

# UKRAINIAN-CANADIAN CREDIT UNIONS 2019 FINANCIAL RESULTS

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**COUNCIL OF UKRAINIAN CREDIT UNIONS OF CANADA**  
**УКРАЇНСЬКА КООПЕРАТИВНА РАДА КАНАДИ**  
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This report was commissioned and funded by the *Council of Ukrainian Credit Unions of Canada* (CUCUC), a not-for-profit trade association formed and managed by its Canadian provincial credit union members to promote the collective interests of ethno-Ukrainian Canadian credit unions operating in Canada. CUCUC's members currently have operations in Ontario, Quebec, Manitoba, and Saskatchewan.

## Analysis of Financial Results

The financial results of Ukrainian-Canadian credit unions over the last five years has shown consistent profitability, but at a lower level of profitability in 2018 and 2019 primarily due to significantly higher level of allowance for loan losses. The net income before loan losses remained stable in excess of \$15.0 million (See Schedule 6a).

Asset quality as measured by allowance as a percent of loans and loan loss provision has increased again to 0.56% of total loans in 2019 compared to 0.43% in the previous year. 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. BCU Financial (Buduchnist) and Carpathia Credit Union (Carpathia) have disclosed their insured mortgage lending amounts. Their combined exposure to insured mortgages represents 33.0% of their residential mortgage portfolio in 2019 compared to 28.3% in the previous year.

Capital to assets ratio has been declining for the last 5 years from a high of 7.26% and is now at 6.93%. The return on assets and the return of equity decreased in 2019 compared to 2018. The membership has continued to decrease over the last 5 years and now totalled 65,426 and is far from the record level of 72,280, which was achieved in 2007. Declines in membership numbers experienced by some of the credit unions was due to the closing of dormant accounts of members who had passed away in previous years.

The members of the Ukrainian-Canadian credit unions have continued to financially benefit by receiving significant dividends and patronage payments, which totalled \$785,000 in 2019 compared to \$778,000 in 2018. Although, the amount each has decreased, over the last five years a total of \$4.8 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. The support for the Ukrainian community has average about \$2.2 million in the last 3 years compared over \$3.3 million in the previous three years.

In 2019, the five Ukrainian-Canadian credit unions have provided \$2.0 million in donations, sponsorship and promotion support for many charitable and non-profit organizations in the Ukrainian community in Canada. This represents an increase of 7.5% from the previous year.

**Contributions by credit unions to the community and to its members.** Over the last eleven years, a total of \$29.0 million has been provided by way of donations, sponsorship and promotion funds to the Ukrainian community in Canada. This represents 7.2% of the operating expenses of those credit unions. By comparison, the domestic chartered banks in Canada provided by way of advertising, public relations and business development expenses approximately 3.7% of their operating expenses.

The Ukrainian-Canadian credit unions returned \$16.4 million to its members over the last eleven years by way of dividends and patronage payments; this represents 15.9% of their net income.

**Carpathia Credit Union and North Winnipeg Credit Union merged.** Carpathia Credit Union members voted on April 19, 2019 and joined North Winnipeg members in approving the proposal to amalgamate the two credit unions. The amalgamation took effect on July 1, 2019 and created a credit union with \$620 million in assets, six branches, 11,450 members and 87 employees.

**Performance.** Return on equity was 3.9% compared to 4.9% in 2018. Ukrainian-Canadian credit unions assets grew by 4.3% in 2018 compare to record growth of 4.6% in 2018. *In 2019, the largest credit unions in Canada saw their assets grow by 6.4% compared to 8.5% in 2018.* Ukrainian-Canadian credit unions' total deposits grew by 5.0% compared to a growth of 3.3% in the previous year. In this low interest rate environment, Registered Plans (RRSP and RRIF deposits) increased the most by 8.2% compared to 5.2% in the previous year, while term deposits increased by 4.6% and demand deposits increased by 3.5%.

The Ukrainian-Canadian credit unions' net comprehensive income before dividend and patronage payments decreased by 18.7% to \$7.2 million from \$8.8 million, primarily due to a change in the comprehensive income adjustment. (See Schedule 6a). The net income before this adjustment was \$9.2 million compared to 7.6 million and increase of 20.2%.

The operating expense ratio increased to 1.81% compared to 1.67% in the previous year. Ukrainian-Canadian credit unions' operating ratio is much lower than the operating expense ratio of the *largest credit unions in Canada, which had a ratio of 1.93%*. This means that the Ukrainian-Canadian credit unions are low cost providers of financial services. The Ukrainian-Canadian credit unions paid 13.5% of their net income to their members by way of a dividend or a patronage refund totalling \$785,000 compared to \$778,000 in the previous year. These patronage dividends helped to increase the capital of the credit unions by 7.6% to \$189.8 million representing 6.93% of the assets. The ratio of capital to assets has been decreasing over the last six years.

The return on assets (ROA) increased to 0.27% compared to 0.34% in 2018, which was below the *largest credit unions in Canada average ROA of 0.49%*.

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 12.3% of total net operating revenue. *Other income represented 23.6% 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.** Asset quality has begun to deteriorate in 2018, but improved in 2019. The loan loss provision as a % of average assets was at 0.16% of loans compared to 0.26% in 2018. However, the allowance for loan losses increased to 0.54% of total loans compared to 0.43% in the previous year.

**Loan portfolio.** The Ukrainian-Canadian credit unions have a larger concentration in lower risk residential mortgage lending which represents 67.4% of the loan portfolio. The residential loan portfolio grew by 17.4% in 2019 compared to 6.6% in the previous year. *Residential mortgage portfolio of the largest credit unions in Canada represented 59.6% of the total loan portfolio and saw their residential mortgages grow by 4.6%.*

The commercial mortgage loans represented 28.4% of the total loan portfolio. The commercial mortgage loans declined by 0.3% compared to 4.4% 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 28.5% of the total loan portfolio and saw their commercial loans grow by 10.0%.*

Consumer (personal) loans only represented 3.6% of the total loan portfolio and saw an increase of 3.6% in 2019 compared to an increase of 12.4% in the previous year. *Consumer loan portfolio of the largest credit unions in Canada represented 6.6% of the total loan portfolio and saw their personal loans decline by 3.0%.*

Business loans and leases only represented 0.7% of the total loan portfolio and saw a decrease of 38.5% in 2019 compared to a decrease of 26.7% in the previous year. *Business loans and leases loan portfolio of the largest credit unions in Canada represented 2.2% of the total loan portfolio and saw their business loans decline by 2.1%.*

### Comparison of 2019 and 2018 Loan Portfolios

<b>Net Loans</b>	<b>2019</b>	<b>2018</b>	<b>Growth %</b>
Ukrainian	820,624	753,068	9.0%
Buduchnist	782,625	764,562	2.4%
Carpathia	529,930	451,948	17.3%
CP Ukrainienne de Montreal	171,052	152,635	12.1%
New Community	95,266	87,882	8.4%
	<b>2,399,496</b>	<b>2,210,095</b>	<b>8.6%</b>

<b>Residential Mortgages</b>	<b>2019</b>	<b>2018</b>	<b>Growth %</b>
Ukrainian	523,498	479,323	9.2%
Buduchnist	534,884	511,773	4.5%
Carpathia	353,307	272,251	29.8%
CP Ukrainienne de Montreal	137,184	64,958	111.2%
New Community	76,602	70,827	8.2%
	<b>1,625,475</b>	<b>1,399,132</b>	<b>16.2%</b>

<b>Commercial Mortgages</b>	<b>2019</b>	<b>2018</b>	<b>Growth %</b>
Ukrainian	262,670	244,517	7.4%
Buduchnist	247,859	248,796	-0.4%
Carpathia	140,353	143,498	-2.2%
CP Ukrainienne de Montreal	30,032	63,353	-52.6%
New Community	4,591	3,850	19.2%
	<b>685,505</b>	<b>704,014</b>	<b>-2.6%</b>

<b>Consumer Loans</b>	<b>2019</b>	<b>2018</b>	<b>Growth %</b>
Ukrainian	36,088	30,871	16.9%
Buduchnist	7,304	9,626	-24.1%
Carpathia	25,524	22,138	15.3%
CP Ukrainienne de Montreal	3,957	24,427	-83.8%
New Community	13,449	13,050	3.1%
	<b>86,322</b>	<b>100,112</b>	<b>-13.8%</b>

**Growth of membership.** Membership has increased by 4.0% to 62,146. Carpathia Credit Union saw their membership numbers increase by 17.1% due to the merger with North Winnipeg Credit Union.

Comparison of Membership Growth				
Name of credit union	Members 2019	Members 2018	Growth %	Growth #
1 Ukrainian	24,697	23,925	3.2%	772
2 Buduchnist	20,012	20,427	-2.0%	(415)
3 Carpathia	10,136	8,656	17.1%	1,480
4 CP Ukrainienne de Montreal	4,121	3,667	12.4%	454
5 New Community	2,280	2,221	2.7%	59
<b>Total</b>	<b>61,246</b>	<b>58,896</b>	<b>4.0%</b>	<b>2,350</b>

**Asset Growth.** Ukrainian-Canadian credit unions assets grew by 4.9% in 2019. *The largest credit unions in Canada grew by 6.4% in 2019 compared to 8.5% in previous year.* Carpathia Credit Union had the largest asset growth of 23.7% due to the merger with North Winnipeg Credit Union, followed by Caisse Populaire Ukrainienne de Montreal with growth of 12.6%.

Comparison of Asset Growth				
	Assets 2019 (\$mils)	Assets 2018 (\$mils)	Growth %	Growth \$
1 Ukrainian	\$922.8	\$859.6	7.4%	\$63.3
2 Buduchnist	\$885.0	\$855.4	3.4%	\$29.5
3 Carpathia	\$619.3	\$500.8	23.7%	\$118.5
4 CP Ukrainienne de Montreal	\$194.8	\$173.1	12.6%	\$21.8
5 New Community	\$115.7	\$105.9	9.3%	\$9.8
<b>Total</b>	<b>\$2,737.6</b>	<b>\$2,609.2</b>	<b>4.9%</b>	<b>\$128.5</b>

**Deposit growth.** Credit union 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. However, deposits increased by 10.4% in 2019 compared to growth of 3.3% in previous year. *The largest credit unions in Canada grew 5.5% in 2019 compared to 5.1% in previous year.* Ukrainian Credit Union Limited had the largest deposit growth of 9.5%, followed by New Community Credit Union with a growth rate of 8.9%. Due the merger with North Winnipeg Credit Union, Carpathia Credit Union saw growth of 23.3%.

Comparison of Deposit Growth				
	Deposits 2019 (\$mils)	Deposits 2018 (\$mils)	Growth %	Growth \$
1 Ukrainian	\$743.7	\$679.1	9.5%	\$64.6
2 Buduchnist	\$699.3	\$675.6	3.5%	\$23.8
3 Carpathia	\$581.1	\$471.4	23.3%	\$109.7
4 CP Ukrainienne de Montreal	\$119.9	\$114.4	4.8%	\$5.5
5 New Community	\$105.0	\$96.3	8.9%	\$8.6
<b>Total</b>	<b>\$2,249.1</b>	<b>\$2,036.8</b>	<b>10.4%</b>	<b>\$212.2</b>

**Net Interest Margin** - Net interest margin increased to 2.10% compared to 2.01% in the previous year. New Community Credit Union had the highest net interest margin of 2.55%. *The largest credit unions in Canada had a net interest margin of 2.12% in 2019 compared to 2.09% in the previous year.*

Net Interest Margin Comparison			
Name of credit union	2019	2018	Change %
Ukrainian	2.22%	2.24%	-0.02%
Buduchnist	1.97%	1.91%	0.06%
Carpathia	1.95%	1.68%	0.28%
CP Ukrainienne de Montreal	2.39%	2.24%	0.15%
New Community	2.37%	2.55%	-0.18%
	<b>2.10%</b>	<b>2.01%</b>	<b>0.09%</b>

**Operating Costs** – Ukrainian-Canadian credit unions have an operating cost structure that is quite competitive. The operating expense ratio decreased slightly to 1.67% in 2018 compared to 1.68% in the previous year, which is *quite favourable compared to the largest credit unions in Canada. The largest credit unions in Canada increased their operating expense ratio to 2.08% from 2.01% in the previous year.*

Operating Expense Ratio Comparison			
Name of credit union	2019	2018	Change %
Ukrainian	2.01%	1.96%	0.05%
Buduchnist	1.61%	1.50%	0.11%
Carpathia	1.99%	1.58%	0.41%
CP Ukrainienne de Montreal	1.41%	1.39%	0.01%
New Community	1.61%	1.62%	-0.01%
	<b>1.81%</b>	<b>1.67%</b>	<b>0.14%</b>

The operating expense to revenue (productivity ratio) increased to 75.7% in 2019 from 72.7% 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 74.8% in 2019 compared to 73.9% in the previous year.*

Productivity Expense Ratio Comparison			
Name of credit union	2019	2018	Change %
Ukrainian	81.1%	79.4%	1.6%
Buduchnist	73.2%	69.7%	3.5%
Carpathia	85.3%	78.7%	6.6%
CP Ukrainienne de Montreal	50.4%	52.6%	-2.2%
New Community	55.3%	51.2%	4.0%
	<b>75.7%</b>	<b>72.7%</b>	<b>3.0%</b>



**Capitalization** – The average capital ratio decreased to 6.93% from 7.34% in the previous year. This compares very favourably to *the largest credit unions in Canada which had a capital ratio of 7.10% in 2019 compared to 7.03% in the previous year.*

The best capitalized credit union was Caisse Populaire Ukrainienne de Montreal with a capital ratio of 12.92%, the next best capitalized credit union was New Community Credit Union with a capital ratio 8.28% followed by Buduchnist Credit Union Limited (BCU Financial) with 7.90% capital ratio.

Capitalization Comparison				
Name of credit union	Capital (\$000's)	%	Capital (\$000's)	%
	2019	Assets	2018	Assets
Ukrainian	\$52,609	5.70%	\$51,267	5.96%
Buduchnist	\$69,915	7.90%	\$67,644	7.91%
Carpathia	\$32,508	5.25%	\$25,611	5.11%
CP Ukrainienne de Montreal	\$25,173	12.92%	\$23,373	13.51%
New Community	\$9,581	8.28%	\$8,528	8.05%
	<b>\$189,787</b>	<b>6.93%</b>	<b>\$183,016</b>	<b>7.34%</b>

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 unions' total risk adjusted capital ratio increased to 14.00% compared to 13.83% in the previous year. *The Ukrainian-Canadian credit unions' risk adjusted capital ratio now is less than the largest credit unions in Canada's ratio of 14.07% compared to 14.00% in the previous year.*

Risk Adjusted Capitalization Comparison				
Name of credit union	Risk Adjusted Capital 2019 (\$000's)	Total Ratio %	Risk Adjusted Capital 2018 (\$000's)	Total Ratio %
Buduchnist	\$53,988	11.39%	\$68,713	15.20%
Ukrainian	\$70,782	15.60%	\$52,508	12.04%
Carpathia	\$32,791	11.80%	\$25,792	9.80%
CP Ukrainienne de Montreal	\$23,373	26.65%	\$23,373	21.67%
New Community	\$9,631	14.19%	\$8,574	13.83%
	<b>\$190,566</b>	<b>14.00%</b>	<b>\$178,960</b>	<b>13.83%</b>



## Five Year Results of Ukrainian-Canadian Credit Unions in Canada

Ukrainian Credit Unions in Canada						5 yr Avg.
	2015	2016	2017	2018	2019	
Number of Credit Unions	6	6	6	6	5	
Members	64,543	63,773	62,478	62,146	61,246	
Growth rate %	-0.5%	-1.2%	-2.0%	-0.5%	-1.4%	-1.2%
Assets (\$Mils)	\$2,242	\$2,364	\$2,495	\$2,609	\$2,738	
Growth rate %	6.3%	5.4%	5.5%	4.6%	4.9%	5.4%
Assets per member	\$34,736	\$37,066	\$39,933	\$41,984	\$44,699	
Growth rate %	6.9%	6.7%	7.7%	5.1%	6.5%	6.6%
Total Loans (\$Mils)	\$1,914	\$2,011	\$2,188	\$2,307	\$2,399	
Growth rate %	4.8%	5.0%	8.8%	5.4%	4.0%	5.6%
Allowance % loans	0.12%	0.12%	0.13%	0.43%	0.56%	0.27%
Residential mortgages (\$mils)	\$1,194	\$1,238	\$1,384	\$1,475	\$1,625	
Growth rate %	5.4%	3.8%	11.8%	6.6%	10.2%	7.5%
Commercial mortgages (\$mils)	596	656	687	718	686	
Growth rate %	2.8%	10.0%	4.7%	4.4%	-4.5%	3.5%
Personal loans (\$mils)	83	89	93	105	86	
Growth rate %	-1.9%	7.1%	5.4%	12.4%	-17.9%	1.0%
Total Deposits (\$mils)	\$1,907	\$1,983	\$2,075	\$2,143	\$2,249	
Growth rate %	5.4%	4.0%	4.7%	3.3%	5.0%	4.5%
Demand deposits (\$mils)	664	716	774	817	845	
Growth rate %	10.8%	7.7%	8.2%	5.5%	3.5%	7.1%
Term deposits (\$mils)	852	846	869	871	912	
Growth rate %	0.4%	-0.6%	2.7%	0.3%	4.6%	1.5%
Registered deposits (\$mils)	391	421	432	455	492	
Growth rate %	8.2%	7.7%	2.8%	5.2%	8.2%	6.4%

## Five Year Results of Ukrainian-Canadian Credit Unions in Canada

Ukrainian Credit Unions in Canada						5 yr Avg.
	2015	2016	2017	2018	2019	
<b>Equity and Shares (\$mils)</b>	\$162.7	\$170.3	\$170.6	\$184.0	\$180.8	
<b>Growth %</b>	5.7%	4.7%	5.4%	2.5%	3.1%	<b>4.3%</b>
<b>Capital % assets</b>	7.26%	7.21%	7.20%	7.05%	6.93%	<b>7.13%</b>
<b>Promotions, Donations &amp; Advertising (\$Mils)</b>	\$3,238	\$3,084	\$2,627	\$1,835	\$1,941	
<b>Growth rate %</b>	9.2%	-4.8%	-14.8%	-30.2%	5.8%	<b>-6.9%</b>
<b>As a % total operating expenses</b>	8.42%	7.83%	6.44%	4.31%	4.10%	<b>6.22%</b>
<b>Net Income (\$Mils)</b>	\$11.0	\$8.4	\$7.3	\$8.8	\$0.2	
<b>Growth rate %</b>	24.4%	-23.7%	-13.3%	21.0%	4.3%	<b>2.5%</b>
<b>Return on assets</b>	0.51%	0.36%	0.30%	0.34%	0.35%	<b>0.37%</b>
<b>Return on Equity</b>	6.9%	5.0%	4.2%	4.9%	5.0%	<b>5.2%</b>
<b>Net interest margin % avg. assets</b>	1.99%	1.89%	1.93%	2.01%	2.10%	<b>1.99%</b>
<b>Other Income % avg. assets</b>	0.37%	0.34%	0.37%	0.28%	0.29%	<b>0.33%</b>
<b>Gross Income % avg. assets</b>	2.36%	2.23%	2.30%	2.29%	2.39%	<b>2.32%</b>
<b>Operating expense % avg. assets</b>	1.77%	1.71%	1.68%	1.67%	1.81%	<b>1.73%</b>
<b>Loan loss ratio % avg. assets</b>	0.01%	0.03%	0.09%	0.26%	0.16%	<b>0.11%</b>
<b>Other income % total income</b>	15.6%	15.1%	16.0%	12.3%	12.3%	<b>14.3%</b>
<b>Number of employees</b>	301	345	355	312	311	
<b>Salary expenses (\$mils)</b>	19.7	20.3	21.3	22.5	24.0	
<b>Average salary per employee</b>	\$65,484	\$58,760	\$60,140	\$72,119	\$77,387	<b>\$66,778</b>
<b>Productivity ratio</b>	74.9%	76.7%	72.9%	72.7%	75.7%	<b>74.6%</b>
<b>Dividends/Patronage paid (\$Mils)</b>	\$1,396	\$1,080	\$0.813	\$0.778	\$0.785	
<b>% return to members</b>	12.7%	12.9%	11.2%	8.8%	8.6%	<b>10.8%</b>

<b>Schedule 1</b> <b>Asset Growth</b> <b>UKRAINIAN CREDIT UNIONS IN CANADA</b> <b>as at December 31, 2019</b>						
<b>Name of credit union</b>	<b>Members</b>	<b>Assets (\$Mils)</b>	<b>Growth %</b>	<b>Net Income * (\$000's)</b>	<b>Return on Assets %</b>	<b>Return on Equity %</b>
1 Ukrainian	24,697	\$923	7.4%	\$1,105	0.12%	2.1%
2 Buduchnist	20,012	\$885	3.4%	\$2,590	0.30%	3.8%
3 Carpathia	10,136	\$619	23.7%	\$303	0.05%	1.0%
4 CP Ukrainienne de Montreal	4,121	\$195	6.3%	\$2,101	1.14%	8.7%
5 New Community	2,280	\$116	9.3%	\$1,054	0.95%	11.6%
<b>Total</b>	<b>61,246</b>	<b>\$2,738</b>	<b>4.3%</b>	<b>\$7,153</b>	<b>0.27%</b>	<b>3.9%</b>
<b>Total 2018</b>	<b>61,646</b>	<b>\$2,609</b>	<b>4.6%</b>	<b>\$8,799</b>	<b>0.34%</b>	<b>4.9%</b>
<b>Total 2017</b>	<b>62,978</b>	<b>\$2,495</b>	<b>5.5%</b>	<b>\$8,810</b>	<b>0.36%</b>	<b>5.1%</b>
<b>Total 2016</b>	<b>63,773</b>	<b>\$2,364</b>	<b>5.4%</b>	<b>\$8,387</b>	<b>0.36%</b>	<b>5.0%</b>
<b>Total 2015</b>	<b>64,543</b>	<b>\$2,242</b>	<b>6.3%</b>	<b>\$10,996</b>	<b>0.51%</b>	<b>6.9%</b>
<b>Total 2014</b>	<b>64,899</b>	<b>\$2,109</b>	<b>6.9%</b>	<b>\$8,842</b>	<b>0.45%</b>	<b>6.0%</b>

\* Net income is defined as comprehensive net income before dividends and patronage payments.

<b>Schedule 2</b> <b>Capitalization</b> <b>UKRAINIAN CREDIT UNIONS IN CANADA</b> <b>as at December 31, 2019</b>					
<b>Name of credit union</b>	<b>Capital (\$000's)</b>	<b>% Assets</b>	<b>Growth in Capital %</b>	<b>Dividends &amp; Patronage (\$000's)</b>	<b>Return to Members %</b>
1 Ukrainian	\$52,609	5.70%	2.6%	\$331	30.0%
2 Buduchnist	\$69,915	7.90%	3.4%	\$197	7.6%
3 Carpathia	\$32,508	5.25%	26.9%	-	-
4 CP Ukrainienne de Montreal	\$25,173	12.92%	7.7%	\$257	12.2%
5 New Community	\$9,581	8.28%	12.4%	-	-
<b>Total</b>	<b>\$189,787</b>	<b>6.93%</b>	<b>7.6%</b>	<b>\$785</b>	<b>13.5%</b>
<b>Total 2018</b>	<b>\$183,016</b>	<b>7.01%</b>	<b>3.5%</b>	<b>\$778</b>	<b>9.5%</b>
<b>Total 2017</b>	<b>\$178,009</b>	<b>7.13%</b>	<b>4.5%</b>	<b>\$813</b>	<b>12.8%</b>
<b>Total 2016</b>	<b>\$170,314</b>	<b>7.21%</b>	<b>4.5%</b>	<b>\$1,080</b>	<b>13.9%</b>
<b>Total 2015</b>	<b>\$162,702</b>	<b>7.26%</b>	<b>5.7%</b>	<b>\$1,396</b>	<b>13.3%</b>
<b>Total 2014</b>	<b>\$153,946</b>	<b>7.30%</b>	<b>4.9%</b>	<b>\$1,825</b>	<b>21.8%</b>

Schedule 2a Risk Adjusted Capitalization (Basel)		UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2018					
		Tier I Risk Adjusted Capital (\$000's)	Tier II Risk Adjusted Capital (\$000's)	Total Risk Adjusted Capital (\$000's)	Risk Adjusted Ratios		
2019	Name of credit union				Tier I Ratio	Tier II Ratio	Total Ratio
	Buduchnist	\$51,777	\$2,211	\$53,988	10.92%	0.47%	11.39%
	Ukrainian	\$66,178	\$4,605	\$70,782	14.59%	1.01%	15.60%
	Carpathia	\$32,791	\$0	\$32,791	11.80%	0.00%	11.80%
	CP Ukrainienne de Montreal	\$23,373	\$0	\$23,373	26.65%	0.00%	26.65%
	New Community	\$9,559	\$72	\$9,631	14.08%	0.11%	14.19%
	<b>Total</b>	<b>\$183,678</b>	<b>\$6,888</b>	<b>\$190,566</b>	<b>13.49%</b>	<b>0.51%</b>	<b>14.00%</b>
	<b>Growth rate %</b>	<b>2.2%</b>	<b>19.0%</b>	<b>2.7%</b>			
2018							
1	Buduchnist	\$64,054	\$4,659	\$68,713	14.17%	1.03%	15.20%
2	Ukrainian	\$51,453	\$1,055	\$52,508	11.80%	0.24%	12.04%
3	Carpathia	\$25,792	\$0	\$25,792	9.80%	0.00%	9.80%
4	CP Ukrainienne de Montreal	\$23,373	\$0	\$23,373	21.67%	0.00%	21.67%
5	North Winnipeg	\$6,593	\$0	\$6,593	16.42%	0.00%	16.96%
6	New Community	\$8,502	\$72	\$8,574	13.71%	0.12%	13.83%
	<b>Total</b>	<b>\$179,767</b>	<b>\$5,787</b>	<b>\$185,553</b>	<b>13.20%</b>	<b>0.43%</b>	<b>13.83%</b>
	<b>Growth rate %</b>	<b>3.8%</b>	<b>2.2%</b>	<b>3.7%</b>			
2017							
1	Buduchnist	\$63,902	\$3,598	\$67,499	14.44%	0.81%	15.25%
2	Ukrainian	\$46,463	\$1,990	\$48,453	11.79%	0.51%	12.30%
3	Carpathia	\$27,519	\$0	\$27,519	9.91%	0.00%	9.91%
4	CP Ukrainienne de Montreal	\$21,708	\$0	\$21,708	19.60%	0.00%	19.60%
5	North Winnipeg	\$6,315	\$0	\$6,315	16.42%	0.00%	16.42%
6	New Community	\$7,325	\$73	\$7,398	13.01%	0.13%	13.14%
	<b>Total</b>	<b>\$173,232</b>	<b>\$5,661</b>	<b>\$178,892</b>	<b>13.23%</b>	<b>0.38%</b>	<b>13.61%</b>
	<b>Growth rate %</b>	<b>5.4%</b>	<b>-10.4%</b>	<b>4.8%</b>			

Schedule 3 Loan Portfolio						
UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2019						
Name of CU	Residential Mortgage Loans (\$000's)	Commercial Mortgage Loans (\$000's)	Consumer Loans (\$000's)	Agriculture & Business Loans (\$000's)	Total Gross Loans (\$000's)	Allowance/ Loans %
1 Buduchnist	\$523,498	\$262,670	\$36,088	\$0	\$822,256	0.20%
2 Ukrainian	\$534,884	\$247,859	\$7,304	\$0	\$790,047	0.94%
3 Carpathia	\$353,307	\$140,353	\$25,524	\$15,023	\$534,206	0.80%
4 CP Ukrainienne de Montreal	\$137,184	\$30,032	\$3,957	\$0	\$171,173	0.07%
5 New Community	\$76,602	\$4,591	\$13,449	\$729	\$95,372	0.11%
<b>Total</b>	<b>\$1,625,475</b>	<b>\$685,505</b>	<b>\$86,322</b>	<b>\$15,752</b>	<b>\$2,413,054</b>	<b>0.56%</b>
<b>Growth % Year over Year</b>	<b>17.4%</b>	<b>-0.3%</b>	<b>-7.6%</b>	<b>-38.5%</b>	<b>10.1%</b>	
<b>Mix of loans %</b>	<b>67.4%</b>	<b>28.4%</b>	<b>3.6%</b>	<b>0.7%</b>	<b>100.0%</b>	
 <b>Total 2018</b>	 <b>\$1,475,243</b>	 <b>\$717,778</b>	 <b>\$105,097</b>	 <b>\$18,782</b>	 <b>\$2,316,900</b>	 <b>0.43%</b>
<b>Total 2017</b>	<b>\$1,384,460</b>	<b>\$687,237</b>	<b>\$93,463</b>	<b>\$25,614</b>	<b>\$2,190,774</b>	<b>0.09%</b>
<b>Total 2016</b>	<b>\$1,238,489</b>	<b>\$656,157</b>	<b>\$88,711</b>	<b>\$27,279</b>	<b>\$2,010,636</b>	<b>0.12%</b>
<b>Total 2015</b>	<b>\$1,193,572</b>	<b>\$596,457</b>	<b>\$82,830</b>	<b>\$41,223</b>	<b>\$1,914,082</b>	<b>0.12%</b>
<b>Total 2014</b>	<b>\$1,132,805</b>	<b>\$580,372</b>	<b>\$84,443</b>	<b>\$30,145</b>	<b>\$1,827,765</b>	<b>0.12%</b>
 <b>Growth rates %</b>						
<b>Total 2018</b>	<b>6.6%</b>	<b>4.4%</b>	<b>12.4%</b>	<b>-26.7%</b>	<b>5.8%</b>	
<b>Total 2017</b>	<b>11.8%</b>	<b>4.7%</b>	<b>5.4%</b>	<b>-6.1%</b>	<b>9.0%</b>	
<b>Total 2016</b>	<b>3.8%</b>	<b>10.0%</b>	<b>7.1%</b>	<b>-33.8%</b>	<b>5.0%</b>	
<b>Total 2015</b>	<b>5.4%</b>	<b>2.8%</b>	<b>-1.9%</b>	<b>36.7%</b>	<b>4.7%</b>	
<b>Total 2014</b>	<b>7.2%</b>	<b>11.9%</b>	<b>-1.3%</b>	<b>12.8%</b>	<b>8.3%</b>	

Schedule 4 Deposit Portfolio					
UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2019					
Name of credit union	Borrowings (\$000's)	Demand Deposits (\$000's)	Term Deposits (\$000's)	Registered Savings (\$000's)	Total Deposits (\$000's)
1 Ukrainian	\$112,455	\$258,845	\$337,152	\$147,749	\$743,746
2 Buduchnist	\$106,091	\$251,131	\$315,242	\$132,965	\$699,339
3 Carpathia	-	\$249,939	\$162,179	\$169,000	\$581,118
4 CP Ukrainienne de Montreal	\$46,949	\$54,964	\$37,347	\$27,573	\$119,884
5 New Community	-	\$30,430	\$59,732	\$14,802	\$104,964
<b>Total</b>	<b>\$265,495</b>	<b>\$845,310</b>	<b>\$911,653</b>	<b>\$492,090</b>	<b>\$2,249,052</b>
<b>Growth % Year over Year</b>	<b>18%</b>	<b>3.5%</b>	<b>4.6%</b>	<b>8.2%</b>	<b>5.0%</b>
<b>Mix of deposits</b>		<b>37.6%</b>	<b>40.5%</b>	<b>21.9%</b>	<b>100.0%</b>
 <b>Total 2018</b>	 <b>\$224,982</b>	 <b>\$816,700</b>	 <b>\$871,439</b>	 <b>\$454,791</b>	 <b>\$2,142,930</b>
<b>Growth % Year over Year</b>	<b>3%</b>	<b>5.5%</b>	<b>0.3%</b>	<b>5.2%</b>	<b>3.3%</b>
<b>Mix of deposits</b>		<b>37.3%</b>	<b>41.9%</b>	<b>20.8%</b>	<b>100.0%</b>
 <b>Total 2017</b>	 <b>\$217,794</b>	 <b>\$774,051</b>	 <b>\$868,770</b>	 <b>\$432,268</b>	 <b>\$2,075,090</b>
<b>Growth % Year over Year</b>	<b>16%</b>	<b>8.2%</b>	<b>2.7%</b>	<b>2.8%</b>	<b>4.7%</b>
<b>Mix of deposits</b>		<b>37.3%</b>	<b>41.9%</b>	<b>20.8%</b>	<b>100.0%</b>
 <b>Total 2016</b>	 <b>\$187,075</b>	 <b>\$715,653</b>	 <b>\$846,338</b>	 <b>\$420,686</b>	 <b>\$1,982,677</b>
<b>Growth % Year over Year</b>	<b>25%</b>	<b>7.7%</b>	<b>-0.6%</b>	<b>7.7%</b>	<b>4.0%</b>
<b>Mix of deposits</b>		<b>33.2%</b>	<b>46.9%</b>	<b>20.0%</b>	<b>100.0%</b>
 <b>Total 2015</b>	 <b>\$150,242</b>	 <b>\$664,447</b>	 <b>\$851,602</b>	 <b>\$390,579</b>	 <b>\$1,906,628</b>
<b>Growth % Year over Year</b>	<b>21%</b>	<b>10.8%</b>	<b>0.4%</b>	<b>8.2%</b>	<b>5.4%</b>
<b>Mix of deposits</b>		<b>33.2%</b>	<b>46.9%</b>	<b>20.0%</b>	<b>100.0%</b>
 <b>Total 2014</b>	 <b>\$124,075</b>	 <b>\$599,665</b>	 <b>\$848,060</b>	 <b>\$361,031</b>	 <b>\$1,808,755</b>
<b>Growth % Year over Year</b>	<b>147%</b>	<b>9.0%</b>	<b>-2.5%</b>	<b>7.7%</b>	<b>3.1%</b>
<b>Mix of deposits</b>		<b>33.2%</b>	<b>46.9%</b>	<b>20.0%</b>	<b>100.0%</b>

<b>Schedule 5</b>		<b>UKRAINIAN CREDIT UNIONS IN CANADA</b>		
<b>Operating results</b>		<b>as at December 31, 2019</b>		
		<b>As a % of Average Asset</b>		
		<b>Net</b>		
<b>Name of credit union</b>		<b>Interest</b>	<b>Other</b>	<b>Operating</b>
		<b>Margin</b>	<b>Income</b>	<b>Income</b>
				<b>Expenses</b>
1	Ukrainian	2.22%	0.25%	2.48%
2	Buduchnist	1.97%	0.22%	2.19%
3	Carpathia	1.95%	0.38%	2.33%
4	CP Ukrainienne de Montreal	2.39%	0.40%	2.79%
5	New Community	2.37%	0.55%	2.92%
	<b>Total</b>	<b>2.10%</b>	<b>0.29%</b>	<b>2.39%</b>
	<b>Total 2018</b>	<b>2.01%</b>	<b>0.28%</b>	<b>2.29%</b>
	<b>Total 2017</b>	<b>1.88%</b>	<b>0.34%</b>	<b>2.22%</b>
	<b>Total 2016</b>	<b>1.89%</b>	<b>0.34%</b>	<b>2.23%</b>
	<b>Total 2015</b>	<b>1.99%</b>	<b>0.37%</b>	<b>2.36%</b>
	<b>Total 2014</b>	<b>2.06%</b>	<b>0.31%</b>	<b>2.37%</b>

  

<b>Schedule 5a</b>		<b>UKRAINIAN CREDIT UNIONS IN CANADA</b>		
<b>Operating results</b>		<b>as at December 31, 2019</b>		
		<b>Net</b>		
<b>Name of credit union</b>		<b>Interest</b>	<b>Other</b>	<b>Operating</b>
		<b>Margin</b>	<b>Income</b>	<b>Income</b>
		<b>(\$000s)</b>	<b>(\$000s)</b>	<b>(\$000s)</b>
1	Ukrainian	\$19,826	\$2,271	\$22,097
2	Buduchnist	\$17,148	\$1,940	\$19,088
3	Carpathia	\$10,934	\$2,126	\$13,061
4	CP Ukrainienne de Montreal	\$4,398	\$731	\$5,129
5	New Community	\$2,621	\$609	\$3,231
	<b>Total</b>	<b>\$54,927</b>	<b>\$7,678</b>	<b>\$62,605</b>
	<b>Growth % Year over Year</b>	<b>7.1%</b>	<b>6.3%</b>	<b>7.0%</b>
	<b>Total 2018</b>	<b>\$51,266</b>	<b>\$7,222</b>	<b>\$58,488</b>
	<b>Growth % Year over Year</b>	<b>9.1%</b>	<b>-19.2%</b>	<b>4.6%</b>
	<b>Total 2017</b>	<b>\$46,973</b>	<b>\$8,934</b>	<b>\$55,907</b>
	<b>Growth % Year over Year</b>	<b>7.8%</b>	<b>15.4%</b>	<b>8.9%</b>
	<b>Total 2016</b>	<b>\$43,589</b>	<b>\$7,744</b>	<b>\$51,333</b>
	<b>Growth % Year over Year</b>	<b>0.5%</b>	<b>-3.2%</b>	<b>0.0%</b>
	<b>Total 2015</b>	<b>\$43,352</b>	<b>\$7,998</b>	<b>\$51,350</b>
	<b>Growth % Year over Year</b>	<b>3.0%</b>	<b>25.8%</b>	<b>6.0%</b>
	<b>Total 2014</b>	<b>\$42,088</b>	<b>\$6,358</b>	<b>\$48,446</b>
	<b>Growth % Year over Year</b>	<b>8.0%</b>	<b>3.5%</b>	<b>7.4%</b>

Schedule 6 Operating results		UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2019 As a % of Average Assets			
Name of credit union	Net Income before loan losses	Provision for Loan Losses	Income Taxes	Compre- hensive Adjustment	Net Income*
1 Ukrainian	0.47%	0.04%	0.08%	-0.23%	0.12%
2 Buduchnist	0.59%	0.21%	0.08%	0.00%	0.30%
3 Carpathia	0.34%	0.30%	-0.01%	0.00%	0.05%
4 CP Ukrainienne de Montreal	1.38%	0.03%	0.20%	0.00%	1.14%
5 New Community	1.30%	0.13%	0.23%	0.00%	0.95%
<b>Total</b>	<b>0.58%</b>	<b>0.16%</b>	<b>0.07%</b>	<b>-0.08%</b>	<b>0.27%</b>
<b>Total 2018</b>	<b>0.63%</b>	<b>0.26%</b>	<b>0.06%</b>	<b>0.05%</b>	<b>0.34%</b>
<b>Total 2017</b>	<b>0.62%</b>	<b>0.03%</b>	<b>0.09%</b>	<b>-0.14%</b>	<b>0.36%</b>
<b>Total 2016</b>	<b>0.52%</b>	<b>0.03%</b>	<b>0.09%</b>	<b>0.00%</b>	<b>0.40%</b>
<b>Total 2015</b>	<b>0.59%</b>	<b>0.01%</b>	<b>0.09%</b>	<b>0.02%</b>	<b>0.51%</b>
<b>Total 2014</b>	<b>0.61%</b>	<b>0.03%</b>	<b>0.05%</b>	<b>-0.09%</b>	<b>0.43%</b>
* Comprehensive net income					

Schedule 6a Operating results		UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2019			
Name of credit union	Net Income Before loan losses (\$000s)	Provision for Loan Losses (\$000s)	Income Taxes (\$000s)	Compre- hensive Adjustment	Net income* (\$000s)
1 Ukrainian	\$4,185	\$356	\$709	(\$2,015)	\$1,105
2 Buduchnist	\$5,119	\$1,842	\$681	(\$5)	\$2,590
3 Carpathia	\$1,924	\$1,704	-\$84	\$0	\$303
4 CP Ukrainienne de Montreal	\$2,542	\$64	\$377	\$0	\$2,101
5 New Community	\$1,445	\$139	\$253	\$0	\$1,054
<b>Total</b>	<b>\$15,215</b>	<b>\$4,106</b>	<b>\$1,936</b>	<b>(\$2,020)</b>	<b>\$7,153</b>
<b>Growth % Year over Year</b>	<b>-4.7%</b>	<b>-39.0%</b>	<b>21.0%</b>		<b>-18.7%</b>
<b>Total 2018</b>	<b>\$15,960</b>	<b>\$6,725</b>	<b>\$1,600</b>	<b>\$1,164</b>	<b>\$8,799</b>
<b>Growth % Year over Year</b>	<b>5.5%</b>	<b>202.1%</b>	<b>-28.0%</b>		<b>21.0%</b>
<b>Total 2017</b>	<b>\$15,128</b>	<b>\$2,226</b>	<b>\$2,223</b>	<b>(\$3,410)</b>	<b>\$7,269</b>
<b>Growth % Year over Year</b>	<b>26.5%</b>	<b>196.8%</b>	<b>9.6%</b>		<b>-13.3%</b>
<b>Total 2016</b>	<b>\$11,957</b>	<b>\$750</b>	<b>\$2,028</b>	<b>(\$792)</b>	<b>\$8,387</b>
<b>Growth % Year over Year</b>	<b>-7.3%</b>	<b>166.2%</b>	<b>-1.2%</b>		<b>-23.7%</b>
<b>Total 2015</b>	<b>\$12,903</b>	<b>\$282</b>	<b>\$2,052</b>	<b>\$427</b>	<b>\$10,996</b>
<b>Growth % Year over Year</b>	<b>3.6%</b>	<b>-49.8%</b>	<b>7.2%</b>		<b>24.4%</b>
<b>Total 2014</b>	<b>\$12,452</b>	<b>\$561</b>	<b>\$1,915</b>	<b>(\$1,134)</b>	<b>\$8,842</b>
<b>Growth % Year over Year</b>	<b>9.9%</b>	<b>45.2%</b>	<b>24.9%</b>		<b>-20.5%</b>
* comprehensive net income					



<b>Schedule 7</b> <b>Operating results</b>			
<b>UKRAINIAN CREDIT UNIONS IN CANADA</b> <b>as at December 31, 2019</b> <b>As a % of Average Assets</b>			
<b>Name of credit union</b>	<b>Net Income*</b>	<b>Net Dividends &amp; Patronage</b>	<b>Net Income</b>
1 Ukrainian	0.12%	0.04%	0.09%
2 Buduchnist	0.30%	0.02%	0.27%
3 Carpathia	0.05%	0.00%	0.05%
4 CP Ukrainienne de Montreal	1.14%	0.14%	1.00%
5 New Community	0.95%	0.00%	0.95%
<b>Total</b>	<b>0.27%</b>	<b>0.03%</b>	<b>0.24%</b>
<b>Total 2018</b>	<b>0.34%</b>	<b>0.03%</b>	<b>0.31%</b>
<b>Total 2017</b>	<b>0.47%</b>	<b>0.03%</b>	<b>0.44%</b>
<b>Total 2016</b>	<b>0.36%</b>	<b>0.05%</b>	<b>0.32%</b>
<b>Total 2015</b>	<b>0.49%</b>	<b>0.06%</b>	<b>0.43%</b>
<b>Total 2014</b>	<b>0.43%</b>	<b>0.09%</b>	<b>0.34%</b>

  

<b>Name of credit union</b>	<b>Net Income*</b>	<b>Net Dividends &amp; Patronage</b>	<b>Net Income less dividends</b>
	<b>(\$000s)</b>	<b>(\$000s)</b>	<b>(\$000s)</b>
1 Ukrainian	1,105	331	774
2 Buduchnist	2,590	197	2,393
3 Carpathia	303	0	303
4 CP Ukrainienne de Montreal	2,101	257	1,844
5 New Community	1,054	0	1,054
<b>Total</b>	<b>7,153</b>	<b>785</b>	<b>6,368</b>
<b>Growth % Year over Year</b>	<b>-18.8%</b>	<b>-3.4%</b>	<b>-20.4%</b>
<b>Total 2018</b>	<b>\$8,799</b>	<b>\$778</b>	<b>\$8,021</b>
<b>Growth % Year over Year</b>	<b>-0.1%</b>	<b>-4.3%</b>	<b>0.3%</b>
<b>Total 2017</b>	<b>\$8,810</b>	<b>\$813</b>	<b>\$7,997</b>
<b>Growth % Year over Year</b>	<b>5.0%</b>	<b>-24.7%</b>	<b>9.4%</b>
<b>Total 2016</b>	<b>\$8,387</b>	<b>\$1,080</b>	<b>\$7,307</b>
<b>Growth % Year over Year</b>	<b>-21.4%</b>	<b>-22.6%</b>	<b>-21.2%</b>
<b>Total 2015</b>	<b>\$10,673</b>	<b>\$1,396</b>	<b>\$9,277</b>
<b>Growth % Year over Year</b>	<b>20.7%</b>	<b>-23.5%</b>	<b>32.2%</b>
<b>Total 2014</b>	<b>\$8,842</b>	<b>\$1,825</b>	<b>\$7,017</b>
<b>Growth % Year over Year</b>	<b>-20.5%</b>	<b>-6.8%</b>	<b>-23.4%</b>

*\* comprehensive net income before distributions to members*

## New Disclosure Regulations – Restricted Party Transactions

### Restricted Party Transactions

Ontario credit unions are required to disclose the total amount loans made to restricted parties. Under section 82 of Ontario Regulation 76/95 of the Credit Unions and Caisses Populaires Act (Ontario), 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.”

	<b>Name of credit union</b>	<b>Location</b>	<b>Loans (000's)</b>	<b>Loans (000's)</b>	<b>of Net Loans</b>
1	Ukrainian	Toronto	820,624	2,540	0.31%
2	Buduchnist	Toronto	782,625	4,545	0.58%
3	Carpathia	Winnipeg	529,930	3,793	0.72%
4	CP Ukrainienne de Montreal	Montreal	171,052	773	0.45%
5	New Community	Saskatoon	95,266	806	0.85%
	<b>Total</b>		<b>2,399,496</b>	<b>12,457</b>	<b>0.52%</b>
	<b>Growth % Year over Year</b>		<b>4.0%</b>	<b>-24.6%</b>	
	<b>Total 2018</b>		<b>2,306,934</b>	<b>16,527</b>	<b>0.72%</b>
	<b>Growth % Year over Year</b>		<b>5.4%</b>	<b>14.5%</b>	
	<b>Total 2017</b>		<b>2,187,975</b>	<b>14,431</b>	<b>0.66%</b>
	<b>Growth % Year over Year</b>		<b>8.9%</b>	<b>-18.4%</b>	
	<b>Total 2016</b>		<b>2,008,299</b>	<b>17,676</b>	<b>0.88%</b>
	<b>Growth % Year over Year</b>		<b>5.0%</b>	<b>39.9%</b>	
	<b>Total 2015</b>		<b>1,911,843</b>	<b>12,631</b>	<b>0.66%</b>
	<b>Growth % Year over Year</b>		<b>4.7%</b>	<b>-3.8%</b>	
	<b>Total 2014</b>		<b>1,825,603</b>	<b>13,134</b>	<b>0.72%</b>
	<b>Growth % Year over Year</b>		<b>8.3%</b>	<b>-9.7%</b>	

## 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.

d from

\$7,203

<b>Schedule 10</b> <b>Director Fees &amp; Costs</b>					
<b>UKRAINIAN CREDIT UNIONS IN CANADA</b> <b>as at December 31, 2019</b>					
<b>Name of credit union</b>	<b>Operating Expenses (ooo's)</b>	<b>Directors Fees &amp; Costs</b>	<b>Directors fees &amp; costs/ Operating Expenses %</b>	<b>Number of Directors</b>	<b>Avg. Director fees &amp; costs/ Director</b>
1 Ukrainian	\$17,912	\$135,000	0.75%	12	\$11,250
2 Buduchnist	\$13,969	\$103,248	0.74%	9	\$11,472
3 Carpathia	\$11,137	\$139,459	1.25%	9	\$15,495
4 CP Ukrainienne de Montreal	\$2,587	\$0	0.00%	15	\$0
5 New Community	\$1,785	\$12,325	0.69%	9	\$1,369
<b>Total</b>	<b>\$47,390</b>	<b>\$390,032</b>	<b>0.82%</b>	<b>54</b>	<b>\$10,001</b>
<b>Growth % Year over Year</b>	<b>11.4%</b>	<b>6.2%</b>			<b>38.9%</b>
<b>Total 2018</b>	<b>\$42,528</b>	<b>\$367,330</b>	<b>0.86%</b>	<b>66</b>	<b>\$7,203</b>
<b>Growth % Year over Year</b>	<b>4.3%</b>	<b>19.8%</b>			<b>8.0%</b>
<b>Total 2017</b>	<b>\$40,779</b>	<b>\$306,668</b>	<b>0.75%</b>	<b>61</b>	<b>\$6,667</b>
<b>Growth % Year over Year</b>	<b>3.6%</b>	<b>9.0%</b>			<b>-7.6%</b>
<b>Total 2016</b>	<b>\$39,376</b>	<b>\$281,312</b>	<b>0.71%</b>	<b>61</b>	<b>\$7,213</b>
<b>Growth % Year over Year</b>	<b>2.4%</b>	<b>-9.3%</b>			<b>-9.3%</b>
<b>Total 2015</b>	<b>\$38,447</b>	<b>\$310,187</b>	<b>0.81%</b>	<b>61</b>	<b>\$7,954</b>
<b>Growth % Year over Year</b>	<b>6.8%</b>	<b>4.7%</b>			<b>4.7%</b>
<b>Total 2014</b>	<b>\$35,993</b>	<b>\$296,291</b>	<b>0.82%</b>	<b>61</b>	<b>\$7,597</b>
<b>Growth % Year over Year</b>	<b>6.5%</b>	<b>6.1%</b>			<b>6.1%</b>

<b>Schedule 11</b> <b>Branch, Member</b> <b>&amp; Employee averages</b>						
<b>UKRAINIAN CREDIT UNIONS IN CANADA</b> <b>as at December 31, 2019</b>						
<b>Name of credit union</b>	<b>Branches</b>	<b>Deposits/ Branch (\$Mils)</b>	<b>Members</b>	<b>Assets/ Member</b>	<b>Number of Employees</b>	<b>Average Compensation /Employee</b>
1 Ukrainian	18	\$41.3	24,697	\$37,365	124	\$84,282
2 Buduchnist	9	\$77.7	20,012	\$44,221	87	\$71,938
3 Carpathia	6	\$96.9	10,136	\$61,099	72	\$71,833
4 CP Ukrainienne de Montreal	1	\$119.9	4,121	\$47,274	14	\$81,071
5 New Community	1	\$105.0	2,280	\$50,757	14	\$74,887
<b>Total</b>	<b>35</b>	<b>\$64.3</b>	<b>61,246</b>	<b>\$44,699</b>	<b>311</b>	<b>\$77,387</b>
<b>Growth % Year over Year</b>	<b>2.9%</b>	<b>2.0%</b>	<b>-0.6%</b>	<b>5.6%</b>	<b>-0.5%</b>	<b>9.1%</b>
<b>2 Total 2018</b>	<b>34</b>	<b>\$63.0</b>	<b>61,646</b>	<b>\$42,325</b>	<b>312</b>	<b>\$70,942</b>
<b>Growth % Year over Year</b>	<b>0.0%</b>	<b>3.3%</b>	<b>-2.1%</b>	<b>6.8%</b>	<b>-12.1%</b>	<b>17.7%</b>
<b>2 Total 2017</b>	<b>34</b>	<b>\$61.0</b>	<b>62,978</b>	<b>\$39,616</b>	<b>355</b>	<b>\$60,259</b>
<b>Growth % Year over Year</b>	<b>3.0%</b>	<b>1.6%</b>	<b>-1.2%</b>	<b>6.9%</b>	<b>2.9%</b>	<b>2.6%</b>
<b>2 Total 2016</b>	<b>33</b>	<b>\$60.1</b>	<b>63,773</b>	<b>\$37,066</b>	<b>345</b>	<b>\$58,760</b>
<b>Growth % Year over Year</b>	<b>0.0%</b>	<b>4.0%</b>	<b>-1.2%</b>	<b>6.7%</b>	<b>14.6%</b>	<b>-10.3%</b>
<b>3 Total 2015</b>	<b>33</b>	<b>\$57.8</b>	<b>64,543</b>	<b>\$34,736</b>	<b>301</b>	<b>\$65,484</b>
<b>Growth % Year over Year</b>	<b>0.0%</b>	<b>5.4%</b>	<b>-0.5%</b>	<b>6.9%</b>	<b>-2.0%</b>	<b>9.6%</b>
<b>4 Total 2014</b>	<b>33</b>	<b>\$54.8</b>	<b>64,899</b>	<b>\$32,503</b>	<b>307</b>	<b>\$59,774</b>
<b>Growth % Year over Year</b>	<b>6.5%</b>	<b>-3.2%</b>	<b>0.6%</b>	<b>13.3%</b>	<b>8.4%</b>	<b>-3.8%</b>

<b>Schedule 12</b> <b>Promotions, Donations</b> <b>&amp; Advertising</b>						
<b>UKRAINIAN CREDIT UNIONS IN CANADA</b> <b>as at December 31, 2019</b>						
<b>Name of credit union</b>	<b>2015 Total (\$000)</b>	<b>2016 Total (\$000)</b>	<b>2017 Total (\$000)</b>	<b>2018 Total (\$000)</b>	<b>2019 Total (\$000)</b>	<b>19/18 Growth %</b>
1 Ukrainian	\$806	\$793	\$984	\$1,257	\$988	-21.4%
2 Buduchnist	\$2,353	\$1,731	\$1,249	\$454	\$881	93.9%
3 Carpathia	\$422	\$472	\$340	\$75	\$65	-13.3%
4 CP Ukrainienne de Montreal	\$65	\$71	\$36	\$48	\$48	-1.7%
5 New Community	-	-	\$36	\$32	\$24	-22.3%
<b>Total</b>	<b>\$3,646</b>	<b>\$3,067</b>	<b>\$2,645</b>	<b>\$1,866</b>	<b>\$2,006</b>	<b>7.5%</b>

<b>Schedule 12a</b>		<b>UKRAINIAN CREDIT UNIONS IN CANADA</b>			
		<b>as at December 31, 2019</b>			
		<b>Promotions, Donations &amp; Advertising (PDA)</b>			
		<b>% operating expenses</b>			
<b>Name of credit union</b>	<b>PDA Total (\$000)</b>	<b>Operating Expenses (\$000)</b>	<b>PDA/ Operating Expenses</b>	<b>Net Income*</b> (\$000)	<b>PDA/ Net Income*</b>
1 Ukrainian	\$988	\$17,912	5.52%	\$3,829	25.80%
2 Buduchnist	\$881	\$13,969	6.31%	\$3,277	26.88%
3 Carpathia	\$65	\$11,137	0.58%	\$219	29.66%
4 CP Ukrainienne de Montreal	\$48	\$2,587	1.84%	\$2,478	1.92%
5 New Community	\$24	\$1,785	1.37%	\$1,306	1.87%
<b>Total</b>	<b>\$2,006</b>	<b>\$47,390</b>	<b>5.82%</b>	<b>\$11,109</b>	<b>20.93%</b>
<i>* net income before taxes</i>					

Schedule 13		UKRAINIAN CREDIT UNIONS IN CANADA				
		as at December 31, 2019				
Membership						
		18/17 Growth				
Name of credit union	2015	2016	2017	2018	2019	%
1 Ukrainian	24,222	23,960	24,425	23,925	24,697	3.2%
2 Buduchnist	22,377	21,940	20,655	20,427	20,012	-2.0%
3 Carpathia	8,820	8,729	8,774	8,656	10,136	17.1%
4 CP Ukrainienne de Montreal	3,457	3,492	3,492	3,667	4,121	12.4%
5 North Winnipeg	3,375	3,375	3,375	2,750	merged*	
6 New Community	2,292	2,277	2,257	2,221	2,280	2.7%
<b>Total</b>	<b>64,543</b>	<b>63,773</b>	<b>62,978</b>	<b>61,646</b>	<b>61,246</b>	<b>-0.6%</b>

*\* effective July 1, 2019 North Winnipeg Credit Union merged with Carpathia Credit Union.*

## Brief Overview of the Ukrainian-Canadian Credit Unions

As outline in the annual reports of each credit union



**Ukrainian Credit Union Limited** was founded in **1944** and is now the largest Ukrainian credit union in Canada, 14th largest credit union in Ontario and 47th largest in Canada based on asset size.

### EXECUTIVE REPORT

Dear Members,

Ukrainian Credit Union Limited (UCU) completed its 75<sup>th</sup> anniversary year with solid financial results in addition to a proven commitment to building community, and we are pleased to share with you what we have achieved together in 2019 as Canada's largest Ukrainian financial co-operative.

### FINANCIAL HIGHLIGHTS FOR 2019

Assets increased by \$63.256 million (7.36%) to \$922.807 million; deposits grew \$66.302 million (9.70%) to \$749.601 million, while loans to members increased \$67.773 million (8.98%) to \$822.121 million.

Steady interest rates, reduced external borrowing from Central 1, and increased growth in our lending portfolio over last year, resulted in higher financial margin. This, coupled with stronger revenues from wealth management, creditor insurance and service fees, helped us reach \$21.741 million in financial margin and non-interest income (vs \$20.185 million in 2018).

We maintained a stable net profit after taxes of \$3.087 million (vs. \$3.122 million in 2018) while investing our increased net operating revenues in transformative digital technology, the strengthening of our human resource capabilities, and new expanded branch premises in Ottawa. Regulatory capital grew to \$53.988 million (vs. \$52.508 million in 2018). Capital ratios in relation to increased asset growth during the year came off somewhat due to actuarial adjustments under other comprehensive income to our still well-funded and newly-diversified defined benefit employee pension plan, as well as the growth of our personal and commercial loan portfolios which attract a higher risk weighting. Our year-end leveraging ratio stood at 5.85% (vs. 6.11% in 2018), and our risk weighted capital ratio was 11.39% (vs. 12.04% in 2018). Both ratios substantially exceed minimum regulatory requirements as in past years.

### CREDIT REPORT

The credit union received a total of 2,810 credit applications (vs. 2,421 in 2018) of which 1,630 were advanced, 1,001 were declined or cancelled, and 179 were approved but not yet advanced by year-end. Loans advanced totalled \$211,654,049 (vs. \$187,807,322 in 2018) and were broken down as follows:

The credit union's actual loan losses for 2019 remained well below that of the credit union sector overall, and provisions for expected credit losses derived from the modelling platform developed in conjunction with Central 1 to meet the requirements of International Financial Reporting Standard number 9 (IFRS 9) fell well within the amounts prudently set aside by management to align with the credit union's lending strategy.

## REGULATORY COMPLIANCE

As independent evidence that our business competencies remain strong, we are pleased to share with you that the Financial Services Regulatory Authority of Ontario's report on their November, 2019 examination of UCU showed that our credit union achieved the highest rating in 18 of 18 board, audit committee and management governance categories that were examined.

## INVESTMENT SHARES AND MEMBERSHIP

To mark the special anniversary of the founding of UCU in 1944, we launched our 75th Anniversary Class A Share Offering in October 2019. An earlier planned launch was delayed by the transition of our former regulator, the Deposit Insurance Corporation of Ontario (DICO), to the newly created Financial Services Regulatory Authority of Ontario (FSRA) which officially went into effect on June 1, 2019. We have nevertheless had strong demand for the offering which will be closing in the second quarter of 2020.

The aggregate annualized dividend paid on Class A Investment Shares was 4%, and at the end of December, 2019 the credit union's membership was 24,697 (vs. 24,425 in 2018). 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

Ukrainian Credit Union Limited remains committed to be a financial services technology leader by providing members with a range of innovative products and services. In 2019, we introduced or laid the groundwork for the following new service offerings and improvements:

- Introduced \*Payment Stream AFT (Automated Funds Transfer), a web-based user interface which facilitates processing and settlement of pre-authorized debits (e.g. donations, church offerings, monthly rental, business invoices and fee collection) and direct deposits (e.g. payroll, payments to suppliers). (January, 2019)
- Introduced new merchant service Clover Flex (January, 2019 ) or Square (September, 2019), to meet the needs of your business. Hard-wired, wireless or virtual terminal options are available for added convenience.
- Re-introduction of life insurance services through Credential Financial Strategies Inc. (July, 2019)
- Interac EFU Auto-deposit which allows members to register an email address with Interac and associate the address with their UCU account. On receipt of an e-transfer, funds are deposited directly into the recipient's account without the need to login to online banking to accept the funds. (October, 2019)
- Interac EFU Request Money which allows members to request money from a recipient through online banking. When the recipient of the Money Request logs into online banking and fulfills the request, the recipient's account is debited immediately, and funds are deposited directly into the requestor's account. (October, 2019)
- Opening of our new UCU Ottawa Branch from shared facilities (service point) with Alterna CU at 271 Bank Street (formerly Ottawa Women's CU) to its new location at Carling Avenue at Holland. (December 1, 2019)
- Migration of our website to Central 1's forge platform. (December, 2019)



- Introduction of online banking transfer of funds between Canadian dollar and US dollar accounts. (February, 2020)

## SHARING OUR CO-OPERATIVE SUCCESS

On pages 8 and 9 of this report you will find the dozens of worthwhile causes and organizations that Ukrainian Credit Union Limited supported in 2019. This is a reflection of one of our credit union's core values: building community. We remain first and foremost committed to co-operatively serve our members but never forget our roots and the need to do good and to support the volunteer sector which gave us our beginnings.

## THANK YOU

As we go to print we find ourselves in the midst of a state of emergency brought on by the COVID-19 global pandemic necessitating the postponement of our Annual General Meeting originally scheduled for April 21, 2020.

Our credit union has activated its pandemic and business continuity plans to ensure prudent stewardship of our finances, and to meet its obligations as a government-designated essential service by providing the financial assistance and peace of mind that our members need. Much of our management and many of our employees have been deployed to securely work from home in order to protect their health and ensure the proper functioning of the credit union. Our measures enable us to provide continuity of service in all major product areas including deposits and investments, daily retail and business banking, and credit, and across all service channels including online, mobile app, branch, and through our expanded call centre capabilities which we have ramped up in response to the pandemic.

We acknowledge with gratitude the many years of dedicated service of our Past Chair Andre Sochaniwsky who retired from the Board on May 31, 2019, and of former United Ukrainian (Hamilton) Credit Union Chair Olha Shewelli and Greg Adamowich who retired from the Board effective our April 2019 AGM. The leadership of UCU extends its sincere gratitude to all of its employees not only for their dedicated efforts in 2019, but also for most capably rising to the occasion in the current difficult circumstances. In particular, we extend a special thank you to our frontline team who have kept our branches open to serve those members who still require in-person service during the pandemic.

Last but not least, we thank you and all of our members for your ongoing patronage and loyalty which have been at the heart of our success for the last three quarters of a century. As we forge ahead together, to build the next 75 years of our co-operative enterprise, let us draw upon the example of mutual strength and support set by our founders to enhance and grow UCU as a credit union that is there for its member families, businesses, and community organizations, now, and in better times ahead.

Yaroslav Borys - Chair of the Board

Taras Pidzamecky - Chief Executive Officer

## Corporate Governance

Ukrainian Toronto, Ontario						
2019 Name			Year Started	Year Ended	Years on Board	Position
1	Slawko Borys	2013	2020	7	Chair	
2	Dr. Natalia Lishchyna	2017	2020	3	1st Vice Chair	
3	Peter Malajczuk	2015	2020	5	2nd Vice Chair	
4	Irena Fedchun	2003	2020	17	Chair-Audit	
5	Jerry Pryshlak	1992	2020	28	Secretary	
6	Natalie Werhun-Popowicz	2019	2020	1		
7	Borden Osmak	2006	2020	14		
8	Michael Mychailyshyn	2019	2020	1		
9	Myron Oleksyshyn	2019	2020	1		
10	Peter Szlichta	2013	2020	7		
11	Robert Diakow	2015	2020	5		
12	Taras Rohatyn	2017	2020	3		
			Avg.	7.7		

Ukrainian Toronto, Ontario 2019				
	Name	Profession	Business	Education
1	Slawko Borys	Aviation Industry	Director of Safety, Security & Regulatory Affairs -Air Canada	Aviation Management (Georgian College)
2	Dr. Natalia Lishchyna	Chiroprator & Politician	Assistant Professor at Canadian Memorial Chiropractic College (13 yrs)	BA (McMaster), ICD.D
3	Peter Malajczuk	Finance Executive - Telecommunications Industry	Bell Canada	B. Com (Toronto)
4	Irena Fedchun	Director of Finance & Admin	Community & Home Assistance to Seniors (CHATS)	MS Science, MBA, CPA, CUDA
5	Jerry Pryshlak	Retired -entrpreneur	Retail Business & Business Manager YMCA	BA (Brock), C.Dir
6	Natalie Werhun-Popowicz	Lawyer	Wehun Law	BA (McMaster), JD (Ottawa)
7	Borden Osmak	Retired - Financial Services	SVP Scotia Bank	B. Comm (Windsor), MBA (McMaster)
8	Michael Mychailyshyn	Lawyer	Private Practise	BA (McMaster), JD (Michagan)
9	Myron Oleksyshyn	Retired	Managing Director MNO procurement Solutions	B. Com (Windsor), CUDA
10	Peter Szlichta	Condo Development Industry	VP, High Rise Construction - Emoire Communities Corp.	
11	Robert Diakow	IT Consultant	Former Director, IR Solutions - Niagara Region (24 yrs)	BA-Computer Science (Waterloo), B.Sc (Brock)
12	Taras Rohatyn	Retired - Small Business Consultant		BA (Laurentian)

# BCU Buduchnist Credit Union

## Your Needs. For Life.™

**Buduchnist Credit Union Limited** opened its doors on May 29, **1952**, with 162 members and over \$22,000 in assets. It was founded by 25 forward-thinking Ukrainians who immigrated to Canada after WWII. Their mission was to create a financial cooperative whose combined assets would benefit both its members and the larger Ukrainian community in Canada. Buduchnist Credit Union Limited is the second largest Ukrainian credit union in Canada, 15th largest credit union in Ontario and 48th largest in Canada based on asset size.

### Boards of Directors and CEO Report



**Michael Szepetyk**  
Chairman of the Board



**Oksana Prociuk Ciz**  
President & CEO

#### **BOLDly Forward**

Buduchnist Credit Union delivered on its strategic initiatives in 2019, demonstrating the depth of strength and the quality of our business. Our strong capital position and powerful statement of purpose will lead BCU to move. BOLDly Forward into the year ahead.

In 2019, BCU reached another milestone, surpassing \$ 1 billion dollars in assets under management. We grew 3.5% in assets on the balance sheet and 9.6% in BCU Wealth Management assets for a total growth of \$42 million for the year.

Net income before distributions and taxes was \$ 3.3 million and net income earned and transferred to retained earnings was \$ 2.4 million. The Credit Union's capital position remains strong at 8 % and we are well-positioned to support opportunities for growth and to realize our long – term plans while addressing the changing economic environment. The BCU Patronage Plan distributed a portion of earnings to our members. A 4.5 % dividend was paid on Bonus Shares, held individually or corporately and inside our members' RRSPs. Continuing the generosity of our members since 2014 as a result of

the Dividends For Ukraine Campaign, BCU matched dividends of \$ 200,000 to support the people of Ukraine – the wounded, orphaned and widowed, and other humanitarian needs in war torn Ukraine. Through this Campaign alone, Buduchnist Credit Union and its members have directed \$ 1.2 million

to date to these causes and thereby demonstrating solidarity with the Ukrainian people, by standing up for the shared universal principles of liberty, human rights and democracy and their struggle to preserve Ukraine's territorial integrity.

#### **BOLDly Branding**

In September 2019, Buduchnist Credit Union introduced our new trade name BCU Financial, giving recognition to the Credit Union's acronym BCU and adding the descriptive word 'Financial', which is, after all, what we do! Along with the new trade name, we introduced a new brand, a more modern

look. Buduchnist Credit Union or «Кредитова Спілка Будучність» remains our name and brand in the Ukrainian language.

### **BOLDly Digital**

The new BCU Financial website reflected the new look and brand and it gave our members access to a refreshed BCULink internet banking application. Our members had the option to obtain a new BCU Financial debit card which introduced the Interac Flash capabilities. Re-designed statements gave

members a monthly update of all the products and services they hold with BCU and the new ability to receive these consolidated statements paperless as e-statements became an option through BCULink.

Integral to our strategic plan is the further digitization of BCU. Throughout 2020, we will be building new, more powerful internet and mobile banking platforms. These digital channels will give you, our members more features and functionality in products and services as we respond to your rapid and everchanging needs.

### **BOLDly Building**

By the 2019 year-end, BCU Head Office staff had re-located in its entirety to our other Credit Union locations and to our newly acquired back office premises in Mississauga. This move sets in motion our plans for the re-build of our Head Office into a modern facility which will address the changing in-branch needs of our members and make work life more conducive for our staff.

We will add an elevator for our members who find the stairs to the second and third floors challenging or worse, prohibitive. Our flagship Bloor Branch will also be redesigned to allow for more in-branch member selfserve options and simply room for you to think, gather your financial thoughts and meet to plan with financial services officers and advisers. You will have room to relax and reflect and to meet with your fellow members. As we move forward, once completed, this model will provide the look and the amenities that will be rolled out to all our branches.

### **BOLDly Community**

We remain true to our Credit Union's heritage. That is why BCU Financial continues to play a leading role in the vitality of the Ukrainian community in Canada both through financial support and community interaction by our active leadership and participation of Board and staff. Without exaggeration, every beneficial initiative and important member-supported project in the community is sponsored by BCU! During 2019, BCU Financial contributed \$ 880,000 to countless youth, cultural, educational, humanitarian and recreational activities as well as to community-based media and to the digital informational sector. No less significant to the community was our contribution of \$1.2 million through BCU Foundation which provides support to significant community projects that are on-going, essential to the development of the community or strictly charitable, in nature. With over \$2 million of community support for 2019, BCU Financial continues to play a leadership role in our community's growth and development.

Humbly Thank You! To our members, who promote BCU by spreading the word about us - our knowledgeable, caring staff and our community work, we humbly say – Thank You. Thank you for taking pride in your Credit Union and for referring us to your family, friends and business associates. By doing so, you have demonstrated your trust and confidence in us, and this is the most rewarding of

recognition for BCU Financial! To our fellow directors and committee members, we acknowledge your hard work, your dedication to our common purpose. To our management and staff, we say thank you for making a real commitment not only to your work, but to your members and to your community.

At BCU, we have set our priorities and we are focused on results. Together, we move forward, seize new opportunities and we overcome the challenges of our time.

## Corporate Governance

Buduchnist 2019 Name						
		Toronto, Ontario				
		Year Started	Year Ended	Years on Board	Position	
1	Michael Szepetyk	1990	2020	30	Chair & Chair-Human Resources	
2	Andrew Tarapack	1996	2020	24	1st Vice Chair & Chair-Audit & Nominating	
3	Oleh Romanyschyn	1985	2020	35	2nd Vice Chair	
4	Bohdan Leshchysen	1993	2020	27	Chair-Investment Committee	
5	Ihor Kozak	2015	2020	5	Secretary & Chair-Governance	
6	Stefan Steciw	2017	2020	3		
7	Irene Hryniuk	2009	2020	11		
8	Roman Kulyk	2018	2020	2		
9	Nadia Kuz	2018	2020	2		
			<b>Avg.</b>	<b>15.4</b>		

Buduchnist 2019 Name				
		Toronto, Ontario		
		Profession	Business	Education
1	Michael Szepetyk	Retired - Entrepreneur	Office Furniture Business	
2	Andrew Tarapack	IT Consultant (30 yrs)	Telecom Industry	BA, Economics (Toronto), PMP
3	Oleh Romanyschyn	Retired - Editor Newspaper	Ukrainian Echo	PhD (Toronto)
4	Bohdan Leshchysen	Financial Service Executive (40 yrs)	Former CEO Old Mill Toronto	MBA (Toronto), CFA, FICB
5	Ihor Kozak	Entrepreneur & Consultant	Former member of Canadian Armed Forces	MBA (Royal Military College)
6	Stefan Steciw	Senior VP	Guy Carpenter - Re-Insurance	H.BSc Actuarial (Western Ontario), MBA (Toronto)
7	Irene Hryniuk	Hospitality Industry	CEO Old Mill Toronto	BA (York)
8	Roman Kulyk	Mortgage Broker (18 yrs)	Blurock Capital	B. Comm (U of Toronto)
9	Nadia Kuz	Accountant	Controller Old Mill Toronto	CPA



In **1940**, Wasyl Topolnicki, the driving force behind the Ukrainian credit union movement in Canada and the free world, founded the Savings-Credit Union “Karpatia” (**Carpathia Credit Union**) in Winnipeg, Manitoba. There were 24 founding members who each paid \$0.25 for a membership. Carpathia began serving members in the facilities of the book cooperative “Kalyna”, on the corner of Main Street and Euclid Avenue. People came to bank at Carpathia and shop at Kalyna. 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, 13th largest credit union in Manitoba and the 64th largest credit union in Canada.

### **Nick Rawluk, Chief Executive Officer’s Report**

2019 marks the end of my first financial reporting period at Carpathia Credit Union, and the first financial reporting period following the successful merger of Carpathia and North Winnipeg credit unions. This moved Carpathia from the 71st largest credit union in Canada at the end of 2018 to the 64th largest at the end of 2019.

With our merger, the group of Ukrainian heritage credit unions changed from 6 to 5. This also added to the number of Manitoba credit unions dropping from 28 to 26. By ending the year with an asset size of just over \$619 million, Carpathia remains the 3rd largest of the group of Ukrainian heritage credit unions and the largest Ukrainian heritage credit union in western Canada.

Following our legal merger on July 1st, management and staff went through a reorganization process and immediately got to work on the logistics of moving from five branches to six. As that work progressed, our dedicated core system conversion team drove ahead on the system change that occurred as scheduled on November 23rd. This new system is a major improvement for Carpathia and will allow our credit union to continue to offer competitive products and services well into the future. Although this was a major project requiring staff from across the organization, there was no time to rest on our laurels, as we had to begin immediate work on converting the Leila Branch off their old system and into Carpathia’s new system. That conversion is scheduled to occur September 18-20, 2020. Until then, members can continue to complete basic transactions at any of the six branches. Full and seamless service will commence on September 21, 2020.

While we have moved through these major changes and projects, a focus on active cost and revenue management has allowed us to post a modest profit of \$219,184 before taxes. While this is an improvement on the loss posted in 2018, most figures are not easily comparable because not only did we move through a merger in 2019, but we also changed from a September 30th year-end to December 31st. This change resulted in a 15-month reporting year instead of the regular 12, with the impact of the merger affecting 6 of those 15 months on the income statement.

Although our team still has a lot of work ahead of us, I know we are up to the challenge. We benefit from a devoted and engaged Board of Directors, a committed group of staff, and a dedicated membership base. I would like to thank the Board of Directors for their unwavering commitment to the success of the organisation as well as the Executive Team and all my colleagues at the credit union whose hard work and passion drive Carpathia forward. Our members and associates are our purpose for existing, and I would like to also thank each of you for your continued engagement. I encourage you to keep challenging us to always improve for the continued benefit of you, your loved ones, and our community.

## Corporate Governance

Carpathia 2019		Winnipeg, Manitoba				
	Name	Year Started	Year Ended	Years on Board	Position	
1	Roman Zubach	2007	2020	13	Chair	
2	Noella Pylypowich	2007	2020	13	Secretary	
3	Dr. Taras Babick	2007	2020	13	Vice Chair	
4	Sophia Kachor	2019	2020	1		
5	Demyan Hyworon	2007	2020	13		
6	Don Cilinsky	2012	2020	8		
7	Irka Semaniuk	2015	2020	5		
8	Nick Chubenko	2019	2020	1		
9	Susan Zuk	2014	2020	6		
			<b>Avg.</b>	<b>8.1</b>		

Carpathia 2019		Winnipeg, Manitoba		
	Name	Profession	Business	Education
1	Roman Zubach	VP Human Resources	Manitoba Liquor Control Commission	
2	Noella Pylypowich	Boutique and Spa Consultant	Spa Lifestyle Fashion Boutique Inc.	
3	Dr. Taras Babick	Deputy Registrar	College of Physicians & Surgeons	MD, (Manitoba)
4	Sophia Kachor	Retired - Executive Director	Oseredok Ukrainian Cultural & Educational Centre	
5	Demyan Hyworon	VP, IT & Product Support	InfoTech Inc.	BA, (Manitoba)
6	Don Cilinsky	Retired	Independent Research Consultant	BA, B Ed
7	Irka Semaniuk	Secretary	Oseredok Ukrainian Cultural & Educational Centre	BA, (Manitoba)
8	Nick Chubenko	Retired - Geriatric Clinician	Seven Oaks Hospital	BA, B Social Work (Manitoba)
9	Susan Zuk	Associate VP & Senior Consultant	Paradigm Consulting Group	BA, (Manitoba)




**Desjardins**

 Caisse populaire Ukrainienne de Montréal  
 Українська Народна Каса у Монреалі

**Caisse populaire Desjardins Ukrainienne de Montréal** was founded in **2004** and is the 4th largest Ukrainian credit union in Canada.

### Caisse Financials

- Assets of \$194,818K, up 12.6%
- Liabilities of \$169,645K, an increase of 13.3%
- Equity of \$25,173K, up 7.7%
- Capital stock: \$96K
- Distributable surplus earnings: \$1,330K
- Accumulated other comprehensive income: \$315K
- Reserves: \$23,432K
- Stabilization reserve: \$119K
- Reserve for future member dividends: \$701K
- Community Development Fund: \$15K
- Operating surplus earnings of \$1,586K, up 27.4%
- Interest income totalling \$5,727K, an increase of 21.9%
- Interest expenses of \$2,221K, up 24.0%
- Other income totalling \$731K, up 7.2%
- Non-interest expenses of \$2,587K, an increase of 10.7%

All loans to restricted parties\* were granted in accordance with the caisse's applicable rules of professional conduct. Loans granted to restricted parties totalled \$773K.

\*Restricted parties include: a) Caisse directors and the caisse general manager, including their relatives b) Federation directors, including their relatives

## Corporate Governance

CP Ukrainienne de Montréal, Quebec						
	2019	Year Started	Year Ended	Years on Board	Position	
1	Anastasia Kyva	2012	2020	8	Chair	
2	Eugène Czolij	2004	2020	16	Vice Chair	
3	Georges Szytk	2012	2020	8	Secretary	
4	Garry W. Grosko	2004	2020	16		
5	Gregory Kowryha	2004	2020	16		
6	Helen Holowka	2010	2020	10		
7	Igor Pryszlak	2004	2020	16		
8	Mariya Netak	2018	2020	2		
9	Myroslaw Balycky	2009	2020	11		
10	Nicholas Hladky	2019	2020	1		
11	Orest Humenny	2008	2020	12		
12	Orest Mytko	2010	2020	10		
13	Stephen Spilkin	2004	2020	16		
14	Volodymyr Zhovtulya	2004	2020	16		
15	Yury Monczak	2015	2020	5		
			<b>Avg.</b>	<b>10.9</b>		

CP Ukrainienne de Montreal				
2019	Profession	Business	Education	
1	Anastasia Kyva	Title & Estate Attorney	Anastasia Kyva Notary Inc.	LLB (Montreal)
2	Eugène Czolij	Partner	Lavery – Lawyers	LLB (Montreal)
3	Georges Szytk	CFO	Stateside Energy LLC	BA (Concordia)
4	Garry W. Grosko	Entrepreneur	Logistics Specialist	MBA (Concordia)
5	Gregory Kowryha	Retired	Federal Government	B.A. Political Science (Concordia)
6	Helen Holowka	Accountant (32 yrs)	Tretiak Holowka Inc.	CPA
7	Igor Pryszlak	Notary	Pryszlak & Tran	LLB
8	Mariya Netak	Credit Manager	B Terfloth + CIE (Canada)	CPA, BA, Graduate Certificate in Accounting Practice, Accounting Diploma (McGill)
9	Myroslaw Balycky	Real Estate Broker	Group Sutton Synergie Inc.	Dawson College
10	Nicholas Hladky	President	Wilton-Panorama Group	B. Com (Concordia), CPA
11	Orest Humenny	Architect		B. Arch (McGill), M. Arch (Yale)
12	Orest Mytko	Retired	Business Consultant	B.Com (Sir George Williams)
13	Stephen Spilkin	Retired	Financial Controller	B.Com (Sir George Williams)
14	Volodymyr Zhovtulya	Technician	Manufacturing	Lviv Polytechnic Institute
15	Yury Monczak	Assistant Professor of Medicine	McGill University	M. SC (Montreal), Ph.D. (Montreal)



**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 fifth largest Ukrainian credit union in Canada.

### **Chairman's Report**

On behalf of the Board of Directors, it is my pleasure to present the 2019 Annual Financial Report for New Community Credit Union.

Over the past years we have seen numerous changes in the Credit Union system. These changes have been driven by technology, compliance requirements set by our regulators and changes to the standards of sound business practice. Through all of this, New Community Credit Union has done a tremendous job of managing these changes and as in the past enjoyed another successful year.

I would now like to turn to 2020, a year most of us would never have anticipated. This has brought significant changes to our lives, our work, our social fabric and our financial situation. Our focus continues on delivering consistent value to our members, enhancing operational efficiencies and offering the best options to meet our member's financial needs. We are able to find numerous ways to work with you. Take the time to review our website at [www.newcommunitycu.com](http://www.newcommunitycu.com) or call to ask questions. Let's continue to work together.

On behalf of the Board I would like to thank our management team and each of our employees of the Credit Union for their continued commitment and exceptional customer service that makes New Community Credit Union the financial institution of choice for our members.

I would like to thank my fellow Directors for their time and commitment to New Community Credit Union. Your guidance and support of the leadership of the credit union is very much appreciated. You truly represent the members of New Community Credit Union and always have their best interests at heart.

I am deeply grateful for being given the opportunity to serve on the Board of New Community Credit Union for six years, both as a member of the Board and Chairman.

In closing, the Board of Directors, Management and Staff would like to take this opportunity to thank our members for your continued loyalty and support over the last year and we look forward to serving you into the future.

Roman Sywanyk - Chairman of the Board

### **Introduction**

New Community Credit Union (NCCU) is an independent member owned Saskatchewan credit union. A credit union is a financial service co-operative where the members are the owners and decision-makers. Members have a say in their credit union's actions through an elected board of directors who provide governance and ensure that members' views are represented. NCCU's members hold two \$5 shares, allowing them to participate in the credit unions democratic process. Current legislation enables NCCU to provide financial services to members and nonmembers.

As of December 31, 2019, there are 2,280 members. This is up nicely from 2018, although a portion of this growth can be attributed to clean-up undertaken throughout the year. NCCU has held our office in Saskatoon's Riversdale Community throughout and predominately provide services to Saskatoon and

bordering communities. Service delivery channels are inbranch, the ATM network, CU Connect, internet banking and mobile banking. We continue to experience solid growth and as such continue to expand our staff compliment. In order to accommodate staff NCCU completed a renovation in 2019, taking advantage of otherwise underutilized office space.

Although cost restraints limit NCCU from being on the leading edge of technology we continue to listen to the needs of our membership. NCCU remains dedicated to balancing the cost of technological advancements with the evolving expectations of a more connected society and it is our hope by consistently implementing different levels of technology, we will remain relevant to our core membership. These technology advancements continue to drive our core work areas and 2019 proved to be no different. NCCU remains committed to providing a good balance between fiscal responsibility and meeting and exceeding the service level expectations of our members.

## **Strategy**

NCCU's Mission is "To be the premier provider of personalized financial services to a growing and diverse membership". Our strategic initiative has always been to provide our members with an elite level of personal service. We have continued to focus this key objective while balancing the need for long term sustainability.

NCCU has experienced considerable growth in the past several years. Although our membership has experienced marginal growth, the asset base serviced by our staff continues to grow. With strong financial results combined with this growth, and our ongoing commitment to quality member service, we continued to increase our staff in 2019. With this increase we now feel we have the staff compliment to further facilitate growth.

Meeting quality member service goals is our ongoing commitment. Whether it's on the phone, face to face transactions or offering the option of expanded electronic channels NCCU is proud of the commitment our staff has made to provide a premier level of personal service. We truly believe our entire staff have embraced our member-first philosophy.

## **Key Performance Results**

The following will provide a summary of the Financial Statements found later in this report. Although New Community Credit Union's net profit experienced a 12% decline, this reduction was fully anticipated and reflected in our 2019 budget. The primary reason for the decline was last year's income was inflated by a onetime dividend received. All things considered NCCU maintained strong financial performance in 2019, exceeding budget in most categories.

## **Financial Performance:**

Balance Sheet Assets increased 9.26%, to end the year at \$115.7M. The growth in Assets was once again made possible by an increase in total deposits. We saw deposits increase 9.16% to \$105.9M. This growth was spread out in demand accounts and the various fixed rate deposits, both registered and non-registered. Most of the growth was experienced in term deposits.

Much like what we have experienced for many years NCCU's loan demand continued to be strong in 2019. We were able to move the increase in member deposits to loans and as a result experienced an 8.13% increase in loans, which ended the year at \$95.56M. Loans currently make up 82.6% of total assets. In addition to balance sheet loans NCCU administered an additional \$29.8M for strategic partners. Our total loan portfolio as at Dec 31st exceeded \$125M.

NCCU continues to experience strong financial results. With a focus on long-term sustainability continuing to look for additional revenue streams remains important. Both the board and management are committed to sound financial management and as part of this pay close attention to

balancing capital levels and maintaining a sustainable growth rate. With escalating attention on capital and an increase in exposure in the loan concentration levels, NCCU will continue to focus on building reserves for projected future growth.

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 an excellent staff 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 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 provides support to the risk management function of the credit union. Risk is managed on a regular basis through meetings and detailed reporting to the Board of Directors.

## Corporate Governance

New Community 2019		Saskatoon, Saskatchewan				
Name		Year Started	Year Ended	Years on Board	Position	
1	Roman Sywanyk	2014	2020	6	Chair	
2	Rosanne Alain	2017	2020	3	Secretary	
3	Morris Bodnar	2010	2020	10	Vice Chair	
4	Barry Slowski	2011	2019	8		
5	George Zerebecky	2012	2020	8		
6	Gwen Klypak	2015	2020	5		
7	Ivan Besermenji	2019	2020	1		
8	Angela Wojcichowsky	2012	2020	8		
9	Delva Rebin	2011	2020	9		
			<b>Avg.</b>	<b>6.4</b>		

New Community 2019		Saskatoon, Saskatchewan			
Name		Profession	Business	Education	
1	Roman Sywanyk	Retired			
2	Rosanne Alain	Retired			
3	Morris Bodnar	Retired	Former Partner Bodnar & Campbell	LLB	
4	Barry Slowski	CFO	Bulter Byers Insurance	B Com (Saskatchewan)	
5	George Zerebecky	Retired		BA (Saskatchewan), B Ed (Saskatchewan)	
6	Gwen Klypak	Independent Artist	Gwen Klypak Design	Diploma Applied Arts (SIAS)	
7	Ivan Besermenji	Entrepreneur			
8	Angela Wojcichowsky	Director International Projects	Saskatchewan Polytechnic (SIAS)	BA (Saskatchewan), MPA (Regina)	
9	Delva Rebin	Retired	Communikinetics	BA (Saskatchewan)	

## Profile Bohdan Leshchyshen

Bohdan Leshchyshen 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 a Director and sits on the following committees: Audit Committee and Investment Committee (Chairman).

In addition to his board work at Buduchnist Credit Union, Mr. Leshchyshen 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, Ucrainica Research Institute, and Ukrainian Youth Association Charitable Trust.

Bohdan Leshchyshen'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.

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.

Most recently, he came out of semi-retirement and was appointed in March of 2018 as the Canadian Project Director of Canada-Ukraine Trade and Investment Support Project (CUTIS). The CUTIS Project is a 5-year (2016-2021) Canadian development assistance initiative designed to help Ukraine through increasing exports from Ukraine to Canada and investment from Canada to Ukraine.

Bohdan Leshchyshen'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 a 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 past reports, please visit: [www.canadiancreditunion.ca](http://www.canadiancreditunion.ca)

### About the *Council of Ukrainian Credit Unions of Canada*



COUNCIL OF UKRAINIAN CREDIT UNIONS OF CANADA

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The *Council of Ukrainian Credit Unions of Canada* (CUCUC) is a not-for-profit trade association formed and managed by its Canadian provincial credit union members to promote the collective interests of ethno-Ukrainian Canadian credit unions operating in Canada. CUCUC's members currently have operations in Ontario, Quebec, Manitoba, and Saskatchewan and provide a full array of financial services, business banking, and wealth management solutions to their members of both Ukrainian and non-Ukrainian heritage.

CUCUC's members are *Ukrainian Credit Union Limited* (Ontario), *BCU Financial (Buduchnist Credit Union Limited)* (Ontario), *Caisse Populaire Desjardins Ukrainienne de Montréal* (Quebec), *New Community Credit Union* (Saskatchewan), and *Carpathia Credit Union* (Manitoba).

For more information about the *Council of Ukrainian Credit Unions of Canada*, visit [www.cucuc.ca](http://www.cucuc.ca).