3,815	\$28,650	\$64,091	\$14,512	\$107,252
5 North Winnipeg	\$0	\$23,532	\$37,095	\$17,421	\$78,048
6 New Community	\$0	\$20,685	\$35,839	\$7,000	\$63,524
7 United Ukrainian	\$0	\$14,295	\$14,986	\$7,849	\$37,130
Total	\$16,461	\$439,928	\$764,892	\$261,943	\$1,466,763
Growth % Year over Year	-16%	-4.4%	-2.6%	15.6%	-0.4%
<i>Mix of deposits</i>		30.0%	52.1%	17.9%	
Total 2010	\$19,592	\$460,399	\$784,970	\$226,675	\$1,472,044
Growth % Year over Year	69%	-2.8%	16.4%	11.2%	8.9%
<i>Mix of deposits</i>		31.3%	53.3%	15.4%	100.0%
Total 2009	\$11,593	\$473,883	\$674,382	\$203,757	\$1,352,022
Growth % Year over Year	444%	17.1%	1.2%	12.3%	3.7%
<i>Mix of deposits</i>		35.0%	49.9%	15.1%	100.0%
Total 2008	\$2,132	\$404,852	\$666,631	\$181,453	\$1,303,818
Growth % Year over Year	-71%	16.4%	-1.5%	6.7%	9.1%
<i>Mix of deposits</i>		32.3%	53.2%	14.5%	100.0%
Total 2007	\$7,378	\$347,911	\$677,100	\$170,059	\$1,195,070
Growth % Year over Year	-78%	3.8%	13.2%	5.4%	9.2%
<i>Mix of deposits</i>		29.1%	56.7%	14.2%	100.0%
Total 2006	\$33,341	\$335,091	\$598,223	\$161,374	\$1,094,688
Growth % Year over Year	66.2%	-2.9%	8.2%	2.7%	3.8%
<i>Mix of deposits</i>		30.6%	54.6%	14.7%	100.0%
Total 2005	\$20,056	\$345,077	\$552,724	\$157,101	\$1,054,902
Growth % Year over Year	70.9%	3.6%	5.8%	3.4%	4.7%
<i>Mix of deposits</i>		32.7%	52.4%	14.9%	100.0%
Total 2004	\$11,738	\$333,147	\$522,445	\$151,888	\$1,007,480
Growth % Year over Year	114.6%	15.5%	2.1%	7.2%	7.0%
<i>Mix of deposits</i>		33.1%	51.9%	15.1%	100.0%

Schedule 5		UKRAINIAN CREDIT UNIONS IN CANADA			
Operating results		as at December 31, 2011			
		As a % of Average Assets			
	Net	Other	Operating	Operating	
Name of credit union	Interest	Income	Income	Expenses	
	Margin				
1 Buduchnist	2.08%	0.33%	2.41%	1.69%	
2 Ukrainian	2.22%	0.41%	2.63%	2.29%	
3 Carpathia	2.20%	0.41%	2.61%	1.57%	
4 CP Ukrainienne de Montreal	3.33%	0.49%	3.82%	1.57%	
5 North Winnipeg	2.17%	0.54%	2.71%	2.18%	
6 New Community	2.05%	0.67%	2.72%	2.11%	
7 United Ukrainian	2.53%	0.25%	2.78%	2.49%	
Total	2.25%	0.40%	2.66%	1.90%	
Total 2010	2.31%	0.42%	2.73%	1.98%	
Total 2009	2.27%	0.42%	2.68%	1.95%	
Total 2008	2.28%	0.44%	2.73%	2.03%	
Total 2007	2.47%	0.41%	2.88%	2.12%	
Total 2006	2.61%	0.44%	3.04%	2.14%	
Total 2005	2.62%	0.41%	3.03%	2.20%	
Total 2004	2.56%	0.40%	2.96%	2.39%	
Total 2003	2.86%	0.40%	3.27%	2.45%	
	Net	Other	Operating	Operating	
Name of credit union	Interest	Income	Income	Expenses	
	Margin				
	(\$000s)	(\$000s)	(\$000s)	(\$000s)	
1 Buduchnist	\$11,309	\$1,784	\$13,093	\$9,204	
2 Ukrainian	\$11,287	\$2,089	\$13,376	\$11,660	
3 Carpathia	\$6,755	\$1,273	\$8,028	\$4,831	
4 CP Ukrainienne de Montreal	\$4,215	\$620	\$4,835	\$1,988	
5 North Winnipeg	\$1,783	\$442	\$2,226	\$1,796	
6 New Community	\$1,366	\$446	\$1,812	\$1,406	
7 United Ukrainian	\$994	\$97	\$1,091	\$978	
Total	\$37,710	\$6,751	\$44,461	\$31,862	
Growth % Year over Year	7.2%	5.7%	7.0%	5.7%	
Total 2010	\$35,180	\$6,386	\$41,566	\$30,136	
Growth % Year over Year	7.3%	6.3%	7.3%	6.8%	
Total 2009	\$32,781	\$6,006	\$38,737	\$28,213	
Growth % Year over Year	4.9%	-1.3%	3.8%	1.5%	
Total 2008	\$31,245	\$6,087	\$37,331	\$27,793	

Schedule 6		UKRAINIAN CREDIT UNIONS IN CANADA			
Operating results		as at December 31, 2011			
		As a % of Average Assets			
Name of credit union	Net Income Before loan losses	Provision for Loan Losses	Income Taxes	Net income	
1 Buduchnist	0.72%	0.02%	0.12%	0.58%	
2 Ukrainian	0.34%	-0.03%	0.05%	0.31%	
3 Carpathia	1.04%	0.00%	0.13%	0.91%	
4 CP Ukrainienne de Montreal	2.25%	-0.04%	0.48%	1.81%	
5 North Winnipeg	0.52%	0.01%	0.06%	0.45%	
6 New Community	0.61%	0.00%	0.09%	0.51%	
7 United Ukrainian	0.29%	0.09%	0.02%	0.18%	
Total	0.75%	0.00%	0.12%	0.63%	
Total 2010	0.75%	0.02%	0.11%	0.62%	
Total 2009	0.73%	0.04%	0.12%	0.56%	
Total 2008	0.70%	0.07%	0.10%	0.53%	
Total 2007	0.77%	0.02%	0.15%	0.60%	
Total 2006	0.89%	0.04%	0.18%	0.68%	
Total 2005	0.83%	0.03%	0.12%	0.68%	
Total 2004	0.54%	0.02%	0.07%	0.47%	
Total 2003	0.82%	0.05%	0.12%	0.65%	

Name of credit union	Net Income Before loan losses	Provision for Loan Losses	Income Taxes	Net income
	(\$000s)	(\$000s)	(\$000s)	(\$000s)
1 Buduchnist	3,889	\$124	628	3,137
2 Ukrainian	1,716	(\$141)	277	1,580
3 Carpathia	3,197	\$0	398	2,799
4 CP Ukrainienne de Montreal	2,847	(\$51)	606	2,292
5 North Winnipeg	430	\$8	51	371
6 New Community	406	\$2	62	342
7 United Ukrainian	113	\$36	7	71
Total	\$12,599	(\$23)	\$2,029	\$10,593
Growth % Year over Year	10.2%	-108.0%	21.9%	11.7%
Total 2009	\$11,430	\$285	\$1,664	\$9,481
Growth % Year over Year	8.1%	-55.9%	-5.3%	16.0%
Total 2009	\$10,574	\$646	\$1,757	\$8,172
Growth % Year over Year	10.9%	-32.7%	33.8%	12.5%
Total 2008	\$9,539	\$960	\$1,313	\$7,266

Schedule 7 Operating results		UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2011 As a % of Average Assets			
		Net			
Name of credit union	Net Income*	Dividends & Patronage	ABCP Writeoff	Net Income	
1 Buduchnist	0.58%	0.09%	0.00%	0.48%	
2 Ukrainian	0.31%	0.02%	0.00%	0.29%	
3 Carpathia	0.91%	0.12%	0.00%	0.79%	
4 CP Ukrainienne de Montreal	1.81%	0.54%	0.00%	1.43%	
5 North Winnipeg	0.45%	0.03%	0.00%	0.45%	
6 New Community	0.51%	0.00%	0.00%	0.51%	
7 United Ukrainian	0.18%	0.05%	0.00%	0.11%	
Total	0.63%	0.10%	0.00%	0.54%	
Total 2010	0.62%	0.14%	-0.03%	0.54%	
Total 2009	0.56%	0.15%	-0.02%	0.45%	
		Net			
Name of credit union	Net Income*	Dividends & Patronage	ABCP Writeoff	Net Income	
	(\$000s)	(\$000s)	(\$000s)	(\$000s)	
1 Buduchnist	3,137	502	(14)	2,627	
2 Ukrainian	1,580	79	0	1,461	
3 Carpathia	2,799	369	0	2,430	
4 CP Ukrainienne de Montreal	2,292	677	0	1,807	
5 North Winnipeg	371	27	0	370	
6 New Community	342	0	0	342	
7 United Ukrainian	71	20	0	44	
Total	\$10,593	\$1,674	(\$14)	\$9,082	
Growth % Year over Year	11.7%	-19.6%	-96.6%	10.2%	
Total 2010	\$9,481	\$2,083	(\$401)	\$8,240	
Growth % Year over Year	16.0%	-3.3%	25.7%	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, 2011				
		As a % of Average Assets			Total	Productivity
Name of credit union		Salary Expense	Occupancy Expense	Other Expenses	Operating Expenses	Expense Ratio (a)
1	Buduchnist	0.83%	0.13%	0.73%	1.69%	70.3%
2	Ukrainian	1.27%	0.25%	0.77%	2.29%	87.2%
3	Carpathia	0.82%	0.20%	0.55%	1.57%	60.2%
4	CP Ukrainienne de Montreal	0.58%	0.13%	0.86%	1.57%	41.1%
5	North Winnipeg	1.09%	0.37%	0.73%	2.18%	80.7%
6	New Community	1.13%	0.14%	0.84%	2.11%	77.6%
7	United Ukrainian	1.19%	0.17%	1.13%	2.49%	89.6%
Total		0.98%	0.19%	0.73%	1.90%	71.7%
Total 2010		0.98%	0.22%	0.78%	1.98%	72.5%
Total 2009		0.97%	0.24%	0.74%	1.95%	72.7%
Total 2008		1.03%	0.25%	0.75%	2.03%	74.4%
Total 2007		1.05%	0.26%	0.80%	2.12%	73.4%
Total 2006		1.08%	0.25%	0.81%	2.14%	70.7%
Total 2005		1.13%	0.25%	0.82%	2.20%	72.7%
Total 2004		1.19%	0.26%	0.95%	2.39%	75.0%
Total 2003		1.25%	0.30%	0.90%	2.38%	72.8%
Average						

Schedule 11		UKRAINIAN CREDIT UNIONS IN CANADA				
Branch, Member & Employee averages		as at December 31, 2011				
Name of credit union	Branches	Deposits/ Branch (\$Mils)	Members	Assets/ Member	Number of Employees	Average Compensation /Employee
1 Buduchnist	8	\$50.8	20,439	\$27,550	70	\$64,443
2 Ukrainian	13	\$33.2	24,055	\$21,214	106	\$61,123
3 Carpathia	3	\$92.1	12,414	\$25,700	50	\$50,702
4 CP Ukrainienne de Montreal	1	\$107.3	3,900	\$32,993	12	\$61,083
5 North Winnipeg	2	\$39.0	3,371	\$25,081	16	\$55,959
6 New Community	1	\$63.5	2,278	\$30,384	11	\$68,286
7 United Ukrainian	1	\$37.1	1,933	\$20,763	8	\$58,551
Total	29	\$50.6	68,390	\$25,077	273	\$59,974
Growth % Year over Year	-6.5%	6.5%	-2.3%	7.6%	2.6%	6.6%
Total 2010	31	\$47.5	70,035	\$23,310	266	\$56,283
Growth % Year over Year	3.3%	5.3%	2.0%	7.4%	1.9%	4.4%
Total 2009	30	\$45.1	68,653	\$21,706	261	\$53,908
Growth % Year over Year	7.1%	-3.2%	-3.8%	8.5%	-4.7%	4.3%
Total 2008	28	\$46.6	71,338	\$20,007	274	\$51,695
Growth % Year over Year	-3.4%	13.1%	-1.3%	9.4%	-1.1%	6.0%
Total 2007	29	\$41.2	72,280	\$18,284	277	\$48,779

Schedule 12		UKRAINIAN CREDIT UNIONS IN CANADA				
Promotions, Donations & Advertising		as at December 31, 2011				
Name of credit union	2008 Total (\$000)	2009 Total (\$000)	2010 Total (\$000)	2011 Total (\$000)	11/10 Total Growth %	
1 Buduchnist	\$820	\$1,244	\$1,670	\$1,189	-28.8%	
2 Ukrainian	\$455	\$384	\$513	\$551	7.4%	
3 Carpathia	\$50	\$75	\$300	\$240	-20.0%	
4 CP Ukrainienne de Montreal	\$99	\$60	\$79	\$83	5.1%	
5 North Winnipeg	\$12	\$11	\$14	\$15	7.2%	
6 So-Use	\$50	\$64	\$0	\$0	n/a	
7 New Community	\$10	\$12	\$17	\$15	-9.8%	
8 United Ukrainian	\$10	\$17	\$10	\$15	53.1%	
Total	\$1,506	\$1,867	\$2,602	\$2,108	-19.0%	

Bob (Bohdan) Leshchyshen

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

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

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

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

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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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