

UKRAINIAN-CANADIAN CREDIT UNIONS 2016 FINANCIAL RESULTS



Prepared for
Annual General Meeting of
Council of Ukrainian Credit Unions
November 25, 2017

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The financial results of Ukrainian-Canadian Credit Unions over the last five years have been mixed: asset quality as measured by allowance as a % of loans and loan loss provision has remained stable at 0.12% of total loans primarily due to a continued lower interest rate environment. Generally, Ukrainian-Canadian credit unions have endeavoured to provide loans using a lower loan to value ratio than the maximum of 80% and have issued more insured mortgages, which have helped to keep the loan loss ratio low. Buduchnist, Carpathia and North Winnipeg credit unions have disclosed their insured mortgage lending amounts. Their combined exposure to insured mortgages represents 36.3% of their residential mortgage portfolio in 2016 compared to 27.3% in 2015.

Capital to assets ratio in 2016 has declined to 7.21% compared to 7.26% in the previous year. The return on assets and the return of equity declined in 2016 compared to 2015. The membership has decreased again in 2016. The membership totalled 63,773 and is far from the record level of 72,280, which was achieved in 2007.

The members of the Ukrainian-Canadian credit unions have continued to financially benefit by receiving significant dividends and patronage payments, which totalled \$1080 million in 2016 compared to \$1.396 million in 2015. Over the last five years a total of \$7.3 million has been provided by way of dividends and patronage dividends to the members of the Ukrainian-Canadian credit unions in Canada.

The Ukrainian-Canadian credit unions have continued to support the Ukrainian community in Canada by providing donations, sponsorship and promotions funds to non-profit and charitable organizations for their deserving projects. In 2016, the five largest credit unions have provided \$3.084 million in donations, sponsorship and promotion support for many charitable and non-profit organizations in the Ukrainian community in Canada. This represents a decrease of 15.7% from the previous year. Over the last five years a total of \$14.8 million has been provided by way of donations, sponsorship and promotion funds to the Ukrainian community in Canada.

Performance. Return on equity was 5.0% compared to 6.9% in 2015. Ukrainian-Canadian credit unions assets grew by 5.4% in 2016 compare to record growth of 6.3% in 2015. *In 2016, the largest credit unions in Canada saw their assets grow by 8.7% compared to 9.7% in 2015.* Ukrainian-Canadian Credit Union's total deposits grew by 4.0% compared to a growth of 5.4% in the previous year. Even in a low interest rate environment, demand deposits grew by 7.7% while Registered Plans (RRSP and RRIF deposits) increased by 7.7%, while term deposits declined by 0.6%.

The Ukrainian-Canadian Credit Union's net income before dividend and patronage payments declined by 23.7% to \$8.4 million from \$11.0 million, primarily due to an decrease in the net interest margin and other income. The operating expense ratio decreased to 1.71% compared to 1.77% in the previous year. Ukrainian-Canadian Credit Union's operating ratio is much lower than the operating expense ratio of the *largest credit unions in Canada, which had a ratio of 2.12%*. This means that the Ukrainian-Canadian Credit Unions are low cost providers of financial services. The Ukrainian-Canadian Credit Unions paid 12.9% of their net income to their members by way of a dividend or a patronage refund totalling \$1.080 million compared to \$1.396 million in the previous year. These patronage dividends helped increase the capital of

the credit unions by 4.7% to \$170.3 million representing 7.21% of the assets. The ratio of capital to assets has decreased compared to the previous year.

The return on assets (ROA) decreased to 0.36% compared to 0.51% in 2015, which was below the *largest credit unions in Canada average ROA of 0.44%*.

Ukrainian-Canadian Credit Unions continue to largely rely on the traditional intermediary function or the net interest margin for their revenue source. Expansion into other sources of income is slowly progressing and represented 15.1% of total net operating revenue compared to 15.6% in the previous year. *Other income represented 24.6% of the total revenue for the largest Canadian credit unions.* The higher ratio of other income total revenue experienced by largest credit unions in Canada was due to the significant fee income generated from their lending activities, mutual funds and investment management activities.

Asset Quality. Overall the asset quality is still quite strong. The loan loss provision as a % of average assets was at 0.03% of loans compared to 0.01% in 2015, which compares very favourably to the *large Canadian credit unions, which had a loan loss provision of 0.07%*.

The allowance for loan losses remained the same 0.12% of total loans, which again compares very favourably [*less than half*] to the *largest Canadian credit unions, which had an allowance for loan losses of 0.28%*.

Loan portfolio. The Ukrainian-Canadian Credit Unions have a larger concentration in lower risk residential mortgage lending which represents 61.6% of the loan portfolio. The residential loan portfolio grew by 3.8% in 2016 compared to 5.4% in the previous year. *Residential mortgage portfolio of the largest credit unions in Canada represented 59.7% of the total loan portfolio and saw their residential mortgages grow by 7.5%*.

The commercial mortgage loans represented 32.6% of the total loan portfolio. The commercial mortgage loans grew by 10.0% compared to 2.8% growth in the previous year. Providing secured commercial mortgage loans to small businesses and self-employed individuals will ensure the future of Ukrainian-Canadian credit unions, because these two groups of members have generally been ignored by and not well serviced by the chartered bank system in Canada. *Commercial loan portfolio of the largest credit unions in Canada represented 26.1% of the total loan portfolio and saw their commercial loans grow by 8.4%*.

Consumer (personal) loans only represented 4.4% of the total loan portfolio and saw an increase of 7.1% in 2016 compared to a decline of 1.9% in the previous year. *Consumer loan portfolio of the largest credit unions in Canada represented 7.8% of the total loan portfolio and saw their personal loans grow by 3.5%*.

Business loans and leases only represented 1.4% of the total loan portfolio and saw a decrease of 33.8% in 2016 compared to an increase of 36.7% in the previous year. *Business loans and leases loan portfolio of the largest credit unions in Canada represented 6.5% of the total loan portfolio and saw their personal loans grow by 30.5%*.

New Community credit union experienced the largest total loan growth of 11.7% of the Canadian-Ukrainian credit unions in Canada.

Growth of membership. Membership has decreased by 1.2% to 63,773. CP Ukrainienne de Montreal saw their membership numbers increase by 1%.

Comparison of Membership Growth				
Name of credit union	Members 2016	Members 2015	Growth %	Growth #
1 Buduchnist	21,940	22,377	-2.0%	(437)
2 Ukrainian	23,960	24,222	-1.1%	(262)
3 Carpathia	8,729	8,820	-1.0%	(91)
4 CP Ukrainienne de Montreal	3,492	3,457	1.0%	35
5 North Winnipeg	3,375	3,375	0.0%	0
6 New Community	2,277	2,292	-0.7%	(15)
Total	63,773	64,543	-1.2%	(770)

Asset Growth. Ukrainian-Canadian credit unions assets grew by 5.4% in 2016 compared to 6.3% growth in 2015. *The largest credit unions in Canada grew by 8.7% in 2016 compared to 9.7% in previous year.*

CP Ukrainienne de Montreal had the largest asset growth of 7.7%, followed by North Winnipeg with growth of 5.9%.

Comparison of Asset Growth				
	Assets 2016 (\$mils)	Assets 2015 (\$mils)	Growth %	Growth \$
1 Buduchnist	\$805.3	\$764.7	5.3%	\$40.6
2 Ukrainian	\$741.1	\$713.0	3.9%	\$28.1
3 Carpathia	\$463.5	\$432.2	7.3%	\$31.4
4 CP Ukrainienne de Montreal	\$158.0	\$146.7	7.7%	\$11.2
5 North Winnipeg	\$106.8	\$100.9	5.9%	\$6.0
6 New Community	\$89.1	\$84.5	5.4%	\$4.6
Total	\$2,363.8	\$2,242.0	5.4%	\$121.8

Deposit growth. CU members have been seeking higher interest rates outside of their credit union and using excess funds on deposit to reduce their outstanding debts. This has resulted in a very difficult and competitive deposit taking environment. Deposits increased by 4.0% in 2016 compared to growth of 5.4% in previous year. *The largest credit unions in Canada grew 9.5% in 2016 compared to 8.7% in previous year.*

Carpathia CU had the largest deposit growth of 7.5%, followed by North Winnipeg CU with a

growth rate of 6.1%.

Net Interest Margin - Net interest margin decreased to 1.89% compared to 1.99% in the previous year. CP Ukrainienne de Montreal had the highest net interest margin 2.40%, followed by New Community CU with 2.03% and then with Ukrainian CU 1.96%.

The largest credit unions in Canada had a net interest margin of 2.04% in 2016 compared to 2.13% in the previous year.

Net Interest Margin Comparison			
Name of credit union	2016	2015	Change %
Buduchnist	1.87%	1.95%	-0.09%
Ukrainian	1.96%	2.03%	-0.06%
Carpathia	1.67%	1.86%	-0.19%
CP Ukrainienne de Montreal	2.40%	2.54%	-0.14%
North Winnipeg	1.67%	1.85%	-0.18%
New Community	2.03%	1.94%	0.09%
	1.89%	1.99%	-0.10%

Operating Costs – Ukrainian-Canadian Credit Unions have an operating cost structure that is quite competitive. The operating expense ratio increased to 1.71% in 2016 compared to 1.77% in the previous year. *[Still quite favourable compared to the largest credit unions in Canada].*

The largest credit unions in Canada decreased their operating expense ratio to 2.12% from 2.17% in the previous year.

Operating Expense Ratio Comparison			
Name of credit union	2016	2015	Change %
Buduchnist	1.56%	1.67%	-0.11%
Ukrainian	1.94%	1.96%	-0.02%
Carpathia	1.63%	1.65%	-0.02%
CP Ukrainienne de Montreal	1.52%	1.54%	-0.02%
North Winnipeg	1.77%	1.82%	-0.05%
New Community	1.72%	1.89%	-0.17%
	1.71%	1.77%	-0.06%

The operating expense to revenue (productivity ratio) increased to 76.7% in 2016 from 74.9% in the previous year. The productivity ratio of the Ukrainian-Canadian Credit Unions still remains below the *largest Canadian credit unions ratio, which had a productivity ratio of 77.3% in 2016 compared to 77.9% in the previous year.*

Productivity Expense Ratio Comparison			
Name of credit union	2015	2015	Change %
Buduchnist	72.5%	74.7%	-2.3%
Ukrainian	86.0%	82.9%	3.1%
Carpathia	80.0%	72.0%	8.1%
CP Ukrainienne de Montreal	53.2%	50.8%	2.4%
North Winnipeg	85.4%	80.3%	5.1%
New Community	64.4%	70.8%	-6.4%
	76.7%	74.9%	1.8%

Capitalization – The average capital ratio decreased to 7.21% from 7.26% in the previous year. This compares very favourably to *the largest credit unions in Canada which had a capital ratio of 7.00% in 2016 compared to 7.04% in the previous year.*

The best capitalized credit union was CP Ukrainienne de Montreal with a capital ratio of 13.12%, the next best capitalized credit union was Buduchnist CU with a capital ratio 8.00% followed by New Community CU with 7.37% and Ukrainian CU with 6.28% capital ratio.

Capitalization Comparison				
Name of credit union	Capital	%	Capital	%
	(\$000's)	Assets	(\$000's)	Assets
Buduchnist	\$64,392	8.00%	\$61,136	7.99%
Ukrainian	\$46,523	6.28%	\$46,065	6.46%
Carpathia	\$26,070	5.62%	\$24,809	5.74%
CP Ukrainienne de Montreal	\$20,726	13.12%	\$19,188	13.08%
North Winnipeg	\$6,037	5.65%	\$5,534	5.49%
New Community	\$6,566	7.37%	\$5,969	7.06%
	\$170,314	7.21%	\$162,702	7.26%

Canadian credit unions have had to comply with the Risk Adjusted Capital rules (Basel accord) over the last few years, which the chartered banks have been using for many years. The average Ukrainian-Canadian Credit Union's Total risk adjusted capital ratio was 14.11% compared to 13.63% in the previous year. Again, the Ukrainian-Canadian credit union's risk adjusted capital ratio compares very favourably to *the largest credit unions in Canada's ratio of 13.63% compared to 13.24% in the previous year.*

Risk Adjusted Capital Comparison				
Name of credit union	Risk Adjusted Capital (\$000's) 2016	Total Ratio %	Risk Adjusted Capital (\$000's) 2015	Total Ratio %
Buduchnist	\$64,413	15.56%	\$61,095	14.90%
Ukrainian	\$47,392	13.70%	\$46,520	13.80%
Carpathia	\$26,085	10.85%	\$24,838	10.74%
CP Ukrainienne de Montrea	\$20,261	16.42%	\$14,306	13.34%
North Winnipeg	\$6,037	16.42%	\$5,800	16.38%
New Community	\$6,516	13.11%	\$5,868	14.31%
Total	\$170,704	14.11%	\$158,427	13.63%

Five Year Results of Ukrainian-Canadian Credit Unions in Canada

Ukrainian Credit Unions in Canada						5 yr Avg.
	2012	2013	2014	2015	2016	
Number of Credit Unions	6	6	6	6	6	
Members	68,367	64,540	64,899	64,543	63,773	
Growth rate %	0.0%	-5.6%	0.6%	-0.5%	-1.2%	-1.4%
Branches	29	31	33	33	34	
Assets per Branch (\$Mils)	\$63.8	\$63.6	\$63.9	\$67.9	\$69.5	
Assets (\$Mils)	\$1,851	\$1,973	\$2,109	\$2,242	\$2,364	
Growth rate %	8.0%	6.6%	6.9%	6.3%	5.4%	6.6%
Assets per member	\$27,080	\$30,570	\$32,503	\$34,736	\$37,066	
Growth rate %	8.0%	12.9%	6.3%	6.9%	6.7%	8.2%
Total Loans (\$Mils)	\$1,585	\$1,685	\$1,826	\$1,914	\$2,011	
Growth rate %	11.0%	6.4%	8.3%	4.8%	5.0%	7.1%
Allowance % loans	0.16%	0.12%	0.12%	0.12%	0.12%	0.13%
Residential mortgages (\$mils)	\$1,014	\$1,056	\$1,133	\$1,194	\$1,238	
Growth rate %	11.5%	4.2%	7.2%	5.4%	3.8%	6.4%
Commercial mortgages (\$mils)	464	519	580	596	656	
Growth rate %	10.3%	11.9%	11.9%	2.8%	10.0%	9.4%
Consumer loans (\$mils)	86	86	84	83	89	
Growth rate %	3.2%	0.0%	-1.3%	-1.9%	7.1%	1.4%
Business Loans (\$mils)	24	27	30	41	27	
Growth rate %	56.1%	10.9%	12.8%	36.7%	-33.8%	16.5%
Total Deposits (\$mils)	\$1,640	\$1,755	\$1,809	\$1,907	\$1,983	
Growth rate %	11.8%	7.0%	3.1%	5.4%	4.0%	6.3%
Demand deposits (\$mils)	524	550	600	664	716	
Growth rate %	19.2%	4.9%	9.0%	10.8%	7.7%	10.3%
Term deposits (\$mils)	819	869	848	852	846	
Growth rate %	7.1%	6.1%	-2.5%	0.4%	-0.6%	2.1%
Registered deposits (\$mils)	297	335	361	391	421	
Growth rate %	13.3%	12.9%	7.7%	8.2%	7.7%	10.0%

Five Year Results of Ukrainian-Canadian Credit Unions in Canada

Ukrainian Credit Unions in Canada						5 yr Avg.
	2012	2013	2014	2015	2016	
Equity and Shares (\$mils)	\$137.0	\$144.0	\$153.9	\$162.7	\$170.3	
Growth %	5.2%	5.1%	6.9%	5.7%	4.7%	5.5%
Capital % assets	7.40%	7.30%	7.30%	7.26%	7.21%	7.29%
Promotions, Donations & Advertising (\$Mils)	\$2.520	\$2.527	\$2.965	\$3.660	\$3.084	
Growth rate %	17.3%	0.3%	17.3%	23.4%	-15.7%	8.5%
As a % total operating expenses	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
Net Income (\$Mils)	\$10.9	\$11.1	\$8.8	\$11.0	\$8.4	
Growth rate %	2.5%	2.4%	-20.5%	24.4%	-23.7%	-3.0%
Return on assets	0.62%	0.58%	0.43%	0.51%	0.36%	0.50%
Return on Equity	8.1%	7.8%	5.9%	6.9%	5.0%	6.8%
Net interest margin % avg. assets	2.18%	2.04%	2.06%	1.99%	1.89%	2.03%
Other Income % avg. assets	0.33%	0.32%	0.31%	0.37%	0.34%	0.33%
Gross Income % avg. assets	2.51%	2.36%	2.37%	2.36%	2.23%	2.37%
Operating expense % avg. assets	1.84%	1.77%	1.76%	1.77%	1.71%	1.77%
Loan loss ratio % avg. assets	0.02%	0.02%	0.03%	0.01%	0.03%	0.02%
Other income % total income	13.1%	13.6%	13.1%	15.6%	15.1%	14.1%
Number of employees	280	283	307	301	345	
Salary expenses (\$mils)	16.8	17.6	18.4	19.7	20.3	
Average salary per employee	\$59,958	\$62,131	\$59,774	\$65,484	\$58,760	\$61,221
Productivity ratio	73.4%	74.9%	74.3%	74.9%	65.5%	72.6%
Dividends/Patronage paid (\$Mils)	\$2.035	\$0.995	\$1.825	\$1.396	\$1.080	
% return to members	18.7%	8.9%	20.6%	12.7%	12.9%	14.8%

Schedule 1 Asset Growth		UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2016				
Name of credit union	Members	Assets (\$Mils)	Growth %	Net Income * (\$'000's)	Return on Assets %	Return on Equity %
1 Buduchnist	21,940	\$805	5.3%	\$3,528	0.45%	5.6%
2 Ukrainian	23,960	\$741	3.9%	\$772	0.11%	1.7%
3 Carpathia	8,729	\$464	4.8%	\$1,511	0.34%	5.9%
4 CP Ukrainienne de Montreal	3,492	\$158	7.7%	\$1,646	1.08%	8.2%
5 North Winnipeg	3,375	\$107	5.9%	\$329	0.32%	5.6%
6 New Community	2,277	\$89	5.4%	\$601	0.69%	9.6%
Total	63,773	\$2,364	5.4%	\$8,387	0.36%	5.0%
Total 2015	64,543	\$2,242	6.3%	\$10,996	0.51%	6.9%
Total 2014	64,899	\$2,109	6.9%	\$8,842	0.43%	5.9%
Total 2013	64,540	\$1,973	6.6%	\$11,121	0.58%	7.8%
Total 2012	68,367	\$1,851	8.0%	\$10,857	0.62%	8.1%
Total 2011	68,390	\$1,715	5.0%	\$10,593	0.63%	8.5%
Total 2010	70,035	\$1,633	9.6%	\$9,481	0.62%	8.5%
Total 2009	68,653	\$1,490	4.4%	\$8,172	0.56%	8.0%
Total 2008	71,338	\$1,427	7.9%	\$7,266	0.53%	7.4%
Total 2007	72,280	\$1,322	6.2%	\$7,656	0.60%	8.1%
Average Growth (10 years)			6.6%			

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

Schedule 2 Capitalization		UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2016			
Name of credit union	Capital (\$000's)	% Assets	Growth in Capital %	Dividends & Patronage (\$000's)	Return to Members %
1 Buduchnist	\$64,392	8.00%	5.3%	\$198	5.6%
2 Ukrainian	\$46,523	6.28%	1.0%	\$308	14.4%
3 Carpathia	\$26,070	5.62%	5.1%	\$250	16.5%
4 CP Ukrainienne de Montreal	\$20,726	13.12%	8.0%	\$307	18.7%
5 North Winnipeg	\$6,037	5.65%	3.9%	\$17	5.0%
6 New Community	\$6,566	7.37%	10.0%	\$0	0.0%
Total	\$170,314	7.21%	4.5%	\$1,080	11.8%
Total 2015	\$162,702	7.26%	5.7%	\$1,396	13.2%
Total 2014	\$153,946	7.30%	4.9%	\$1,825	18.3%
Total 2013	\$146,707	7.44%	5.8%	\$1,959	20.8%
Total 2012	\$138,655	7.49%	6.5%	\$2,035	20.3%
Total 2011	\$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	7.34%	5.6%	\$2,559	21.9%
Average Growth (10 years)		7.32%	6.4%		18.7%

Schedule 2a		UKRAINIAN CREDIT UNIONS IN CANADA					
		as at December 31, 2016					
Risk Adjusted Capitalization (Basel)		Tier I Risk Adjusted Capital	Tier II Risk Adjusted Capital	Total Risk Adjusted Capital	Risk adjusted Ratios		
2016		(\$000's)	(\$000's)	(\$000's)	Tier I Ratio	Tier II Ratio	Total Ratio
Name of credit union							
1	Buduchnist	\$60,177	\$4,236	\$64,413	14.54%	1.02%	15.56%
2	Ukrainian	\$45,333	\$2,059	\$47,392	13.10%	0.60%	13.70%
3	Carpathia	\$26,085	\$0	\$26,085	10.85%	0.00%	10.85%
4	CP Ukrainienne de Montreal	\$20,261	\$0	\$20,261	16.42%	0.00%	16.42%
5	North Winnipeg	\$6,037	\$0	\$6,037	16.42%	0.00%	16.42%
6	New Community	\$6,493	\$23	\$6,516	13.06%	0.05%	13.11%
Total		\$164,386	\$6,318	\$170,704	13.58%	0.52%	14.11%
Growth rate %		9.7%	-26.8%	7.7%			
2015							
1	Buduchnist	\$56,981	\$4,114	\$61,095	13.90%	1.00%	14.90%
2	Ukrainian	\$44,096	\$2,424	\$46,520	13.08%	0.72%	13.80%
3	Carpathia	\$24,838	\$0	\$24,838	10.74%	0.00%	10.74%
4	CP Ukrainienne de Montreal	\$12,237	\$2,069	\$14,306	11.41%	1.93%	13.34%
5	North Winnipeg	\$5,800	\$0	\$5,800	16.38%	0.00%	16.38%
6	New Community	\$5,840	\$27	\$5,868	14.25%	0.07%	14.31%
Total		\$149,792	\$8,635	\$158,427	12.89%	0.74%	13.63%
Growth rate %		5.4%	15.9%	6.0%			
2014							
1	Buduchnist	\$54,025	\$3,772	\$57,797	14.11%	0.99%	15.10%
2	Ukrainian	\$42,630	\$1,561	\$44,191	12.64%	0.46%	13.10%
3	Carpathia	\$23,626	\$0	\$23,626	10.92%	0.00%	10.92%
4	CP Ukrainienne de Montreal	\$11,026	\$2,086	\$13,112	10.30%	1.95%	12.25%
5	North Winnipeg	\$5,516	\$0	\$5,516	16.11%	0.00%	16.11%
6	New Community	\$5,259	\$27	\$5,286	14.36%	0.07%	14.43%
Total		\$142,082	\$7,447	\$149,529	12.75%	0.67%	13.42%
Growth rate %		6.0%	-11.9%	4.9%			
2013							
1	Buduchnist	\$51,226	\$3,695	\$54,921	13.99%	1.01%	15.00%
2	Ukrainian	\$40,949	\$2,299	\$43,248	12.97%	0.73%	13.70%
3	Carpathia	\$21,704	\$0	\$21,704	10.56%	0.00%	10.56%
4	CP Ukrainienne de Montreal	\$10,193	\$2,434	\$12,627	9.55%	2.28%	11.83%
5	North Winnipeg	\$5,257	\$0	\$5,257	11.56%	0.00%	11.56%
6	New Community	\$4,746	\$28	\$4,774	13.74%	0.08%	13.82%
Total		\$134,075	\$8,456	\$142,531	12.48%	0.79%	13.27%
Growth rate %		5.1%	-3.5%	4.5%			
2012							
	Buduchnist	\$48,336	\$3,215	\$51,550	14.16%	0.94%	15.10%
	Ukrainian	\$39,478	\$1,912	\$41,390	13.73%	0.67%	14.40%
	Carpathia	\$20,294	\$61	\$20,355	10.56%	0.03%	10.60%
	CP Ukrainienne de Montreal	\$9,675	\$2,446	\$12,121	9.95%	2.52%	12.46%
	North Winnipeg	\$4,965	\$1,125	\$6,091	13.48%	2.81%	15.18%
	New Community	\$4,880	\$0	\$4,880	13.48%	0.00%	13.48%
Total		\$127,628	\$8,758	\$136,386	12.93%	0.77%	13.70%

Schedule 3						
UKRAINIAN CREDIT UNIONS IN CANADA						
Loan Portfolio						
as at December 31, 2016						
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	\$436,005	\$241,391	\$10,061	\$0	\$687,456	0.12%
2 Ukrainian	\$416,348	\$193,558	\$19,798	\$0	\$629,704	0.18%
3 Carpathia	\$208,497	\$138,968	\$19,909	\$25,256	\$392,630	0.04%
4 CP Ukrainienne de Montreal	\$51,015	\$63,190	\$21,011	\$0	\$135,216	0.09%
5 North Winnipeg	\$72,130	\$13,703	\$4,953	\$1,877	\$92,664	0.07%
6 New Community	\$54,494	\$5,347	\$12,979	\$146	\$72,965	0.03%
Total	\$1,238,489	\$656,157	\$88,711	\$27,279	\$2,010,636	0.12%
Growth % Year over Year	3.8%	10.0%	7.1%	-33.8%	5.0%	
<i>Mix of loans %</i>	61.6%	32.6%	4.4%	1.4%	100.0%	
Total 2015	\$1,193,572	\$596,457	\$82,830	\$41,223	\$1,914,082	0.12%
Total 2014	\$1,132,805	\$580,372	\$84,443	\$30,145	\$1,827,765	0.12%
Total 2013	\$1,056,400	\$518,798	\$85,549	\$26,731	\$1,687,478	0.16%
Total 2012	\$1,013,901	\$463,588	\$85,574	\$24,110	\$1,587,172	0.16%
Total 2011	\$909,577	\$420,282	\$82,899	\$15,447	\$1,428,205	0.15%
Total 2010	\$866,555	\$364,909	\$80,030	\$44,073	\$1,355,567	0.21%
Total 2009	\$798,205	\$328,223	\$75,118	\$37,982	\$1,239,528	0.27%
Total 2008	\$769,625	\$295,952	\$74,986	\$35,710	\$1,176,273	0.00%
Total 2007	\$717,447	\$285,915	\$62,877	\$23,348	\$1,089,587	0.23%
Growth rates %						
Total 2016	3.8%	10.0%	7.1%	-33.8%	5.0%	
Total 2015	5.4%	2.8%	-1.9%	36.7%	4.7%	
Total 2014	7.2%	11.9%	-1.3%	12.8%	8.3%	
Total 2013	4.2%	11.9%	0.0%	10.9%	6.3%	
Total 2012	11.5%	10.3%	3.2%	56.1%	11.1%	
Total 2011	5.0%	15.2%	3.6%	-65.0%	5.4%	
Total 2010	8.6%	11.2%	6.5%	16.0%	9.4%	
Total 2009	3.7%	10.9%	0.2%	6.4%	5.4%	
Total 2008	7.3%	3.5%	19.3%	52.9%	8.0%	
Total 2007	15.5%	19.1%	-19.0%	15.4%	6.1%	
Average Growth (10 yrs)	7.2%	10.7%	1.8%	10.8%	7.0%	

Schedule 4		UKRAINIAN CREDIT UNIONS IN CANADA				
Deposit Portfolio		as at December 31, 2016				
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	\$83,766	\$237,013	\$303,163	\$109,122	\$649,299	
2 Ukrainian	\$85,134	\$229,421	\$251,142	\$121,842	\$602,405	
3 Carpathia	\$0	\$151,275	\$157,651	\$124,186	\$433,112	
4 CP Ukrainienne de Montreal	\$18,175	\$43,409	\$49,438	\$24,033	\$116,880	
5 North Winnipeg	\$0	\$27,671	\$39,969	\$31,611	\$99,251	
6 New Community	\$0	\$26,864	\$44,974	\$9,892	\$81,729	
Total	\$187,075	\$715,653	\$846,338	\$420,686	\$1,982,677	
Growth % Year over Year	25%	7.7%	-0.6%	7.7%	4.0%	
<i>Mix of deposits</i>		36.1%	42.7%	21.2%	100.0%	
Total 2015	\$150,242	\$664,447	\$851,602	\$390,579	\$1,906,628	
2 Growth % Year over Year	21%	10.8%	0.4%	8.2%	5.4%	
<i>Mix of deposits</i>		33.2%	46.9%	20.0%	100.0%	
Total 2014	\$124,075	\$599,665	\$848,060	\$361,031	\$1,808,755	
3 Growth % Year over Year	147%	9.0%	-2.5%	7.7%	3.1%	
<i>Mix of deposits</i>		33.2%	46.9%	20.0%	100.0%	
Total 2013	\$50,326	\$550,107	\$869,468	\$335,141	\$1,754,716	
4 Growth % Year over Year	28%	4.9%	6.1%	12.9%	7.0%	
<i>Mix of deposits</i>		31.4%	49.6%	19.1%	100.0%	
Total 2012	\$39,439	\$524,322	\$819,178	\$296,829	\$1,640,329	
5 Growth % Year over Year	140%	19.2%	7.1%	13.3%	11.8%	
<i>Mix of deposits</i>		32.0%	49.9%	18.1%	100.0%	
Total 2011	\$16,461	\$439,928	\$764,892	\$261,943	\$1,466,763	
6 Growth % Year over Year	-16%	-4.4%	-2.6%	15.6%	-0.4%	
<i>Mix of deposits</i>		30.0%	52.1%	17.9%	100.0%	
Total 2010	\$19,592	\$460,399	\$784,970	\$226,675	\$1,472,044	
7 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	
8 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	
9 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%	
10 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%	
Average Growth (10 yrs)	71%	8.2%	3.7%	10.1%	6.2%	
Average Mix (10 yrs)		32.3%	50.1%	17.5%	100.0%	

Schedule 5 Operating results		UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2016 As a % of Average Asset			
Name of credit union	Net Interest Margin	Other Income	Operating Income	Operating Expenses	
1 Buduchnist	1.87%	0.29%	2.16%	1.56%	
2 Ukrainian	1.96%	0.30%	2.26%	1.94%	
3 Carpathia	1.67%	0.37%	2.04%	1.63%	
4 CP Ukrainienne de Montreal	2.40%	0.46%	2.86%	1.52%	
5 North Winnipeg	1.67%	0.40%	2.07%	1.77%	
6 New Community	2.03%	0.65%	2.67%	1.72%	
Total	1.89%	0.34%	2.23%	1.71%	
2 Total 2015	1.99%	0.37%	2.36%	1.77%	
3 Total 2014	2.06%	0.31%	2.37%	1.76%	
4 Total 2013	2.04%	0.32%	2.36%	1.77%	
5 Total 2012	2.18%	0.33%	2.51%	1.84%	
6 Total 2011	2.25%	0.40%	2.66%	1.90%	
7 Total 2010	2.31%	0.42%	2.73%	1.98%	
8 Total 2009	2.27%	0.42%	2.68%	1.95%	
9 Total 2008	2.28%	0.44%	2.73%	2.03%	
10 Total 2007	2.47%	0.41%	2.88%	2.12%	
Average (10 yrs)	2.17%	0.38%	2.55%	1.88%	

Schedule 5a Operating results		UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2016			
Name of credit union	Net Interest Margin (\$000s)	Other Income (\$000s)	Operating Income (\$000s)	Operating Expenses (\$000s)	
1 Buduchnist	\$14,662	\$2,272	\$16,934	\$12,276	
2 Ukrainian	\$14,283	\$2,147	\$16,430	\$14,137	
3 Carpathia	\$7,492	\$1,641	\$9,133	\$7,308	
4 CP Ukrainienne de Montreal	\$3,655	\$707	\$4,362	\$2,321	
5 North Winnipeg	\$1,738	\$416	\$2,154	\$1,839	
6 New Community	\$1,759	\$561	\$2,320	\$1,495	
Total	\$43,589	\$7,744	\$51,333	\$39,376	
Growth % Year over Year	0.5%	-3.2%	0.0%	2.4%	
Total 2015	\$43,352	\$7,998	\$51,350	\$38,447	
Growth % Year over Year	3.0%	25.8%	6.0%	6.8%	
Total 2014	\$42,088	\$6,358	\$48,446	\$35,993	
Growth % Year over Year	8.0%	3.5%	7.4%	6.5%	
Total 2013	\$38,974	\$6,144	\$45,118	\$33,783	
Growth % Year over Year	1.3%	6.2%	2.0%	4.1%	
Total 2012	\$38,456	\$5,787	\$44,243	\$32,463	
Growth % Year over Year	2.0%	-14.3%	-0.5%	1.9%	
Total 2011	\$37,710	\$6,751	\$44,461	\$31,862	
Growth % Year over Year	7.2%	5.7%	7.0%	5.7%	
Total 2010	\$35,180	\$6,386	\$41,566	\$30,136	
Growth % Year over Year	7.3%	6.3%	7.3%	6.8%	
Total 2009	\$32,781	\$6,006	\$38,737	\$28,213	
Growth % Year over Year	4.9%	-1.3%	3.8%	1.5%	
Total 2008	\$31,245	\$6,087	\$37,331	\$27,793	

Schedule 6		UKRAINIAN CREDIT UNIONS IN CANADA			
Operating results		as at December 31, 2016			
		As a % of Average Assets			
Name of credit union		Net Income before loan losses	Provision for Loan Losses	Income Taxes	Net Income*
1	Buduchnist	0.59%	0.03%	0.11%	0.45%
2	Ukrainian	0.32%	0.05%	0.05%	0.21%
3	Carpathia	0.41%	0.02%	0.05%	0.34%
4	CP Ukrainienne de Montreal	1.34%	0.03%	0.23%	1.08%
5	North Winnipeg	0.30%	-0.06%	0.04%	0.33%
6	New Community	0.95%	0.11%	0.15%	0.69%
	Total	0.52%	0.03%	0.09%	0.40%
2	Total 2015	0.59%	0.01%	0.09%	0.51%
3	Total 2014	0.61%	0.03%	0.05%	0.43%
4	Total 2013	0.59%	0.02%	0.08%	0.58%
5	Total 2012	0.67%	0.02%	0.08%	0.62%
6	Total 2011	0.75%	0.00%	0.12%	0.63%
7	Total 2010	0.75%	0.02%	0.11%	0.62%
8	Total 2009	0.73%	0.04%	0.12%	0.56%
9	Total 2008	0.70%	0.07%	0.10%	0.53%
10	Total 2007	0.77%	0.02%	0.15%	0.60%
	Average (10 yrs)	0.67%	0.03%	0.10%	0.55%

* Comprehensive net income

Schedule 6a Operating results		UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2016			
Name of credit union	Net Income Before loan losses (\$000s)	Provision for Loan Losses (\$000s)	Income Taxes (\$000s)	Net income* (\$000s)	
1 Buduchnist	\$4,659	\$237	893	\$3,529	
2 Ukrainian	\$2,293	\$357	382	\$1,554	
3 Carpathia	\$1,825	\$76	238	\$1,511	
4 CP Ukrainienne de Montreal	\$2,041	\$52	343	\$1,646	
5 North Winnipeg	\$314	(\$64)	41	\$338	
6 New Community	\$825	\$92	131	\$601	
Total	\$11,957	\$750	2,028	\$9,179	
Growth % Year over Year	-7.3%	166.2%	-1.2%	-16.5%	
Total 2015	\$12,903	\$282	\$2,052	\$10,996	
Growth % Year over Year	3.6%	-49.8%	7.2%	24.4%	
Total 2014	\$12,452	\$561	\$1,915	\$8,842	
Growth % Year over Year	9.9%	45.2%	24.9%	-20.5%	
Total 2013	\$11,335	\$387	\$1,532	\$11,121	
Growth % Year over Year	-1.1%	19.9%	7.6%	2.4%	
Total 2012	\$11,458	\$322	\$1,425	\$10,857	
Growth % Year over Year	-9.1%	-	-29.8%	2.5%	
Total 2011	\$12,599	(\$23)	\$2,029	\$10,593	
Growth % Year over Year	10.2%	-108.0%	21.9%	11.7%	
Total 2010	\$11,430	\$285	\$1,664	\$9,481	
Growth % Year over Year	8.1%	-55.9%	-5.3%	16.0%	
Total 2009	\$10,574	\$646	\$1,757	\$8,172	
Growth % Year over Year	10.9%	-32.7%	33.8%	12.5%	
Total 2008	\$9,539	\$960	\$1,313	\$7,266	
* comprehensive net income					

Schedule 7 Operating results		UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2016 As a % of Average Assets		
Name of credit union	Net Income*	Net Dividends & Patronage	Net Income	
1 Buduchnist	0.45%	0.03%	0.42%	
2 Ukrainian	0.11%	0.04%	0.06%	
3 Carpathia	0.34%	0.06%	0.28%	
4 CP Ukrainienne de Montreal	1.08%	0.15%	0.93%	
5 North Winnipeg	0.32%	0.01%	0.30%	
6 New Community	0.69%	0.00%	0.69%	
Total	0.36%	0.04%	0.32%	
Total 2015	0.49%	0.04%	0.44%	
Total 2014	0.43%	0.09%	0.34%	
Total 2013	0.58%	0.10%	0.48%	
Total 2012	0.62%	0.12%	0.50%	
Total 2011	0.63%	0.10%	0.54%	
Total 2010	0.62%	0.14%	0.54%	
Total 2009	0.56%	0.15%	0.45%	

Schedule 7a			
Operating results			
Name of credit union	Net Income*	Dividends & Patronage	Net Income
	(\$000s)	(\$000s)	(\$000s)
1 Buduchnist	3,528	198	3,330
2 Ukrainian	772	308	464
3 Carpathia	1,511	250	1,261
4 CP Ukrainienne de Montreal	1,646	224	1,422
5 North Winnipeg	329	15	314
6 New Community	601	0	601
Total	\$8,387	\$995	\$7,392
Growth % Year over Year	-21.4%	-43.4%	-17.1%
Total 2015	\$10,673	\$1,757	\$8,916
Growth % Year over Year	20.7%	-3.8%	27.1%
Total 2014	\$8,842	\$1,825	\$7,017
Growth % Year over Year	-20.5%	-6.8%	-23.4%
Total 2013	\$11,121	\$1,959	\$9,162
Growth % Year over Year	2.4%	-3.7%	3.9%
Total 2012	\$10,857	\$2,035	\$8,822
Growth % Year over Year	3.0%	21.5%	-0.5%
Total 2011	\$10,545	\$1,674	\$8,870
Growth % Year over Year	11.2%	-19.6%	7.7%
Total 2010	\$9,481	\$2,083	\$8,240
Growth % Year over Year	16.0%	-3.3%	26.1%
Total 2009	\$8,172	\$2,153	\$6,534
* comprehensive net income before distributions to members			

Schedule 8 Expense Analysis		UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2016				Productivity Expense Ratio (a)
		As a % of Average Assets				
Name of credit union	Personnel Expense	Occupancy Expense	Other Expenses	Total Operating Expenses		
1 Buduchnist	0.74%	0.11%	0.71%	1.56%	72.5%	
2 Ukrainian	1.10%	0.22%	0.62%	1.94%	86.0%	
3 Carpathia	0.82%	0.24%	0.58%	1.63%	80.0%	
4 CP Ukrainienne de Montreal	0.66%	0.00%	0.87%	1.52%	53.2%	
5 North Winnipeg	0.91%	0.27%	0.59%	1.77%	85.4%	
6 New Community	0.95%	0.09%	0.68%	1.72%	64.4%	
Total	0.88%	0.17%	0.66%	1.71%	76.7%	
2 Total 2015	0.91%	0.18%	0.68%	1.77%	74.9%	
3 Total 2014	0.90%	0.18%	0.68%	1.76%	74.3%	
4 Total 2013	0.92%	0.19%	0.66%	1.77%	74.9%	
5 Total 2012	0.95%	0.19%	0.69%	1.84%	73.4%	
6 Total 2011	0.98%	0.19%	0.73%	1.90%	71.7%	
7 Total 2010	0.98%	0.22%	0.78%	1.98%	72.5%	
8 Total 2009	0.97%	0.24%	0.74%	1.95%	72.7%	
9 Total 2008	1.03%	0.25%	0.75%	2.03%	74.4%	
10 Total 2007	1.05%	0.26%	0.80%	2.12%	73.4%	
Average (10 yrs)	0.96%	0.21%	0.72%	1.88%	73.9%	

New Disclosure Regulations – Restricted Party Transactions

Restricted Party Transactions

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

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

The restricted party loans to total loans ratio ranged from 0.57% (Carpathia CU) to a high of 1.39% (New Community located in Saskatoon). One credit union did not disclose the level of restricted loans in their statements. The average ratio for the 5 credit unions which disclosed the loans held by restricted parties was 0.77% of the total loans outstanding compare to 0.92% in the previous year. (See schedule below).

Schedule 9 Director & Employee Loans		UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2016			
Name of credit union	Location	Net Loans (000's)	Director & Employee Loans (000's)	As a % of Net Loans	
1	Buduchnist	Toronto	686,597	5,653	0.82%
2	Ukrainian	Toronto	628,574	5,228	0.83%
3	Carpathia	Winnipeg	392,480	3,842	0.98%
4	CP Ukrainienne de Montreal	Montreal	135,101	0	0.00%
5	North Winnipeg	Winnipeg	92,602	1,402	1.51%
6	New Community	Saskatoon	72,945	1,551	2.13%
Total			2,008,299	17,676	0.88%
Growth % Year over Year			5.0%	39.9%	
Total 2015			1,911,843	12,631	0.66%
Growth % Year over Year			4.7%	-3.8%	
Total 2014			1,825,603	13,134	0.72%
Growth % Year over Year			8.3%	-9.7%	
Total 2013			1,685,479	14,540	0.86%
Growth % Year over Year			6.4%	-3.2%	
Total 2012			1,584,698	15,022	0.78%
Growth % Year over Year			11.1%	5.8%	
Total 2011			1,426,081	14,201	0.97%
Growth % Year over Year			5.4%	-24.2%	
Total 2010			1,352,703	18,735	1.34%
Growth % Year over Year			9.4%	-16.8%	
Total 2009			1,236,135	22,516	1.76%
Growth % Year over Year			5.4%	-10.6%	
Total 2008			1,172,961	25,186	2.41%
Growth % Year over Year			7.9%	17.8%	
Total 2007			1,087,081	21,387	2.17%
Growth % Year over Year			6.1%	-6.8%	
Average (10 years)			5.9%	-1.7%	1.26%

New Disclosure Regulations - Expenses Related to Board of Directors**Expenses Related to Board of Directors**

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

- Total remuneration (fees & costs) paid to members of the board of directors ranged from \$9,300 to \$101,000.
- The average remuneration per director was \$5,021 per director in 2014 compared to \$4,579 per director in the previous year.

Schedule 10 Director Fees & Costs		UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2016			
Name of credit union	Operating Expenses (000's)	Directors Fees & Costs	Directors fees & costs/ Operating Expenses %	Number of Directors	Avg. Director fees & costs/ costs/ Director
1 Buduchnist	\$12,276	\$63,988	0.52%	7	\$9,141
2 Ukrainian	\$14,137	\$102,000	0.72%	12	\$8,500
3 Carpathia	\$7,308	\$82,646	1.13%	9	\$9,183
4 CP Ukrainienne de Montreal	\$2,321	\$0	0.00%	15	\$0
5 North Winnipeg	\$1,839	\$22,053	1.20%	9	\$2,450
6 New Community	\$1,495	\$10,625	0.71%	9	\$1,181
Total	\$39,376	\$281,312	0.71%	61	\$6,115
Growth % Year over Year	2.4%	-9.3%			-9.3%
Total 2015	\$38,447	\$310,187	0.81%	61	\$6,743
Growth % Year over Year	6.8%	4.7%			4.7%
Total 2014	\$35,993	\$296,291	0.82%	61	\$6,441
Growth % Year over Year	6.5%	6.1%			6.1%
Total 2013	\$33,783	\$279,344	0.83%	61	\$6,073
Growth % Year over Year	4.1%	28.4%			28.4%
Total 2012	\$32,463	\$217,623	0.67%	61	\$4,731
Growth % Year over Year	1.9%	-21.7%			-6.4%
Total 2011	\$31,862	\$278,024	0.87%	70	\$5,055
Growth % Year over Year	5.7%	21.1%			-18.5%
Total 2010	\$30,136	\$229,619	0.76%	52	\$6,206
Growth % Year over Year	6.8%	11.7%			38.9%
Total 2009	\$28,213	\$205,517	0.73%	61	\$4,468
Growth % Year over Year	1.5%	-19.9%			-2.5%
Total 2008	\$27,793	\$256,490	0.92%	71	\$4,580
Growth % Year over Year	2.3%	-7.4%			32.3%
Total 2007	\$27,156	\$277,017	1.02%	80	\$3,463
Growth % Year over Year	4.9%	8.1%			8.1%
Average (10 years)	3.7%	0.1%	0.81%		10.0%

Schedule 11						
UKRAINIAN CREDIT UNIONS IN CANADA						
Branch, Member & Employee averages						
Name of credit union	Branches	Deposits/ Branch (\$Mils)	Members	Assets/ Member	Number of Employees	Average Compensation /Employee
1 Buduchnist	9	\$72.1	21,940	\$36,704	101	\$57,071
2 Ukrainian	16	\$37.7	23,960	\$30,929	131	\$60,412
3 Carpathia	5	\$86.6	8,729	\$53,103	75	\$47,577
4 CP Ukrainienne de Montreal	1	\$116.9	3,492	\$45,235	13	\$77,077
5 North Winnipeg	2	\$49.6	3,375	\$31,652	14	\$66,178
6 New Community	1	\$81.7	2,277	\$39,133	11	\$74,174
Total	34	\$58.3	63,773	\$37,066	345	\$57,945
Growth % Year over Year	3.0%	0.9%	-1.2%	13.4%	14.6%	-10.1%
Total 2015	33	\$57.8	64,543	\$32,682	301	\$64,453
Growth % Year over Year	0.0%	5.4%	-0.5%	14.6%	-2.0%	7.8%
Total 2014	33	\$54.8	64,899	\$28,524	307	\$59,774
Growth % Year over Year	6.5%	-3.2%	0.6%	-0.6%	8.4%	-3.8%
Total 2013	31	\$56.6	64,540	\$28,683	283	\$62,131
Growth % Year over Year	6.9%	0.1%	-5.6%	5.9%	1.2%	3.6%
Total 2012	29	\$56.6	68,367	\$27,080	280	\$59,958
Growth % Year over Year	3.6%	11.8%	0.0%	8.0%	2.6%	0.0%
Total 2011	28	\$50.6	68,390	\$25,077	273	\$59,974
Growth % Year over Year	-9.7%	-10.0%	-2.3%	7.6%	2.6%	6.6%
Total 2010	31	\$56.2	70,035	\$23,310	266	\$56,283
Growth % Year over Year	3.3%	24.6%	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, 2016					
		2012	2013	2014	2015	2016	16/15
Name of credit union		Total	Total	Total	Total	Total	Growth
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	%
1 Buduchnist		\$1,681	\$1,252	\$1,719	\$2,353	\$1,731	-26.4%
2 Ukrainian		\$498	\$683	\$770	\$806	\$793	-1.6%
3 Carpathia		\$200	\$478	\$391	\$422	\$472	11.8%
4 CP Ukrainienne de Montreal		\$71	\$67	\$71	\$65	\$71	9.5%
5 North Winnipeg		\$56	\$47	\$14	\$14	\$18	22.3%
6 New Community		\$14	-	-	-	-	-
Total		\$2,520	\$2,527	\$2,965	\$3,660	\$3,084	-15.7%

Schedule 12a		UKRAINIAN CREDIT UNIONS IN CANADA				
		as at December 31, 2016				
Promotions, Donations & Advertising (PDA)		% operating expenses				
		PDA	Operating	PDA/	Net	PDA/
Name of credit union		Total	Expenses	Operating	Income*	Net
		(\$000)	(\$000)	Expenses	(\$000)	Income*
1 Buduchnist		\$1,731	\$12,276	14.10%	\$3,529	49.04%
2 Ukrainian		\$793	\$14,137	5.61%	\$1,554	51.03%
3 Carpathia		\$472	\$7,308	6.46%	\$1,511	31.22%
4 CP Ukrainienne de Montreal		\$71	\$2,321	3.06%	\$1,646	4.32%
5 North Winnipeg		\$18	\$1,839	0.96%	\$338	5.22%
6 New Community		\$0	\$1,495	\$0	\$601	\$0
Total		\$3,084	\$39,376	7.83%	\$9,179	33.60%

* net income before taxes, dividends and PDA

Schedule 13		UKRAINIAN CREDIT UNIONS IN CANADA					
Membership		as at December 31, 2016					
		2012	2013	2014	2015	2016	16/15
Name of credit union							Growth
							%
1 Buduchnist		20,938	21,705	21,997	22,377	21,940	-2.0%
2 Ukrainian		25,764	25,205	24,925	24,222	23,960	-1.1%
3 Carpathia		12,541	8,737	8,850	8,820	8,729	-1.0%
4 CP Ukrainienne de Montreal		3,600	3,370	3,530	3,457	3,492	1.0%
5 North Winnipeg		3,370	3,389	3,375	3,375	3,375	0.0%
6 New Community		2,154	2,134	2,222	2,292	2,277	-0.7%
Total		68,367	64,540	64,899	64,543	63,773	-1.2%

Brief Overview of the Ukrainian-Canadian Credit Unions

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

Buduchnist Credit Union is the largest Ukrainian credit union in Canada, 12th largest credit union in Ontario and 40th largest in Canada based on asset size.

	Buduchnist Credit Union
CEO:	Oksana Prociuk-Ciz
CFO:	Bohdan Cup
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 (from July 1, 2016) Tedosij Buyniak - Honorary Board Member Roman Medyk - Honorary Board Member (Chair to June 30, 2016) Bohdan Leshchysen - Vice Chair Orest Kostruba Oleh Romanyschyn Ihor Kozak Andrew Tarapacky Irene Hryniuk
<i>Source: Website</i>	

Report of the Chairman

As Buduchnist CU enters its 65th year in business, we are pleased to report another year of steady growth and solid earnings. Despite a challenging year in many respects in the financial landscape, the unique partnership of member owners, members of the board and staff that is a financial co-operative continues to make significant strategic strides forward and toward success.

PERFORMING

BCU assets reached \$805 million an increase in assets of \$40 million while BCU Wealth Management reached \$115 million. Together, overall BCU assets under administration reached \$920 million, a steady 5.1 % rate of growth for the year.

Our members borrowed \$165 million and, as a result, BCU's loan portfolio grew \$34 million from \$653 million to \$687 million. Likewise, our members invested with BCU, as deposits increased from \$628 million to \$649 million, demonstrating their commitment to and confidence in BCU.

In 2016, our net revenues remained steady at \$16.5 million. Total expenses increased by \$235,000 year over year, principally due to an increase in salary and computer hardware and software costs all of which related to our banking system upgrade scheduled for April 2017.

Net income for the year grew to \$3.3 million, an increase of over 10% from the prior year. Consequently, retained earnings increased from \$61.1 million to \$64.4 million resulting in a respectable regulatory capital ratio of 8.01%.

The record of financial performance we achieved in 2016 was the direct result of putting our members first. Our financial success, over nearly 65 years is proof of BCU's agility to assess business opportunities and change, and to leverage our experience to drive and implement new strategic initiatives.

HELPING

Guided by our members' generosity in the past, as it relates to support for the humanitarian needs in wartorn Eastern Ukraine, BCU directed \$200,000 in lieu of dividends to support the people of Ukraine.

REWARDING COMMITMENT

Once again, the BCU Patronage Plan distributed a portion of our Credit Union's earnings to our members in the form of dividends. Buduchnist CU paid a 4.5% dividend on Bonus Shares rewarding our members for their loyalty and commitment. To date, since 1998, the BCU Patronage Plan has returned \$11.2 million back to our members.

Michael Szepetyk
CHAIRMAN OF THE BOARD

Report of the CEO

BCU members continue to remain in solidarity with the Ukrainian people as they continue their fight for liberty and democracy and to preserve Ukraine's territorial integrity.

COMMUNITY BUILDING

Buduchnist CU continues to play a vital role in the growth and development of the Ukrainian community in Canada. Essentially every community project and member supported initiative in the community is sponsored by BCU. In addition, a significant contributor to community projects is BCU Foundation which provides support to strictly charitable causes or significant community projects which are at the heart of the community development.

In 2016, Buduchnist CU and BCU Foundation supported the community with significant contributions of \$1.7 million and nearly \$500,000 respectively for a total of \$2.2 million combined.

COMMITTING

Looking ahead to 2017, we will maintain our disciplined and balanced approach to capital investments, as we look forward to enhancing our members' banking experience. Our April 2017 banking system upgrade will allow BCU to enhance our product offerings, particularly in the sphere of digital banking services and in technology overall.

Equally important, we will continue to focus on investing in our human resources to ensure continuity in our leadership and the knowledge and skills required of our staff to meet the growing needs of our members and the challenges of our expanding business model.

THANKING

BCU members continue to be proud community leaders through community activism and engagement, and through their generosity and commitment to community needs and endeavours.

With each comment and referral, you express your confidence and support for our BCU community. To these members we simply say – Thank You. Thank you for putting your trust in us, and in our mutual endeavour, our Buduchnist. To our directors and committee members, we express our appreciation for your hard work, dedication and commitment and to the stewardship of BCU.

To our management and staff, we acknowledge your hard work and attention to the needs of our members, and your enthusiasm in BCU and in our common purpose. Together, we will continue to grow and prosper and to enrich our shared values and those of our community while seizing exciting new opportunities that will focus on Your Needs. For Life.

Oksana Prociuk Ciz
PRESIDENT & CEO

Ukrainian Credit Union is the second largest Ukrainian credit union in Canada, 13th largest credit union in Ontario and 41st largest in Canada based on asset size.

	Ukrainian Credit Union
CEO:	Taras Pidzamecky
CFO:	Marc Sirard
Head Office Address:	145 Evans Avenue, Suite 300 Toronto, Ontario M8Z 5X8
Telephone:	(416) 922-2797
Website:	www.ukrainiancu.com
Board of Directors:	Andre Sochaniwsky _ Chair Michael Shipowick - Honourary Director Jerry Pryshlak - 1st Vice-Chair Slawko Borys - 2nd Vice-Chair Walter Kish - Secretary Peter Szlichta Borden Osmak Olya Sheweli Robert Diakow Oleh Marianchuk Greg Adamowich Irena Fedchun Peter Malajczuk
<i>Source: Website</i>	

Executive Report

Dear Members,

We are pleased to report to you on the continued growth and positive results that your loyalty and patronage have been instrumental in achieving for Ukrainian Credit Union Limited in 2016. As in past years, the success of our financial cooperative in helping families and businesses throughout the communities and neighbourhoods we serve in Ontario went hand in hand with building community.

Financial & Strategic Highlights for 2016

Assets increased \$28.10 million (3.9%) to \$741.07 million; deposits grew \$15.49 million (2.6%) to \$605.79 million, while loans to members increased \$26.76 million (4.4%) to \$629.41 million. Net profit after taxes was \$1.52 million in 2016 (vs. \$2.16 million in 2015) reflecting a year where persistently low rates of interest and the added costs associated with our supplier-initiated banking system migration in 2015, were key factors in reducing earnings over the previous year.

Nonetheless, through prudent management of our balance sheet, and by increasing the proportion of revenues generated from non-interest revenues in 2016, we were able to accommodate modest asset

growth and maintain stable capitalization levels. These measures are part of our ongoing efforts to ensure the long-term soundness and prosperity of our credit union.

Regulatory capital grew to \$47.39 million (vs. \$46.52 million in 2015) resulting in stable capital ratios in relation to asset growth during the year. Our year-end leveraging ratio stood at 6.4% (vs. 6.5% in 2015), and our risk weighted capital ratio was 13.7% (vs. 13.8% in 2015), substantially exceeding minimum regulatory requirements.

The Credit Union received a total of 1,971 credit applications (vs. 1,320 in 2015) of which 1,282 were advanced, 542 were declined or cancelled, and 147 were pre-approved but not yet advanced by year-end. Loans advanced totaled \$181,090,606 (vs. \$171,720,886 in 2015) and were broken down

as follows:

Residential Mortgages	262	\$81,206,705
Personal Loans	563	\$ 8,168,405
Lines of Credit	299	\$35,494,845
Commercial Loans	158	\$56,220,651

While the credit union's actual loan losses for 2016 remained well below that of the sector overall, loan loss provisions were adjusted upward to \$1,130 thousand (vs. \$945 thousand in 2015) as a prudent measure to reflect the inherent risk of increased personal and commercial lending undertaken by the credit union as part of its strategy to diversify and strengthen interest revenue.

The aggregate annualized dividend paid on Class A Investment Shares was 3.75%, and at the end of December, 2016 the credit union's membership was 23,960. Summarized financial statements, and the reports of the Audit Committee that follow provide additional detail on your credit union's financial performance and regulatory compliance.

Innovation and product enhancements

Over the past year, our Board-led innovation strategy continued to drive the timely adaptation of UCU to rapidly evolving technologies and new financial service industry paradigms. Execution of this strategy is being accomplished both in partnership with Central 1 and through the credit union's own internal initiatives. Particular attention is being paid to attracting and meeting the needs of the millennial demographic and thereby helping secure a bright future for our credit union.

During the past year your credit union introduced or prepared the way for the following new service offerings and improvements:

- Mobile App Upgrade (February 2016): this release included new features to add and delete bill payees, import contacts from one's smart phone, and set up recurring transfers, with a redesigned account activity with multitasking capabilities
- Deposit Anywhere™ introduced to our mobile App (September 2016): allowing members to deposit cheques simply by scanning them using the mobile App on a smart phone
- Streamlined personal loan approvals
- Ground work was laid for Personal Financial Management via the Member Direct internet banking portal

Building community at home, remembering Ukraine

UCU is proud to build community through its extensive and wide-ranging support of worthwhile cultural, educational, recreational, religious and humanitarian causes as detailed on pages 10 – 12. Our giving extends well beyond the GTA to include several cities where UCU is the only Ukrainian financial

institution and an important part of the community's infrastructure. As Russia continued to wage its hybrid war of aggression against Ukraine, our credit union again stepped up with humanitarian assistance for that country's brave people, as well as to support the tireless efforts of the Ukrainian Canadian Congress and Ukrainian World Congress in keeping Canada and the world focused on supporting Ukraine's fight for peace and independence.

Among the events held in 2016, with the assistance of UCU, was the Ukrainian War Veteran's Association of Canada's Canadian Forces Appreciation Evening to honour the officers leading the now recently renewed Canadian military mission to train members of Ukraine's armed forces in Yavoriv, Ukraine.

Moreover we are proud of the UCU staff volunteers who continue to champion "UCU Helps Ukraine" by gathering member and community donations and making sure they make their way to the disabled veterans who defended Ukraine. To date UCU Helps Ukraine has collected over \$145,000 in such humanitarian assistance.

Regulatory environment & compliance

As a result of extensive consultation with the credit union system in which UCU played an active role over the past several years, the Ontario government is moving forward to amend the Credit Unions and Caisses Populaires Act to increase deposit insurance coverage from \$100,000 to \$250,000 and to broaden the business powers of credit unions to serve municipalities, syndicate loans with credit unions in other provinces, and to own insurance brokerages. While we welcome these important changes, at the same time our credit union has expressed concern that the Province's plans to consolidate the credit union regulator with other financial services regulators, will lead to a reduction of experienced regulators for our sector.

As a regulated financial institution, your credit union is subject to various provincial and federal compliance regimes. We are pleased to report that the on-site examination conducted by the Deposit Insurance Corporation of Ontario in November, 2016 to test the credit union's adherence to sound business practices in such areas as corporate governance and credit risk management, confirmed our high levels of compliance and continued qualification for the lowest level of risk-rated deposit insurance premiums.

Moving forward with commitment and your support

Your Board is fully engaged in not only providing oversight of management in its operation of the credit union, but in guiding our cooperative with strategies that are meant to keep UCU strong and relevant for many years to come. Directors rely on the leadership provided by all of our employees in their daily tasks to bring you, your families and your businesses, competitive and professionally-delivered financial services, and we are grateful for this commitment.

Some of these valued employees earned a well-deserved retirement in 2016, namely Windsor Branch Manager, Michael Kryworuchko, a 26 year veteran, and Vera Homonko, of our Bloor West Village Branch, who served UCU for 10 years. We are confident that you join us in wishing them many healthy and happy years of retirement. Please accept our sincere thanks for the confidence you have placed in Ukrainian Credit Union Limited and the business you have done with us over the past year. As always, we will continue to work hard to earn your loyalty and patronage and will be counting on your support to keep UCU a strong and successful financial cooperative in the months and years to come.

Co-operatively yours,

Andre Sochaniwsky, Chair of the Board
Taras Pidzamecky, Chief Executive Officer

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 61st largest credit union in Canada.

	Carpathia Credit Union
CEO:	Walter Dlugosh
CFO:	Roman Jaworsky
Head Office Address:	952 Main Street, 3rd Floor Winnipeg, Manitoba R2W 3P4
Telephone:	(204) 989-7400
Website:	www.carpathiacu.mb.ca
Board of Directors:	Roman Zubach - President Donna Korban _ Vice President Peter Washchysen - Secretary Ivan Bantias Don Clinsky Demyan Hyworon Noella Plypowuich Irka Semaniuk Susan Zuk
<i>Source: Website</i>	

President's Report

In 2016 our board maintained its focus on strong governance. The board participated with management in strategic planning. At this strategic planning session we evaluated the progress and results to date. Furthermore, this session provided an opportunity to make and include changes to the strategic plans that would impact the future success of Carpathia Credit Union in financial growth, branch location and service to our members.

In 2016 we welcomed Ivan Bantias as a new board member and the return of two board members; Noella Plypowuich and Peter Washchysyn. During the past number of years I have had the pleasure to see Carpathia Credit Union grow and adapt in a highly competitive financial services industry.

During this time, Carpathia Credit Union has maintained its mission as to who we are as a credit union while adapting to the changing needs of our members for technological solutions and sound financial advice. Therefore on behalf of Carpathia Credit Union Board of Directors I am pleased to report that 2016 was another strong financial year for the credit union.

In 2016 we were proud to welcome our members to our newest location in Transcona. This branch is ideally located to provide the financial services to our members and the community of Transcona. The board of directors and senior management are constantly exploring new options for new locations to better serve our members.

The rapid pace of changing technology within the financial services industry is forcing financial institutions to rethink how to deliver financial services. To achieve that end it is expected that in 2017 we will be offering to our members some new initiatives.

As a board we are once again delighted and proud of Carpathia's leadership role in the Ukrainian community and our contributions for 2016 exceeded \$130,000.

As the new year begins I would like to extend the board's gratitude to CEO Walter Dlugosh and his senior management team for their support and dedication. Another huge thank you must be given to our excellent staff for continuing to provide our members with unparalleled service.

The Board would like to thank the membership of Carpathia Credit Union for their strong ongoing support of our financial institution. As President of the board I was fortunate this past year to have the support and confidence of an extremely talented group of directors. Their insight and contribution at board meetings made my tenure as President a sincere pleasure and honour to be associated with this group of dedicated people.

Roman Zubach
President

Chief Executive Officer's Report

The growth rate of the credit union's assets this year returned to the five year average of 8%, going from \$432 million and reaching \$463 million by September 30th. The deposits of the credit union's members grew in total by over \$30 million, ending the year at \$436 million. Deposit growth for the year also returned to the five year average of 8%.

Loan growth during the 2016 year was limited to just 3% or \$12 million. The credit union's total commercial loans remained unchanged while the credit union's total consumer loans grew by \$12 million. As has been the case over the last number of years the consumer loan growth was strongest in residential mortgages. By the end of September the residential mortgage total now represents 53% of all total loans outstanding while the commercial mortgage total represents 35%.

Carpathia welcomed 337 new members and 185 new associates during 2016. In terms of the associate status, which was introduced in 2003, Carpathia Credit Union had 1,390 associates as at September 30, 2016. Associate loans outstanding as at September 30, 2016 comprised 26% of total loans outstanding (25% in 2015), while deposits held by associates represented 15% of total deposits payable (13% in 2015). Income earned from associates of the credit union was equal to 24% of the total income earned by the credit union in 2016. In 2015 total income earned from associates represented 21% of the total income earned by the credit union.

The credit union's operating income decreased by 33% over the previous year primarily due to the strong deposit growth, an increase in operating expenses, along with a reduction in other revenues. The loan growth experienced by the credit union limited the loan interest income earned during the year. Deposit growth on the other hand resulted in increasing the cost of funds by \$330,000. Total operating expenses for the year increased by 5%. This increase was related to higher Personnel, Administrative, Occupancy, and Members' security expenses.

An increase to the staff complement was related to the opening of the credit union's fifth branch along with an increase in staff training and education expenses accounts for the increase in Personnel expenses.

Administrative expense increases were due to additional expenditures in community support and donations, as well as costs to initiate an internal audit program during the year and expenses to conduct an Information Technology audit.

Occupancy expenses increased due to renovation expenses being incurred at the McPhillips and Henderson branches along with additional depreciation expenses as a result of last year's renovation to the Main Street building.

Members' security expenses increased entirely due to the insurance assessment on members' deposits. Of note Organizational expenses for the year were 21% less than last year. This reduction is attributed to the additional expenses incurred in 2015 marking the credit union's 75th anniversary.

Finally, the credit union's other revenue for the year experienced a decrease of 10% due a reduction in foreign exchange fees.

Based on the 2016 financial results the Board of Directors declared a patronage refund of \$250,000 which will be paid out entirely in early 2017. Carpathia Credit Union's Member Equity Plan has distributed to the membership a total of \$10.750 million in patronage awards since its inception. Unlike other credit unions Carpathia does not retain any portion of the annual patronage refund allowing the members to benefit directly by receiving the entire \$10.750 million.

This year's patronage refund represents a 14% return of the credit union's operating margin to members and equates to a bonus of 4 basis point interest on all deposit interest earned during the year along with a 4 basis point interest rebate on all loan interest paid during the year.

Highlighting the year the credit union undertook to expand its distribution network. On June 8th Carpathia's fifth branch located at 850 Regent Avenue was opened. On July 30th Carpathia's virtual bank Idealsavings.ca was launched as a deposit alternative provider to those who reside beyond the city of Winnipeg. Both of these initiatives are viewed as expanding the credit union's market and contributing to its future success. In 2017 our members can expect further investment in web based services that will allow them to deal with Carpathia anywhere at any time.

In conclusion, I would like to personally thank our members for their continued support and loyalty to our credit union over the last year, our Board of Directors for their support and guidance throughout the year, and our staff for their commitment and dedication in serving our members.

Walter Dlugosh
Chief Executive Officer

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

	CP Desjardins Ukrainienne de Montreal
CEO:	Yourko Kulyckyj
CFO:	
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 Anastasia Kyva - Secretary Myroslaw Balycky Garry W. Grosko Paul Harasymoycz Helen Holowka Orest Humenny Gregory Kowryha Martha Mayer Orest Mytko Yury Mytko Edmond Pasioka Igor Pryszlak George Sztyk Volodymyr Zhovtulya
	<i>Source: Annual Report</i>

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.

	North Winnipeg Credit Union
CEO:	Lisa Jaworsky
Head Office Address:	310 Leila Avenue Winnipeg, Manitoba R2V 1L8
Telephone:	(204) 954-7450
Website:	www.nwcu.mb.ca
Board of Directors:	Myron Pawlowsky - Chair Sophia Kachur - Vice Chair Ihor Gawrachynsky - Secretary Ruslan Bobelyak Orest Deneka Ostap Hawaleshka Olena Lyubashenko Maxim Paches Eugene Waskiw
Source: Website	

Report of the Board of Directors

I am very pleased to present the 2016 Report of the Board of Directors of North Winnipeg Credit Union. Our credit union continued its excellent financial performance in 2016, as assets leaped by almost \$6 million to \$106.8 million, while our net income remained a strong \$337,584.

The continued trust of our members allows us to reach these milestones. This patronage is greatly appreciated, and will never be taken for granted. The Board thanks our management and staff for their continued dedication. Their efforts help both our members, and the credit union, to thrive.

While, as a credit union, our financial results will always be important, we have additional priorities. In 2016, North Winnipeg Credit Union increased its community support to a total of \$14,926, \$2,700 of which was awarded as scholarships to high school and Ukrainian school students. We believe that by helping the community around us, we help our credit union to be successful.

I thank my fellow directors for the collective leadership they have provided to our credit union. They have focused on broader matters of strategy and policy, while allowing our management and staff to efficiently operate our institution. I am honoured to have been chosen to be their Chair.

One very significant event from early 2017 merits mention here. On February 3, 2017, Roman Hrabowych retired from his position as Chief Executive Officer of North Winnipeg Credit Union. We appreciate the firm and effective guidance he provided to our credit union, and wish him a very enjoyable retirement.

We were very fortunate that, after a Canada-wide search, we discovered that the best person to lead North Winnipeg Credit Union into the future was already on our payroll as Manager of Finance. We are confident that Lisa Jaworsky will keep our credit union on a successful path. I hope that members will take an early opportunity to meet with her.

Finally, our credit union is all about its members. We pride ourselves on the personal service that we give them, to help achieve their financial goals. The continued trust that our membership places in North Winnipeg Credit Union is greatly valued.

On behalf of the Board of Directors,

Myron Pawlowsky
Chairman of the Board

Chief Executive Officer's Report

North Winnipeg's success is a testament to the focused vision of our Board of Directors, day-to-day commitment of our staff and ongoing loyalty of our members. Together, we have forged a financially solid credit union that continues to grow and prosper. While there may be economic uncertainty in global markets, North Winnipeg Credit Union (NWCU) remains a steadfast financial services provider by focusing on building long-lasting relationships with our members.

Leadership Transition - I am very honoured to be selected by the Board to serve as Chief Executive Officer of NWCU. I am very excited for this opportunity and I look forward to stewarding our Credit Union's continued success. I look forward to continue to work with the Board of Directors, management and staff to ensure we strive to bring value to our members and communities.

Financial Strength - In our 73rd year of operations, our asset growth surpassed \$106.8 million; an increase of 5.9% year over year. Fueling this growth was an increase in member deposits of 6.0% or \$5.7 million; with our loan portfolio increasing 6.8% or \$5.9 million. Based on the 2016 financial results the Board of Directors declared a 4.30% cash dividend or \$16,853 on all common shares and a 10% cash payout or \$43,735 of all active surplus shares.

Service Delivery Change – As the financial services industry continues to change, NWCU recognizes its service model must also adapt to meet the changing needs and expectations of its members. On February 21, 2017 NWCU amalgamated its Henderson and Leila branches. Making changes to service delivery is very difficult and not something we take lightly. We need our services to be available beyond the physical branch locations for members who expect their banking to be mobile and on the move. In order to meet these needs we must continually invest in technology to deliver value to our members. These changes will help ensure our credit union is sustainable for future generations as we invest in the evolving nature of the financial service business. To enhance member experience, beginning February 21, 2017 the Leila branch is open six days a week.

Looking Forward - As we move into 2017, we will invest in our people to ensure we are ready to deliver financial services in a way that is aligned with consumer behavior and our vision and mission of being responsive wherever and whenever our members need us. This fall, I look forward to receiving your feedback from the member survey to gain a better understanding of your financial needs, which will help us to determine the products and services we will offer in the future.

Valuable Employees – Employees have always been a key asset for our credit union. I am very proud of our employees and I commend them for their continued hard work, commitment and dedication in serving our members.

Dedicated Leaders – Thank you to our dedicated Board of Directors for their support and guidance throughout the year.

Loyal Members - Thank you for your continued loyalty and support. Your greatest compliment to us is your referral of family and friends. We will continue to work hard to earn your business and look forward to working together with you to meet the important challenges of the future.

Lisa Jaworsky, CPA, CMA
Chief Executive Officer

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 six years. New Community is the sixth largest Ukrainian credit union in Canada.

	New Community Credit Union
GM:	Darren Doepker
Office Supervisor:	Cheryl Helmeczi
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<i>Source: Website</i>	

Chairperson's Report

On behalf of our Board of Directors, I am pleased to present the New Community Credit Union 2016 Annual Financial Report. Over the past year we have seen numerous changes on how we do our business.

This change has been driven by technology, compliance requirements set by our regulators and changes to the standards of sound business practice. Through all of this the Credit Union as in the past has enjoyed another successful year with growth in assets and increased net revenue. I congratulate the management and staff of the New Community Credit Union as it is through their dedication and hard work that enables the Credit Union to grow and be profitable.

Congratulations to the New Community Credit Union for 78 years of excellent service to our members and community.

I am honored to have served on the Board of New Community Credit Union, both as a member of the Board and Chairperson.

In closing, on behalf of our Board of Directors, management and staff of our credit union, we extend our sincere thanks to our members for their continued patronage and support. In working together, we assure our success into the future.

Roman Sywanyk
Chairperson of the Board

General Manager's Report

NCCU is an independent member owned Saskatchewan credit union. Current legislation enables NCCU to provide financial services to members and non-members. As of December 31, 2016 NCCU had 2277 members. This amount is down slightly from the 2292 members in 2015.

All members hold two \$5 shares, allowing them to participate in the democratic process. NCCU has held its office in the Riversdale Community our entire 78 year history, predominately providing services to Saskatoon and bordering communities. Service channels are in-branch, the ATM network, CU Connect, internet banking and some mobile banking. Although cost restraints sometimes limit NCCU from being on the leading edge of technology we are committed to listening to the needs of our membership. In 2016 we made a commitment to implement Mobile App. This will allow more convenient access to banking needs through your mobile device.

NCCU remains committed to providing a good balance between fiscal responsibility and providing the service expectations of all members.

Strategy

NCCU's Mission is "To be the premier provider of personalized financial services to a growing and diverse membership". A strategic initiative has always been to provide our members with an elite level of personal service.

Staff remained relatively stable in 2016. We did see the resignation of one Member Account Manager. This position was filled as a result of external recruitment, with limited disruption. NCCU remains committed to providing a premier level of personal service and commend our staff for continuing to embrace this member-first philosophy. We continue to be mindful of organizational expenses, while not jeopardizing our focus on the diverse needs of our membership. Maintaining relevance in the highly competitive and scrutinized financial services industry is a daily challenge; however, NCCU is committed to long term sustainability.

Success and sustainability continue to have an evolving definition. Escalating attention on Compliance, Capital Adequacy, Liquidity and Enterprise Risk Management continue to place pressure on balancing growth while remaining profitable, in order to increase Retained Earnings. NCCU is pleased to report strong financial performance in 2016. Once again we have the commitment of our loyal members to thank for this success. Maintaining these financial results with the low interest environment is going to be difficult. Low commodity prices have had an impact on our local economy and will continue to have an effect on our industry as a result of this slow down.

Credit Risk

NCCU's loan portfolio has traditionally been heavily weighted in residential mortgages. The last number of years the Board has assessed risk through a Risk Appetite Statement. Although comfortable with the

lack of diversity in a heavily concentrated residential portfolio, they recognized the strain that is placed on Interest Margin.

Over the past few years NCCU has placed considerable emphasis on a more diversified loan portfolio. Although this does expose our organization to increased risk, the expectation is it will also increase interest and noninterest revenue. This focus is the primary reason you will see a large increase in loan write-offs in 2016. Included in this amount written-off is an allowance of \$20,000. Although we saw the increase in loan write-offs and our delinquency has remained higher than we have seen in prior years; we did enjoy a 16.1% increase in net income. We also saw our Return on Assets increase to .67%, after tax.

Liquidity Risk

Liquidity is the capacity to generate or obtain sufficient cash in a timely manner at a reasonable price to meet commitments as they become due. High-quality liquid assets can be easily and immediately converted into cash at little or no loss of value.

Saskatchewan credit unions are required to maintain 10% of their deposits with SaskCentral. These statutory deposits support clearing and settlement within the national credit union system and are administered by SaskCentral.

Operating Liquidity is the availability of high quality liquid assets as a percentage of potential outflows. NCCU's more managed growth of deposits in 2016 resulted in our ability to move more of these deposits in loans as has been seen in prior years. 2016 also saw our regulator, Credit Union Deposit Guarantee Corporation implement new Liquidity Standards. These new standards will be effective January 2017.

Capital and Profitability Management

We are very pleased to report another successful year with net profit of \$601,298. This represents a 16.1% year-over-year increase. Good profitability results in a strong and healthy equity position. Increased regulatory requirements continue to place pressure on building reserves; as a result, the Board made the decision to move 100% of this year's profit into Retained Earnings. Equity is the difference between assets and liabilities which is the measure of ownership. Equity can be measured both as a percentage of assets or as a dollar amount.

We completed the 2016 year with \$6,543,036. Equity or Capital is the financial strength of a credit union. The level of capital held protects against anticipated and unexpected events. Credit Union Deposit Guarantee Corporation sets standards for the Credit Unions to follow. Although CUDGC sets minimum standards, they consider it prudent to maintain Capital levels which exceed regulatory minimums. One ratio measured is the Leverage Ratio. NCCU has a Leverage Ratio of 7.2% which exceeds the 5.0% regulatory minimum. The Board is pleased with the progress towards the self-imposed target of 7.5%.

Summary

With a 16.1% increase in net income NCCU has maintained good profitability. Continuing to look for additional revenue streams will be important moving forward. Board and management are committed to sound financial management. Part of this will be to pay close attention to balancing capital levels and maintaining a sustainable growth rate.

With escalating attention on capital, NCCU will continue to focus on building reserves for the foreseeable future. As a financial institution, the credit union is essentially in the business of taking on and managing risk on a number of fronts.

The Board of Directors and Executive Management are committed to balancing and managing the various risks of the organization to ensure strength and stability well into the future. We have stabilized the staffing nicely and feel we have the expertise combined with the financial industry experience to position NCCU for the future.

Management works closely with the credit union's Board of Directors to establish policies and procedures to effectively manage the various risks that the organization is exposed to. The Financial Services Industry is highly scrutinized and regulated. Regular audits; both internal and external, combined with ongoing monitoring performed by the Credit Union Deposit Guarantee Corporation (CUDGC) provides support to the risk management function of the credit union. Risk is managed on a regular basis with monthly meetings and regular and detailed reporting presented to NCCU's Board of Directors.

Darren Doepker
General Manager

Bohdan Leshchysen profile

Bohdan Leshchysen has been a member of Buduchnist Credit Union for over 60 years and was first elected to the Board of Directors in 1993. He presently serves as Vice-Chairman and sits on the following committees: Executive Committee, Audit Committee, Human Resources Committee and Investment Committee (Chairman).

In addition to his board work at Buduchnist Credit Union, Mr. Leshchysen has the following community service experience. He was the Executive Producer of Forum TV Omni Community TV program from August 2012 to April 2017 and Chairman of BCU Foundation from July 2010 to April 2017. He has been member of the Ukrainian Youth Association of Canada and League of Ukrainian Canadians for over 50 years. He sits on the Board of Directors of the National Executive of the League of Ukrainian Canadians, Desna Foundation, Ukrainian Research Institute, Ukrainian Youth Association Charitable Trust and Canada Ukraine Chamber of Commerce.

Bohdan Leshchysen's business career has spanned more than 40 years with particular emphasis on the financial services sector.

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) and credit lending positions with the Canadian Imperial Bank of Commerce.

He has had 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.

More recently, in December 2007 he was appointed Director of Corporate Development with CHF Investor Relations and in April 2011, he was appointed Vice President, Corporate Development & Investor Relations for Century Iron Mines Corporation. He served as President and CEO of Old Mill Toronto for a one year term ending July 2016. Old Mill Toronto has a 250 seat restaurant, 16 banquet halls that host wedding receptions and corporate events and 57 room hotel with a spa.

He is now semi-retired working on a project basis for a number of clients and servicing as a director of a number of publicly listed companies.

Bohdan Leshchysen's credit union related public and private directorships included the following: Director of Selient Inc., a public company providing lending software to credit unions in Canada (2003-2007); 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 (2006-2009).

He has a Bachelor of Arts Degree from the University of Toronto and an Master of Business Administration 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**