

# UKRAINIAN CREDIT UNIONS IN CANADA 2021 FINANCIAL RESULTS

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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 credit unions in Canada over the last five years have shown consistent profitability, but increased significantly in 2021 due to a higher net interest margin and significantly lower level of provision for loan losses.

Asset quality as measured by allowance as a percent of loans and loan loss provision has improved in 2021 after two years on increases. The allowance as % of loans decreased to 0.35% of total loans in 2021 compared to 0.63% in the previous year. The loan loss provision ratio decreased to 0.04% of average assets in 2021 compared to 0.29% in the previous year.

Generally, Ukrainian credit unions in Canada have endeavoured to provide loans using a lower loan to value ratio than the maximum of 80% and have issued more insured mortgages. BCU Financial (Buduchnist) and Carpathia Credit Union (Carpathia) have disclosed their insured mortgage lending amounts. Their combined exposure to insured mortgages represents 22.9% of their residential mortgage portfolio in 2021 compared to 25.5% in the previous year. Insured mortgage lending has been decreasing over the last few years primarily due to the changes in regulations related to this type of lending.

Capital to assets ratio had been declining between 2016-2019, but increased in 2020 to 7.13% and saw further increase in 2021 to 7.21%. The return on assets and the return of equity increased significantly in 2021 compared to 2020. The membership increased in 2021 to 62,395 compared to 61,892 in the previous year. The record level of membership was 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 and the closing of accounts of members who had passed away. Due to the older demographic of Ukrainian-Canadian credit unions over 400 members pass away each year. The recent increase in Ukrainian migration to Canada due to the War in Ukraine should result in a meaningful increase in membership in 2022.

**Benefits to Members.** The members of the Ukrainian credit unions in Canada have continued to financially benefit by receiving significant dividends and patronage payments, which totaled \$1,226,000 in 2021 compared to \$1,016,000 in 2020. Over the last five years a total of \$4.6 million has been provided by way of dividends and patronage dividends to the members of the Ukrainian credit unions in Canada. In the last 10 years, over \$11.8 million has been returned to members.

**Contributions by credit unions to the community and to its members.** The Ukrainian credit unions in Canada 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 averaged about \$2.030 million per year in the last 5 years and \$2.438 million per year in the last 10 years.

Over the last 10 years, a total of \$24.4 million has been provided by way of donations, sponsorship and promotion funds to the Ukrainian community in Canada. This represents 6.0% 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.

**Performance.** Return on equity was 6.3% compared to 3.1% in previous year. Ukrainian credit unions in Canada's assets grew by 5.5% in 2021 compare to a growth of 4.7% in previous year. *In 2021, the largest credit unions in Canada saw their assets grow by 7.0% compared to 6.6% in 2020.* Ukrainian credit unions in Canada's total deposits grew by 6.3% compared to a growth of 5.5% in the previous year. Due to the COVID 19 pandemic, the Federal government provided significant financial support to both individuals and small businesses in 2020. Some of this financial support was deposited by our members as demand deposits and this resulted in a 17.8% increase in demand deposits in 2020 and a further 12.8% increase in 2021.

The Ukrainian credit unions in Canada's net comprehensive income before dividend and patronage payments decreased for the last three years and in 2021 increased by 120.5% to \$13.4 million from \$6.1 million in the previous year, due to a higher net interest margin and significantly lower level of provision for loan losses. (See Schedule 6a).

The operating expense ratio increased slightly to 1.69% compared to 1.64% in the previous year. Ukrainian credit unions in Canada's operating ratio are much lower than the operating expense ratio of the *largest credit*

*unions in Canada, which had a ratio of 1.82%. This means that the the Ukrainian credit unions in Canada are low-cost providers of financial services. The Ukrainian-Canadian credit unions paid 9.1% of their net income to their members by way of a dividend or a patronage refund totaling \$1,226,000 compared to \$1,016,000 in the previous year. These patronage dividends helped to increase the capital of the credit unions by 6.6% to \$218.1 million representing 7.21% of the assets.*

The return on assets (ROA) increased to 0.46% compared to 0.22% in 2020, which was below the *largest credit unions in Canada average ROA of 0.55%*.

Ukrainian credit unions in Canada 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 14.5% of total net operating revenue. *Other income represented 23.3% 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 member service and lending fees, mutual funds and investment management fees.

**Asset Quality.** Asset quality has begun to deteriorate since 2018. The allowance for loan losses increased to 0.63% of total loans in 2022 compared to 0.54% in 2019. The allowance for loan losses in 2021 improved significantly to 0.35%. The loan loss provision as a % of average assets also improved and was at 0.04% of loans compared to 0.29% in 2020. This was similar to the low level that the Ukrainian-Canadian credit unions had prior to 2018.

**Loan portfolio.** The Ukrainian community in Canada have a larger concentration in lower risk residential mortgage lending which represents 69.3% of the loan portfolio. The residential loan portfolio grew by 7.3% in 2021 compared to 0.6% in the previous year. *Residential mortgage portfolio of the largest credit unions in Canada represented 60.2% of the total loan portfolio and saw their residential mortgages increase by 9.5%.*

The commercial mortgage loans represented 29.8% of the total loan portfolio. The commercial mortgage loans increased by 13.4% compared to a decline of 2.9% 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 29.5% of the total loan portfolio and saw their commercial loans increase by 11.0%.*

Consumer (personal) loans only represented 2.7% of the total loan portfolio and saw a decline of 5.8% in 2021 compared to a decline of 15.6% in the previous year. *Consumer loan portfolio of the largest credit unions in Canada represented 5.2% of the total loan portfolio and saw their personal loans decline by 7.4%.*

Business loans and leases only represented 0.4% of the total loan portfolio and saw a small increase of 0.4% in 2021 compared to a decline of 31.4% in the previous year. *Business loans and leases loan portfolio of the largest credit unions in Canada represented 2.3% of the total loan portfolio and saw their business loans increase by 21.5%.*

### Comparison of 2020 and 2019 Loan Portfolios

<b>Net Loans</b>	<b>2021</b>	<b>2020</b>	<b>Growth %</b>
Ukrainian	\$1,011,223	\$861,585	17.4%
Buduchnist	\$815,538	\$752,292	8.4%
Carpathia	\$458,102	\$472,410	-3.0%
CP Ukrainienne de Montreal	\$200,413	\$188,292	6.4%
New Community	\$93,846	\$94,310	-0.5%
	<b><u>\$2,579,122</u></b>	<b><u>\$2,368,888</u></b>	<b><u>8.9%</u></b>

<b>Residential Mortgages</b>	<b>2021</b>	<b>2021</b>	<b>Growth %</b>
Ukrainian	\$641,485	\$551,808	16.3%
Buduchnist	\$596,332	\$515,445	15.7%
Carpathia	\$307,500	\$335,392	-8.3%
CP Ukrainienne de Montreal	\$164,122	\$151,636	8.2%
New Community	\$44,857	\$46,195	-2.9%
	<b><u>\$1,754,297</u></b>	<b><u>\$1,634,682</u></b>	<b><u>7.3%</u></b>

<b>Commercial Mortgages</b>	<b>2021</b>	<b>\$2,021</b>	<b>Growth %</b>
Ukrainian	\$338,330	\$280,211	20.7%
Buduchnist	\$218,515	\$237,853	-8.1%
Carpathia	\$125,849	\$111,753	12.6%
CP Ukrainienne de Montreal	\$32,931	\$32,872	0.2%
New Community	\$38,994	\$36,173	7.8%
	<b><u>\$754,619</u></b>	<b><u>\$665,291</u></b>	<b><u>13.4%</u></b>

<b>Consumer Loans</b>	<b>2021</b>	<b>\$2,021</b>	<b>Growth %</b>
Ukrainian	\$34,810	\$32,887	5.8%
Buduchnist	\$4,786	\$5,588	-14.4%
Carpathia	\$16,110	\$19,311	-16.6%
CP Ukrainienne de Montreal	\$3,812	\$4,228	-9.8%
New Community	\$9,127	\$10,884	-16.1%
	<b><u>\$68,645</u></b>	<b><u>\$72,897</u></b>	<b><u>-5.8%</u></b>

**Growth of membership.** Membership has increased by 0.81% to 62,395. CP Ukrainienne de Montreal saw their membership numbers increase by 4.39%.

Comparison of Membership Growth				
Name of credit union	Members 2021	Members 2020	Growth %	Growth #
1 Ukrainian	25,354	24,947	1.63%	407
2 Buduchnist	19,641	19,805	-0.83%	-164
3 Carpathia	10,911	10,739	1.60%	172
4 CP Ukrainienne de Montreal	4,302	4,121	4.39%	181
5 New Community	2,187	2,280	-4.08%	-93
<b>Total</b>	<b>62,395</b>	<b>61,892</b>	<b>0.81%</b>	<b>503</b>

**Asset Growth.** Ukrainian credit unions in Canada assets grew by 5.5% in 2021 compared to growth of 4.7% in the previous year. *The largest credit unions in Canada grew by 9.8% in 2020 compared to 6.6% in previous year.* Ukrainian Credit Union had the largest asset growth of 13.1%, followed by CP Ukrainienne de Montreal with growth of 7.3%.

Comparison of Asset Growth				
	Assets 2021 (\$mils)	Assets 2020 (\$mils)	Growth %	Growth \$
1 Ukrainian	\$1,119.9	\$990.6	13.1%	\$129.3
2 Buduchnist	\$931.0	\$916.3	1.6%	\$14.7
3 Carpathia	\$617.3	\$618.5	-0.2%	(\$1.2)
4 CP Ukrainienne de Montreal	\$230.6	\$214.8	7.3%	\$15.8
5 New Community	\$126.3	\$126.8	-0.4%	(\$0.5)
<b>Total</b>	<b>\$3,025.2</b>	<b>\$2,867.1</b>	<b>5.5%</b>	<b>\$158.1</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. However, during the COVID 19 pandemic many members kept their excess funds with their credit unions particularly in short term demand deposits. These demand deposits increased by 12.8% in 2021 compared to 17.8% in 2020. Total deposits increased by 6.3% in 2021 compared to growth of 5.5% in previous year. *The largest credit unions in Canada grew 6.2% in 2020 compared to 6.7% in previous year.* Ukrainian Credit Union Limited had the largest deposit growth of 15.3%, followed by CP Ukrainienne de Montreal with a growth rate of 8.3%.

<b>Comparison of Deposit Growth</b>				
	<b>Deposits 2021 (\$mils)</b>	<b>Deposits 2020 (\$mils)</b>	<b>Growth %</b>	<b>Growth \$</b>
1 Ukrainian	\$923.4	\$800.8	15.3%	\$122.6
2 Buduchnist	\$764.8	\$747.6	2.3%	\$17.1
3 Carpathia	\$579.6	\$580.1	-0.1%	(\$0.5)
4 CP Ukrainienne de Montreal	\$140.3	\$129.6	8.3%	\$10.8
5 New Community	\$114.1	\$114.8	-0.7%	(\$0.7)
<b>Total</b>	<b>\$2,522.1</b>	<b>\$2,372.9</b>	<b>6.3%</b>	<b>\$149.2</b>

**Net Interest Margin** - Net interest margin increased to 1.91% compared to 1.85% in the previous year. Again, CP Ukrainienne de Montreal had the highest net interest margin of 2.59%. *The largest credit unions in Canada had a net interest margin of 1.93% in 2020 compared to 1.88% in the previous year.*

<b>Net Interest Margin Comparison</b>			
<b>Name of credit union</b>	<b>2021</b>	<b>2020</b>	<b>Change %</b>
Ukrainian	2.22%	2.02%	0.19%
Buduchnist	1.87%	1.79%	0.08%
Carpathia	1.26%	1.55%	-0.29%
CP Ukrainienne de Montreal	2.59%	2.23%	0.37%
New Community	1.65%	1.88%	-0.23%
	<b>1.91%</b>	<b>1.85%</b>	<b>0.06%</b>

**Operating Costs** – Ukrainian credit unions in Canada have an operating cost structure that is quite competitive. The operating expense ratio increased slightly to 1.69% in 2021 compared to 1.64% in the previous year, which is *quite favourable compared to the largest credit unions in Canada*. *The largest credit unions in Canada decreased their operating expense ratio to 1.82% from 1.83% in the previous year.*

<b>Operating Expense Ratio Comparison</b>			
<b>Name of credit union</b>	<b>2021</b>	<b>2020</b>	<b>Change %</b>
Ukrainian	1.97%	1.97%	0.00%
Buduchnist	1.60%	1.43%	0.17%
Carpathia	1.51%	1.56%	-0.05%
CP Ukrainienne de Montreal	1.41%	1.37%	0.04%
New Community	1.36%	1.52%	-0.16%
	<b>1.69%</b>	<b>1.64%</b>	<b>0.05%</b>

The operating expense to revenue (productivity ratio) decreased slightly to 75.6% in 2021 from 76.0% in the previous year. The higher the ratio the more costly it is to run the credit union. The productivity ratio of the Ukrainian credit unions in Canada is higher (unfavorable) compared to the *largest Canadian credit unions ratio, which had a productivity ratio of 72.2% in 2021 compared to 74.4% in the previous year.*

<b>Productivity Expense Ratio Comparison</b>			
<b>Name of credit union</b>	<b>2021</b>	<b>2020</b>	<b>Change %</b>
Ukrainian	77.9%	82.2%	-4.3%
Buduchnist	74.3%	71.3%	3.0%
Carpathia	93.4%	80.3%	13.1%
CP Ukrainienne de Montreal	47.9%	59.2%	-11.3%
New Community	63.6%	64.9%	-1.3%
	<b>75.6%</b>	<b>76.0%</b>	<b>-0.4%</b>

**Capitalization** – The average capital ratio decreased to 7.21% from 7.13% in the previous year. The largest credit unions in Canada had a capital ratio of 7.12% in 2021 compared to 6.93% in the previous year.

The best capitalized credit union was Caisse Populaire Ukrainienne de Montreal with a capital ratio of 13.29%, the next best capitalized credit union was New Community Credit Union with a capital ratio 8.74% followed by Buduchnist Credit Union Limited (BCU Financial) with 7.98% capital ratio.

<b>Capitalization Comparison</b>				
<b>Name of credit union</b>	<b>Capital</b>	<b>%</b>	<b>Capital</b>	<b>%</b>
	<b>(\$000's)</b>	<b>Assets</b>	<b>(\$000's)</b>	<b>Assets</b>
	<b>2021</b>		<b>2020</b>	
Ukrainian	\$69,051	6.17%	\$63,926	6.45%
Buduchnist	\$74,324	7.98%	\$71,055	7.75%
Carpathia	\$32,990	5.34%	\$32,699	5.29%
CP Ukrainienne de Montreal	\$30,643	13.29%	\$26,486	12.33%
New Community	\$11,045	8.74%	\$10,330	8.15%
	<b>\$218,053</b>	<b>7.21%</b>	<b>\$204,496</b>	<b>7.13%</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 credit unions in Canada's total risk adjusted capital ratio decreased to 15.08% compared to 15.67% in the previous year. The Ukrainian credit unions in Canada's risk adjusted capital ratio is higher than the largest credit unions in Canada's ratio of 14.37% compared to 14.72% in the previous year.

<b>Risk Adjusted Capitalization Comparison</b>				
<b>Name of credit union</b>	<b>Risk</b>	<b>Total</b>	<b>Risk</b>	<b>Total</b>
	<b>Adjusted</b>	<b>Ratio</b>	<b>Adjusted</b>	<b>Ratio</b>
	<b>Capital</b>	<b>%</b>	<b>Capital</b>	<b>%</b>
	<b>2021</b>		<b>2020</b>	
	<b>(\$000's)</b>		<b>(\$000's)</b>	
Buduchnist	\$72,360	12.17%	\$67,145	13.34%
Ukrainian	\$75,516	16.66%	\$73,206	16.60%
Carpathia	\$33,656	13.62%	\$33,200	14.65%
CP Ukrainienne de Montreal	\$30,643	27.20%	\$26,074	26.63%
New Community	\$11,095	15.22%	\$10,380	14.60%
	<b>\$223,270</b>	<b>15.08%</b>	<b>\$210,005</b>	<b>15.67%</b>



## Five Year Results of Ukrainian Credit Unions in Canada

Ukrainian Credit Unions in Canada						5 yr Avg.
	2017	2018	2019	2020	2021	
<b>Number of Credit Unions</b>	6	6	5	5	5	
<b>Members</b>	62,478	62,146	61,318	61,850	62,395	
<b>Growth rate %</b>	-2.0%	-0.5%	-1.3%	0.9%	0.9%	<b>-0.4%</b>
<b>Assets (\$Mils)</b>	\$2,495	\$2,609	\$2,738	\$2,867	\$3,025	
<b>Growth rate %</b>	5.5%	4.6%	4.9%	4.7%	5.5%	<b>5.1%</b>
<b>Assets per member</b>	\$39,933	\$41,984	\$44,646	\$46,356	\$48,484	
<b>Growth rate %</b>	7.7%	5.1%	6.3%	3.8%	4.6%	<b>5.5%</b>
<b>Total Loans (\$Mils)</b>	\$2,188	\$2,307	\$2,399	\$2,369	\$2,579	
<b>Growth rate %</b>	8.8%	5.4%	4.0%	-1.3%	8.9%	<b>5.2%</b>
<b>Allowance % loans</b>	0.13%	0.43%	0.56%	0.63%	0.35%	<b>0.42%</b>
<b>Residential mortgages (\$mils)</b>	\$1,384	\$1,475	\$1,625	\$1,635	\$1,754	
<b>Growth rate %</b>	11.8%	6.6%	10.2%	0.6%	7.3%	<b>7.3%</b>
<b>Commercial mortgages (\$mils)</b>	687	718	686	665	755	
<b>Growth rate %</b>	4.7%	4.4%	-4.5%	-2.9%	13.4%	<b>3.0%</b>
<b>Personal loans (\$mils)</b>	93	105	86	73	69	
<b>Growth rate %</b>	5.4%	12.4%	-17.9%	-15.6%	-5.8%	<b>-4.3%</b>
<b>Total Deposits (\$mils)</b>	\$2,075	\$2,143	\$2,249	\$2,373	\$2,522	
<b>Growth rate %</b>	4.7%	3.3%	5.0%	5.5%	6.3%	<b>4.9%</b>
<b>Demand deposits (\$mils)</b>	774	817	845	996	1,123	
<b>Growth rate %</b>	8.2%	5.5%	3.5%	17.8%	12.8%	<b>9.6%</b>
<b>Term deposits (\$mils)</b>	869	871	912	870	894	
<b>Growth rate %</b>	2.7%	0.3%	4.6%	-4.6%	2.8%	<b>1.2%</b>
<b>Registered deposits (\$mils)</b>	432	455	492	507	505	
<b>Growth rate %</b>	2.8%	5.2%	8.2%	3.1%	-0.5%	<b>3.7%</b>

## Five Year Results of Ukrainian Credit Unions in Canada

Ukrainian Credit Unions in Canada						5 yr Avg.
	2017	2018	2019	2020	2021	
<b>Equity and Shares (\$mils)</b>	\$179.6	\$184.0	\$189.8	\$204.5	\$218.1	
<b>Growth %</b>	5.4%	2.5%	3.1%	7.8%	6.6%	<b>5.1%</b>
<b>Capital % assets</b>	7.20%	7.05%	6.93%	7.13%	7.21%	<b>7.10%</b>
<b>Promotions, Donations &amp; Advertising (\$Mils)</b>	\$2,645	\$1,866	\$2,037	\$1,603	\$2,000	<b>\$2,030</b>
<b>Growth rate %</b>	-14.2%	-29.5%	9.2%	-21.3%	24.8%	<b>-6.2%</b>
<b>As a % total operating expenses</b>	6.49%	4.39%	4.30%	3.48%	4.01%	<b>4.53%</b>
<b>Net Income (\$Mils)</b>	\$7.269	\$8.799	\$7.153	\$6.084	\$13.416	
<b>Growth rate %</b>	-13.3%	21.0%	-18.7%	-15.0%	120.5%	<b>18.9%</b>
<b>Return on assets</b>	0.30%	0.34%	0.26%	0.22%	0.46%	<b>0.32%</b>
<b>Return on Equity</b>	4.2%	4.9%	3.9%	3.1%	6.2%	<b>4.5%</b>
<b>Net interest margin % avg. assets</b>	1.93%	2.01%	2.01%	1.85%	1.91%	<b>1.94%</b>
<b>Other Income % avg. assets</b>	0.37%	0.28%	0.28%	0.31%	0.32%	<b>0.31%</b>
<b>Gross Income % avg. assets</b>	2.30%	2.29%	2.30%	2.16%	2.24%	<b>2.26%</b>
<b>Operating expense % avg. assets</b>	1.68%	1.67%	1.74%	1.64%	1.69%	<b>1.68%</b>
<b>Loan loss ratio % avg. assets</b>	0.09%	0.26%	0.15%	0.29%	0.04%	<b>0.17%</b>
<b>Other income % total income</b>	16.0%	12.3%	12.3%	14.2%	14.5%	<b>13.9%</b>
<b>Number of employees</b>	355	312	311	293	287	
<b>Salary expenses (\$mils)</b>	21.3	22.5	24.0	24.6	25.8	
<b>Average salary per employee</b>	\$60,140	\$72,119	\$77,387	\$84,042	\$89,937	<b>\$76,725</b>
<b>Productivity ratio</b>	72.9%	72.7%	75.7%	76.0%	75.6%	<b>74.6%</b>
<b>Dividends/Patronage paid (\$Mils)</b>	\$0.813	\$0.778	\$0.785	\$1.016	\$1.226	<b>\$0.924</b>
<b>% return to members</b>	11.2%	8.8%	11.0%	16.7%	9.1%	<b>11.4%</b>

<b>Schedule 1</b>		<b>UKRAINIAN CREDIT UNIONS IN CANADA</b>					
<b>Asset Growth</b>		<b>as at December 31, 2021</b>					
<b>Name of credit union</b>	<b>Location</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	25,354	\$1,119.9	13.1%	\$5,787	0.55%	8.7%
2	Buduchnist	19,641	\$931.0	1.6%	\$3,578	0.39%	4.9%
3	Carpathia	10,911	\$617.3	-0.2%	\$331	0.05%	1.0%
4	CP Ukrainienne de Montreal	4,302	\$230.6	7.3%	\$3,004	1.35%	10.5%
5	New Community	2,187	\$126.3	-0.4%	\$715	0.57%	6.7%
<b>Total</b>		<b>62,395</b>	<b>\$3,025.2</b>	<b>5.5%</b>	<b>\$13,416</b>	<b>0.46%</b>	<b>6.3%</b>
<b>Total 2020</b>		<b>61,892</b>	<b>\$2,867.1</b>	<b>4.7%</b>	<b>\$6,084</b>	<b>0.22%</b>	<b>3.1%</b>
<b>Total 2019</b>		<b>61,246</b>	<b>\$2,737.6</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>\$2,609.2</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>\$2,494.9</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>\$2,363.8</b>	<b>5.4%</b>	<b>\$8,387</b>	<b>0.36%</b>	<b>5.0%</b>

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

<b>Schedule 2</b>		<b>UKRAINIAN CREDIT UNIONS IN CANADA</b>				
<b>Capitalization</b>		<b>as at December 31, 2021</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	\$69,051	6.17%	8.0%	\$717	15.8%
2	Buduchnist	\$74,324	7.98%	4.6%	\$200	5.3%
3	Carpathia	\$32,990	5.34%	0.9%	\$11	3.4%
4	CP Ukrainienne de Montreal	\$30,643	13.29%	15.7%	\$298	9.9%
5	New Community	\$11,045	8.74%	6.9%	-	-
<b>Total</b>		<b>\$218,053</b>	<b>7.21%</b>	<b>6.6%</b>	<b>\$1,226</b>	<b>9.9%</b>
<b>Total 2020</b>		<b>\$204,495</b>	<b>7.13%</b>	<b>7.8%</b>	<b>\$1,016</b>	<b>17.7%</b>
<b>Total 2019</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>Schedule 2a</b>						
<b>Risk Adjusted</b>						
<b>Capitalization (Basel)</b>						
<b>UKRAINIAN CREDIT UNIONS IN CANADA</b>						
<b>as at December 31, 2021</b>						
<b>2021</b>	Tier I	Tier II	Total	Risk Adjusted Ratios		
	Risk	Risk	Risk	Tier I	Tier II	Total
<b>Name of credit union</b>	Adjusted	Adjusted	Adjusted	Ratio	Ratio	Ratio
	Capital	Capital	Capital			
	(\$'000's)	(\$'000's)	(\$'000's)			
Ukrainian	\$69,673	\$2,687	\$72,360	11.72%	0.45%	12.17%
Buduchnist	\$70,482	\$5,034	\$75,516	15.55%	1.11%	16.66%
Carpathia	\$33,656	\$0	\$33,656	13.62%	0.00%	13.62%
CP Ukrainienne de Montreal	\$30,643	\$0	\$30,643	27.20%	0.00%	27.20%
New Community	\$11,023	\$72	\$11,095	15.12%	0.10%	15.22%
<b>Total</b>	<b>\$215,478</b>	<b>\$7,792</b>	<b>\$223,270</b>	<b>14.55%</b>	<b>0.53%</b>	<b>15.08%</b>
<b>Growth rate %</b>	<b>6.4%</b>	<b>3.3%</b>	<b>6.3%</b>			
<b>2020</b>	Tier I	Tier II	Total	Risk Adjusted Ratios		
	Risk	Risk	Risk	Tier I	Tier II	Total
<b>Name of credit union</b>	Adjusted	Adjusted	Adjusted	Ratio	Ratio	Ratio
	Capital	Capital	Capital			
	(\$'000's)	(\$'000's)	(\$'000's)			
Ukrainian	\$65,786	\$1,359	\$67,145	13.07%	0.27%	13.34%
Buduchnist	\$67,095	\$6,111	\$73,206	15.21%	1.39%	16.60%
Carpathia	\$33,200	\$0	\$33,200	14.65%	0.00%	14.65%
CP Ukrainienne de Montreal	\$26,074	\$0	\$26,074	26.63%	0.00%	26.63%
New Community	\$10,308	\$72	\$10,380	14.50%	0.10%	14.60%
<b>Total</b>	<b>\$202,463</b>	<b>\$7,542</b>	<b>\$210,005</b>	<b>15.11%</b>	<b>0.56%</b>	<b>15.67%</b>
<b>Growth rate %</b>	<b>10.2%</b>	<b>9.5%</b>	<b>10.2%</b>			
<b>2019</b>	Tier I	Tier II	Total	Risk Adjusted Ratios		
	Risk	Risk	Risk	Tier I	Tier II	Total
<b>Name of credit union</b>	Adjusted	Adjusted	Adjusted	Ratio	Ratio	Ratio
	Capital	Capital	Capital			
	(\$'000's)	(\$'000's)	(\$'000's)			
Ukrainian	\$51,777	\$2,211	\$53,988	10.92%	0.47%	11.39%
Buduchnist	\$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>			

Schedule 3 Loan Portfolio		UKRAINIAN CREDIT UNIONS IN CANADA					Allowance/ Loans %
		as at December 31, 2021					
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)	
1	Ukrainian	\$641,485	\$338,330	\$34,810	\$0	\$1,014,625	0.34%
2	Buduchnist	\$596,332	\$218,515	\$4,786	\$0	\$819,632	0.50%
3	Carpathia	\$307,500	\$125,849	\$16,110	\$9,537	\$458,996	0.19%
4	CP Ukrainienne de Montreal	\$164,122	\$32,931	\$3,812	\$0	\$200,865	0.23%
5	New Community	\$44,857	\$38,994	\$9,127	\$1,079	\$94,058	0.22%
<b>Total</b>		<b>\$1,754,297</b>	<b>\$754,619</b>	<b>\$68,645</b>	<b>\$10,616</b>	<b>\$2,588,176</b>	<b>0.35%</b>
<b>Growth % Year over Year</b>		<b>7.3%</b>	<b>13.4%</b>	<b>-5.8%</b>	<b>-1.8%</b>	<b>8.6%</b>	
<i>Mix of loans %</i>		67.8%	29.2%	2.7%	0.4%	100.0%	
<b>Total 2020</b>		<b>\$1,634,682</b>	<b>\$665,291</b>	<b>\$72,897</b>	<b>\$10,814</b>	<b>\$2,383,684</b>	<b>0.63%</b>
<b>Total 2019</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>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>Growth rates %</b>							
<b>Total 2020</b>		0.6%	-2.9%	-15.6%	-31.4%	-1.2%	
<b>Total 2019</b>		10.2%	-4.5%	-17.9%	-16.1%	4.2%	
<b>Total 2018</b>		6.6%	4.4%	12.4%	-26.7%	5.8%	
<b>Total 2017</b>		11.8%	4.7%	5.4%	-6.1%	9.0%	
<b>Total 2016</b>		3.8%	10.0%	7.1%	-33.8%	5.0%	

<b>Schedule 4</b>		<b>UKRAINIAN CREDIT UNIONS IN CANADA</b>			
<b>Deposit Portfolio</b>		<b>as at December 31, 2021</b>			
<b>Name of credit union</b>	<b>Borrowings (\$000's)</b>	<b>Demand Deposits (\$000's)</b>	<b>Term Deposits (\$000's)</b>	<b>Registered Savings (\$000's)</b>	<b>Total Deposits (\$000's)</b>
1 Ukrainian	\$114,030	\$363,314	\$396,424	\$163,621	\$923,359
2 Buduchnist	\$82,987	\$354,648	\$276,939	\$133,173	\$764,761
3 Carpathia	\$0	\$287,060	\$130,290	\$162,233	\$579,583
4 CP Ukrainienne de Montreal	\$54,843	\$68,878	\$39,165	\$32,273	\$140,316
5 New Community	\$0	\$49,476	\$51,232	\$13,353	\$114,061
<b>Total</b>	<b>\$251,860</b>	<b>\$1,123,377</b>	<b>\$894,050</b>	<b>\$504,652</b>	<b>\$2,522,079</b>
<b>Growth % Year over Year</b>	<b>0%</b>	<b>12.8%</b>	<b>2.8%</b>	<b>-0.5%</b>	<b>6.3%</b>
<i>Mix of deposits</i>		44.5%	35.4%	20.0%	100.0%
<b>Total 2020</b>	<b>\$252,507</b>	<b>\$995,762</b>	<b>\$869,825</b>	<b>\$507,271</b>	<b>\$2,372,858</b>
<b>Growth % Year over Year</b>	<b>-5%</b>	<b>17.8%</b>	<b>-4.6%</b>	<b>3.1%</b>	<b>5.5%</b>
<i>Mix of deposits</i>		42.0%	36.7%	21.4%	100.0%
<b>Total 2019</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>
<i>Mix of deposits</i>		37.6%	40.5%	21.9%	100.0%
<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>
<i>Mix of deposits</i>		37.3%	41.9%	20.8%	100.0%
<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>
<i>Mix of deposits</i>		37.3%	41.9%	20.8%	100.0%
<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>
<i>Mix of deposits</i>		33.2%	46.9%	20.0%	100.0%

**Schedule 5  
Operating results**

**UKRAINIAN CREDIT UNIONS IN CANADA  
as at December 31, 2021  
As a % of Average Asset**

<b>Name of credit union</b>	<b>Net Interest Margin</b>	<b>Other Income</b>	<b>Operating Income</b>	<b>Operating Expenses</b>
1 Ukrainian	2.22%	0.31%	2.53%	1.97%
2 Buduchnist	1.87%	0.28%	2.16%	1.60%
3 Carpathia	1.26%	0.36%	1.62%	1.51%
4 CP Ukrainienne de Montreal	2.59%	0.36%	2.95%	1.41%
5 New Community	1.65%	0.49%	2.14%	1.36%
<b>Total</b>	<b>1.91%</b>	<b>0.32%</b>	<b>2.24%</b>	<b>1.69%</b>
<b>Total 2020</b>	<b>1.85%</b>	<b>0.31%</b>	<b>2.16%</b>	<b>1.64%</b>
<b>Total 2019</b>	<b>2.10%</b>	<b>0.29%</b>	<b>2.39%</b>	<b>1.81%</b>
<b>Total 2018</b>	<b>2.01%</b>	<b>0.28%</b>	<b>2.29%</b>	<b>1.67%</b>
<b>Total 2017</b>	<b>1.88%</b>	<b>0.34%</b>	<b>2.22%</b>	<b>1.57%</b>
<b>Total 2016</b>	<b>1.89%</b>	<b>0.34%</b>	<b>2.23%</b>	<b>1.71%</b>

<b>Schedule 5a Operating results</b>		<b>UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2021</b>			
<b>Name of credit union</b>	<b>Net Interest Margin (\$000s)</b>	<b>Other Income (\$000s)</b>	<b>Operating Income (\$000s)</b>	<b>Operating Expenses (\$000s)</b>	
1 Ukrainian	\$23,375	\$3,302	\$26,677	\$20,777	
2 Buduchnist	\$17,307	\$2,617	\$19,924	\$14,797	
3 Carpathia	\$7,790	\$2,231	\$10,022	\$9,356	
4 CP Ukrainienne de Montreal	\$5,778	\$794	\$6,572	\$3,147	
5 New Community	\$2,092	\$621	\$2,713	\$1,725	
<b>Total</b>	<b>\$56,343</b>	<b>\$9,565</b>	<b>\$65,908</b>	<b>\$49,803</b>	
<b>Growth % Year over Year</b>	8.4%	11.0%	8.8%	8.2%	
<b>Total 2020</b>	<b>\$51,955</b>	<b>\$8,616</b>	<b>\$60,571</b>	<b>\$46,011</b>	
<b>Growth % Year over Year</b>	-5.4%	12.2%	-3.2%	-2.9%	
<b>Total 2019</b>	<b>\$54,927</b>	<b>\$7,678</b>	<b>\$62,605</b>	<b>\$47,390</b>	
<b>Growth % Year over Year</b>	7.1%	6.3%	7.0%	11.4%	
<b>Total 2018</b>	<b>\$51,266</b>	<b>\$7,222</b>	<b>\$58,488</b>	<b>\$42,528</b>	
<b>Growth % Year over Year</b>	9.1%	-19.2%	4.6%	4.3%	
<b>Total 2017</b>	<b>\$46,973</b>	<b>\$8,934</b>	<b>\$55,907</b>	<b>\$40,779</b>	
<b>Growth % Year over Year</b>	7.8%	15.4%	8.9%	3.6%	
<b>Total 2016</b>	<b>\$43,589</b>	<b>\$7,744</b>	<b>\$51,333</b>	<b>\$39,376</b>	
<b>Growth % Year over Year</b>	0.5%	-3.2%	0.0%	2.4%	



**Schedule 6**  
**Operating results**

**UKRAINIAN CREDIT UNIONS IN CANADA**  
**as at December 31, 2021**  
**As a % of Average Assets**

<b>Name of credit union</b>	<b>Net Income before loan losses</b>	<b>Provision for Loan Losses</b>	<b>Income Taxes</b>	<b>Compre- hensive Adjustment</b>	<b>Net Income*</b>
1 Ukrainian	0.56%	0.02%	0.10%	0.12%	0.55%
2 Buduchnist	0.56%	0.03%	0.11%	-0.02%	0.39%
3 Carpathia	0.11%	0.07%	-0.01%	0.00%	0.05%
4 CP Ukrainienne de Montreal	1.54%	0.03%	0.16%	0.00%	1.35%
5 New Community	0.78%	0.12%	0.10%	0.00%	0.57%
<b>Total</b>	<b>0.55%</b>	<b>0.04%</b>	<b>0.08%</b>	<b>0.03%</b>	<b>0.46%</b>
<b>Total 2020</b>	<b>0.52%</b>	<b>0.29%</b>	<b>0.03%</b>	<b>0.01%</b>	<b>0.22%</b>
<b>Total 2019</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>
<i>* Comprehensive net income</i>					

<b>Schedule 6a Operating results</b>		<b>UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2021</b>				
<b>Name of credit union</b>	<b>Net Income Before loan losses (\$000s)</b>	<b>Provision for Loan Losses (\$000s)</b>	<b>Income Taxes (\$000s)</b>	<b>Compre- hensive Adjustment</b>	<b>Net income* (\$000s)</b>	
1 Ukrainian	\$5,900	\$258	\$1,093	\$1,238	\$5,787	
2 Buduchnist	\$5,126	\$322	\$998	(\$228)	\$3,578	
3 Carpathia	\$665	\$408	-\$74	\$0	\$331	
4 CP Ukrainienne de Montreal	\$3,425	\$61	\$360	\$0	\$3,004	
5 New Community	\$988	\$146	\$126	\$0	\$715	
<b>Total</b>	<b>\$16,105</b>	<b>\$1,196</b>	<b>\$2,503</b>	<b>\$1,010</b>	<b>\$13,416</b>	
<b>Growth % Year over Year</b>	<b>10.6%</b>	<b>-85.2%</b>	<b>225.5%</b>	<b>191.1%</b>	<b>120.5%</b>	
<b>Total 2020</b>	<b>\$14,560</b>	<b>\$8,054</b>	<b>\$769</b>	<b>\$347</b>	<b>\$6,084</b>	
<b>Growth % Year over Year</b>	<b>-4.3%</b>	<b>96.2%</b>	<b>-60.3%</b>		<b>-15.0%</b>	
<b>Total 2019</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>* comprehensive net income</b>						

<b>Schedule 7</b>		<b>UKRAINIAN CREDIT UNIONS IN CANADA</b>		
<b>Operating results</b>		<b>as at December 31, 2021</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	0.23%	0.06%	0.17%	
2 Buduchnist	0.15%	0.02%	0.13%	
3 Carpathia	0.05%	0.00%	0.04%	
4 CP Ukrainienne de Montreal	0.73%	0.13%	0.60%	
5 New Community	0.57%	0.00%	0.57%	
<b>Total</b>	<b>0.46%</b>	<b>0.04%</b>	<b>0.41%</b>	
<b>Total 2020</b>	<b>0.22%</b>	<b>0.04%</b>	<b>0.18%</b>	
<b>Total 2019</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>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	5,787	717	5,070	
2 Buduchnist	3,578	200	3,378	
3 Carpathia	331	11	320	
4 CP Ukrainienne de Montreal	3,004	298	2,706	
5 New Community	715	0	715	
<b>Total</b>	<b>13,416</b>	<b>1,226</b>	<b>12,190</b>	
<b>Growth % Year over Year</b>	<b>120.5%</b>	<b>20.7%</b>	<b>140.5%</b>	
<b>Total 2020</b>	<b>\$6,084</b>	<b>\$1,016</b>	<b>\$5,068</b>	
<b>Growth % Year over Year</b>	<b>-15.0%</b>	<b>29.3%</b>	<b>-20.4%</b>	
<b>Total 2019</b>	<b>\$7,153</b>	<b>\$785</b>	<b>\$6,368</b>	
<b>Growth % Year over Year</b>	<b>-18.7%</b>	<b>0.9%</b>	<b>-20.6%</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>* comprehensive net income before distributions to members</b>				

<b>Schedule 8 Expense Analysis</b>		<b>UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2021</b>				<b>Productivity Expense Ratio (a)</b>
		<b>As a % of Average Assets</b>				
<b>Name of credit union</b>	<b>Personnel Expense</b>	<b>Occupancy Expense</b>	<b>Other Expenses</b>	<b>Total Operating Expenses</b>		
1 Ukrainian	1.11%	0.19%	0.67%	1.97%	77.9%	
2 Buduchnist	0.74%	0.13%	0.73%	1.60%	74.3%	
3 Carpathia	0.76%	0.32%	0.44%	1.51%	93.4%	
4 CP Ukrainienne de Montreal	0.65%	0.00%	0.76%	1.41%	47.9%	
5 New Community	0.81%	0.06%	0.49%	1.36%	63.6%	
<b>Total</b>	<b>0.87%</b>	<b>0.18%</b>	<b>0.64%</b>	<b>1.69%</b>	<b>75.6%</b>	
<b>Total 2020</b>	<b>0.88%</b>	<b>0.17%</b>	<b>0.59%</b>	<b>1.64%</b>	<b>76.0%</b>	
<b>Total 2019</b>	<b>0.92%</b>	<b>0.18%</b>	<b>0.65%</b>	<b>1.81%</b>	<b>75.7%</b>	
<b>Total 2018</b>	<b>0.88%</b>	<b>0.17%</b>	<b>0.61%</b>	<b>1.67%</b>	<b>72.7%</b>	
<b>Total 2017</b>	<b>0.79%</b>	<b>0.15%</b>	<b>0.62%</b>	<b>1.57%</b>	<b>70.5%</b>	
<b>Total 2016</b>	<b>0.88%</b>	<b>0.17%</b>	<b>0.66%</b>	<b>1.71%</b>	<b>76.7%</b>	

## 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>Schedule 9 Director &amp; Employee Loans</b>		<b>UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2021</b>			
<b>Name of credit union</b>	<b>Location</b>	<b>Net Loans (000's)</b>	<b>Director &amp; Employee Loans (000's)</b>	<b>As a % of Net Loans</b>	
1	Ukrainian	Toronto	1,011,223	8,142	0.81%
2	Buduchnist	Toronto	815,538	3,127	0.38%
3	Carpathia	Winnipeg	458,102	830	0.18%
4	CP Ukrainienne de Montreal	Montreal	200,413	0	0.00%
5	New Community	Saskatoon	93,846	3,203	3.41%
<b>Total</b>			<b>2,579,122</b>	<b>15,302</b>	<b>0.59%</b>
<b>Growth % Year over Year</b>			<b>7.5%</b>	<b>22.8%</b>	
<b>Total 2020</b>			<b>2,368,722</b>	<b>15,051</b>	<b>0.64%</b>
<b>Growth % Year over Year</b>			<b>-1.3%</b>	<b>20.8%</b>	
<b>Total 2019</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>	

## 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.

Schedule 10 Director Fees & Costs		UKRAINIAN CREDIT UNIONS IN CANADA as at December 31, 2021			
Name of credit union	Operating Expenses (000's)	Directors Fees & Costs	Directors fees & costs/ Operating Expenses %	Number of Directors	Avg. Director fees & costs/ Director
1 Ukrainian	\$20,777	\$139,000	0.67%	12	\$11,583
2 Buduchnist	\$14,797	\$109,250	0.74%	9	\$12,139
3 Carpathia	\$9,356	\$95,002	1.02%	12	\$7,917
4 CP Ukrainienne de Montreal	\$3,147	\$0	0.00%	15	\$0
5 New Community	\$1,725	\$13,025	0.75%	9	\$1,447
<b>Total</b>	<b>\$49,803</b>	<b>\$356,277</b>	<b>0.72%</b>	<b>57</b>	<b>\$8,483</b>
<b>Growth % Year over Year</b>	<b>5.1%</b>	<b>-8.7%</b>			<b>-15.2%</b>
<b>Total 2020</b>	<b>\$46,011</b>	<b>\$365,717</b>	<b>0.79%</b>	<b>57</b>	<b>\$8,708</b>
<b>Growth % Year over Year</b>	<b>-2.9%</b>	<b>-6.2%</b>			<b>-12.9%</b>
<b>Total 2019</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>-0.5%</b>
<b>Total 2016</b>	<b>\$39,376</b>	<b>\$281,312</b>	<b>0.71%</b>	<b>61</b>	<b>\$6,698</b>
<b>Growth % Year over Year</b>	<b>2.4%</b>	<b>-9.3%</b>			<b>-9.3%</b>

<b>Schedule 11</b>		<b>UKRAINIAN CREDIT UNIONS IN CANADA</b>					
<b>Branch, Member &amp; Employee averages</b>		<b>as at December 31, 2021</b>					
<b>Name of credit union</b>	<b>Branches</b>	<b>hide Deposits</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	923,359	\$51.3	25,354	\$39,072	116	\$101,069
2 Buduchnist	9	764,761	\$85.0	19,641	\$46,655	72	\$95,514
3 Carpathia	5	579,583	\$115.9	10,911	\$56,689	72	\$65,524
4 CP Ukrainienne de Montreal	1	140,316	\$140.3	4,302	\$49,930	16	\$90,813
5 New Community	1	114,061	\$114.1	2,187	\$57,979	11	\$93,626
<b>Total</b>	<b>35</b>	<b>2,522,079</b>	<b>\$72.1</b>	<b>62,395</b>	<b>\$45,951</b>	<b>287</b>	<b>\$89,937</b>
<b>Growth % Year over Year</b>	<b>0.0%</b>		<b>6.3%</b>	<b>0.8%</b>	<b>3.9%</b>	<b>-2.2%</b>	<b>7.0%</b>
<b>Total 2020</b>	<b>35</b>	<b>2,372,858</b>	<b>\$67.8</b>	<b>61,892</b>	<b>\$44,232</b>	<b>293</b>	<b>\$84,019</b>
<b>Growth % Year over Year</b>	<b>0.0%</b>		<b>5.5%</b>	<b>1.1%</b>	<b>-1.0%</b>	<b>-5.7%</b>	<b>8.6%</b>
<b>Total 2019</b>	<b>35</b>	<b>2,036,822</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>Total 2018</b>	<b>34</b>	<b>2,142,930</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>Total 2017</b>	<b>34</b>	<b>2,075,090</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>Total 2016</b>	<b>33</b>	<b>1,982,677</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>Schedule 12</b>		<b>UKRAINIAN CREDIT UNIONS IN CANADA</b>					
<b>Promotions, Donations &amp; Advertising</b>		<b>as at December 31, 2021</b>					
<b>Name of credit union</b>		<b>2017 Total (\$000)</b>	<b>2018 Total (\$000)</b>	<b>2019 Total (\$000)</b>	<b>2020 Total (\$000)</b>	<b>2021 Total (\$000)</b>	<b>21/20 Growth %</b>
1 Ukrainian		\$984	\$1,257	\$988	\$883	\$919	4.1%
2 Buduchnist		\$1,249	\$454	\$881	\$571	\$886	55.1%
3 Carpathia		\$340	\$75	\$94	\$110	\$100	-9.1%
4 CP Ukrainienne de Montreal		\$36	\$48	\$48	\$21	\$77	266.7%
5 New Community		\$36	\$32	\$26	\$17	\$17	0.0%
<b>Total</b>		<b>\$2,645</b>	<b>\$1,866</b>	<b>\$2,037</b>	<b>\$1,603</b>	<b>\$2,000</b>	<b>24.8%</b>

<b>Schedule 13</b>		<b>UKRAINIAN CREDIT UNIONS IN CANADA</b>					
		<b>as at December 31, 2021</b>					
<b>Membership</b>							<b>21/20</b>
<b>Name of credit union</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>		<b>Growth</b>
							<b>%</b>
1 Ukrainian	24,425	23,925	24,697	24,947	25,354		1.6%
2 Buduchnist	20,655	20,427	20,012	19,805	19,641		-0.8%
3 Carpathia	8,774	8,656	10,136	10,739	10,911		1.6%
4 CP Ukrainienne de Montreal	3,492	3,667	4,193	4,121	4,302		4.4%
5 New Community	2,257	2,221	2,280	2,238	2,187		-2.3%
<b>Total</b>	<b>59,603</b>	<b>58,896</b>	<b>61,318</b>	<b>61,850</b>	<b>62,395</b>		<b>0.9%</b>

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



## Brief Overview of the Ukrainian Credit Unions in Canada

As outline in the annual reports of each credit union



**Ukrainian Credit Union** was founded in **1944** and is now the largest Ukrainian credit union in Canada, 11th largest credit union in Ontario and 43rd largest in Canada based on asset size.

### EXECUTIVE REPORT FOR 2021

Dear Members,

In 2021, the COVID-19 pandemic maintained its firm grip on the global economy, prolonging the return to normality for most of us. Despite the many unprecedented disruptions of last year, we are pleased to report that 2021 was a strong year for Ukrainian Credit Union Limited (UCU). Record asset growth, net profit, and increased donations marked a year in which UCU stood strong for our members, for our community, and for Ukraine.

We are proud of our management team and back-office staff that continued to work in a seamless hybrid fashion between home and office to achieve a safe work environment while advancing our strategic growth plan. We are especially grateful to our memberfacing staff that kept our branches open and provided uninterrupted service to our members.

UCU looked to future growth with a steady implementation of technological advancements to keep pace with the financial industry's relentless shift to digital banking. We upheld our pledge to build community by supporting local, provincial, national and First Nations organizations with donations exceeding those of last year.

Our support of Ukraine also remained strong through 2021 as the clouds of Russia's aggression built up around the country's borders. On February 24, 2022, this aggression tragically culminated into an unprovoked full-scale war by Vladimir Putin's criminal regime and was shamefully supported by a large majority of Russia's citizens.

Determined as ever to preserve Ukraine, Ukrainian identity, and freedom and peace for all people around the world, we are pleased to share what we achieved together in 2021 as Canada's largest Ukrainian financial co-operative.

### FINANCIAL HIGHLIGHTS FOR 2021

Notwithstanding the pandemic's continued disruptive effects on the economy in 2021, our credit union continued to grow exceeding \$1.0 billion in total assets and demonstrating solid financial performance with a record net income of \$4.516 million.

Exceptionally high loan demand from new and existing members was funded by our raising a blend of organic and, for the first time, brokered deposits, while our indicators for credit risk and delinquent loans in aggregate remained well below that of the credit union sector overall.

Assets increased by \$129.284 million (13.05%) to \$1.119 billion, deposits grew \$121.159 million (15.03%) to \$927.130 million, while net loans to members increased \$149.677 million (17.35%) to \$1.013 billion.

Strong loan growth, lower provisions for loan losses at \$0.258 million vs. \$2.008 million in 2020, and stronger financial margin from higher lending volumes coupled with faster increases in loan rates over deposit rates, all contributed to the credit union's strong performance in 2021.

Financial margin came in at \$23.117 million (vs. \$17.352 million in 2020), an increase of \$5.765 million. Total financial margin and other income totalled \$26.677 million before provision for loan loss (vs. \$22.907 million in 2020).

Income before provision for loan losses and income taxes for 2021 increased year over year to \$5.867 million (vs. \$4.037 million in 2020).

Net income for 2021 after taxes, distribution to members, and including loan loss provisions came in at \$4.516 million (vs. \$1.803 million in 2020) which was significantly higher than budgeted for the year in which we executed plans to heavily invest in digital transformation.

Regulatory capital grew by \$5.215 million to \$72.360 million (vs. \$67.145 million in 2020) primarily due to the record net income in 2021 of \$4.516 million and improved investment performance of our employee defined benefit pension plan. Our year-end leveraging ratio stood at 6.46% (vs. 6.78% in 2020), and our risk-weighted capital ratio was 12.17% (vs. 13.34% in 2020). Although lower vs. 2020, largely as a result of much greater than projected balance sheet growth, both ratios substantially exceed minimum regulatory requirements as in past years.

Summarized financial statements, and the report of the Audit Committee that follow provide additional detail on your credit union's financial performance and regulatory compliance.

## CREDIT REPORT

The credit union received a total of 3,352 credit applications and documented inquiries (vs. 2,250 in 2020) of which 1,471 were advanced, 794 were declined or cancelled.

Loans advanced totalled \$381,952,010 (vs. \$271,730,099 in 2020) and were broken down as follows:

Residential Mortgages	402	\$ 205,017,126
Personal Loans	471	\$ 13,559,842
Lines of Credit	271	\$ 44,617,306
Commercial Loans	327	\$ 118,757,736
Total	1,471	\$ 381,952,010

In 2021, provisions for doubtful loans increased by \$0.258 million (vs. \$2.008 million in 2020) reflecting a decrease in default risk in our recovering post-pandemic economy. With the outbreak of Russia's war against Ukraine likely to compound the COVID-19 inspired international supply chain disruption and higher interest rate environment, management will continue to closely monitor for economic risk factors that may require more aggressive loan loss provisioning even if our actual loan losses remain traditionally low.

## INVESTMENT SHARES AND MEMBERSHIP

The aggregate annualized dividend paid on Class A Investment Shares in 2021 was 4.0% consistent with what was paid in 2020, and we continue to maintain waiting lists for members wishing to buy these shares from those members looking to sell. At the end of December 2021, the credit union's membership was 25,354 (vs. 24,947 in 2020).

## INNOVATION AND PRODUCT ENHANCEMENTS

Ukrainian Credit Union Limited remains committed to being a financial services technology leader by providing members with a range of innovative products and services. In 2021, we introduced or laid the groundwork for the following new service offerings and improvements:

- Increased UCU's debit card contactless limit from \$100 to \$250 in response to the COVID-19 pandemic (April 2021)
- Implemented ClickSWITCH to quickly and securely move direct deposits and recurring payments for members moving their business from another financial institution to UCU (June 2021)
- Mobile banking app updated to increase performance, stability and user experience (July 2021)
- Implemented in-branch tool for staff offering our new retail members a faster, more seamless onboarding experience (August 2021)
- Interac e-transfer enhancements (July 2021)
- Increased our e-transfer limit to assist the needs of our small business users (May 2021)
- Increased our incoming e-transfer limit from \$10,000 to \$25,000 (July 2021)
- Implemented bill payment vendor nickname and description (October 2021)
- Enhanced member online onboarding channel to include the opening of High-Interest Savings accounts (December 2021)
- Launched new loan origination software that integrates with all our third-party solutions, offering a seamless user experience for staff and members (December 2021)
- Laid the groundwork for the implementation of two factor verification for our online banking channel (completed March 2022).

## **COVID-19 RESPONSE**

2021 marked the second year of the global pandemic that brought renewed challenges for our members, staff and the daily operation of our credit union. Once again we rose to the challenge and supported our employees, members and communities with care, respect and superior customer service.

Our branches remained open with reduced hours and member service by appointment with our staff adhering to the COVID-19 guidelines set forth by the Ontario Ministry of Health. An everincreasing number of members took advantage of our online banking, mobile app, and call centre platforms to conduct their business.

As we emerge from the pandemic, UCU management is working to optimize branch business hours in a way that recognizes the further shift to digital banking channels by our members while preserving in-person service for more complex transactions and those occasions where members would simply rather just come into a branch to conduct their business.

## **STANDING STRONG & SHARING OUR CO-OPERATIVE SUCCESS**

In the annual report, you will find the dozens of worthwhile causes and organizations that Ukrainian Credit Union Limited supported in 2021. This is a reflection of one of our credit union's core values: building community. We stand strong in our commitment to support the many volunteer organizations that make up the fabric of the Ukrainian community.

We also strove to do our part to stand strong for Canada's First Nations. On September 30th, 2021, during non-public hours, our employees gathered to mark the first National Day for Truth and Reconciliation with prayer, education, and reflection on the tragic legacy of aboriginal residential schools in the context of the 125-year relationship between Canada's first peoples and the Ukrainian Canadian community. We donated \$14,000 to eleven organizations for indigenous child and youth-focused programs to show our solidarity and support.

Through the UCU Helps Ukraine program led by staff volunteers since 2015, we collected donations to provide financial aid to Ukrainian soldiers injured due to Russian aggression in Eastern Ukraine.

## **THANK YOU**

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 years to come.

As we reflect on the year that has passed – regardless of the diverse backgrounds of our membership – we, along with the rest of the world, are gripped with horror watching the devastating events unfold in Ukraine. The illegal and unjustified invasion of Ukraine by the Russian Federation has caused mass destruction of life, property, and communities - but it has not succeeded in destroying the indomitable Ukrainian spirit. Our brave brothers and sisters have taken up arms and are standing strong against Moscow's tyranny and its large army. As they fight for peace and sovereignty and the broader cause of freedom and democracy around the world, our credit union solemnly pledges to support Ukraine in every way we can.

Glory to Ukraine! Glory to Her Heroic Defenders!

Co-operatively yours,

**Yaroslav Borys , Chair**

**Taras Pidzamecky , Chief Executive Officer**

## Corporate Governance

Ukrainian 2021 Name	Toronto, Ontario		Profession	Business	Education
	Years on Board	Position			
1 Bob Diakow	7		IT Consultant	Former Director, IR Solutions - Niagara Region (24 yrs)	BA-Computer Science (Waterloo), B.Sc (Brock)
2 Irena Fedchun	19	Chair-Audit	Director of Finance & Admin	Community & Home Assistance to Seniors (CHATS)	MS Science, MBA, CPA, CUDA
3 Elena Kroupa	1		Director of Information Systems and Technology Solutions	United Way of Greater Toronto	B. Sc. (DeVry University), MBA (Australian Institute of Business)
4 Michael Mychailyshyn	3	Secretary	Lawyer	Private Practise	BA (McMaster), JD (Michigan)
5 Myron Oleksyshyn	3		Retired	Managing Director MNO procurement Solutions	B. Com (Windosr), CUDA
6 Natalia Lishchyna	5	1st Vice Chair	Chiroprator & Politician	Assistant Professor at Canadian Memorial Chiropractic College (13 yrs)	BA (McMaster), ICD.D
7 Orest Sklierenko	2		Oncology Bran Lead	Sanofi Genzyme	BSc (Toronto), MBA (York)
8 Peter Malajczuk	7	2nd Vice Chair	Finance Executive - Telecommunications Industry	Bell Canada	B. Com (Toronto)
9 Slawko Borys	9	Chair	Aviation Industry	Director of Safety, Security & Regulatory Affairs -Air Canada	Aviation Management (Georgian College)
10 Taras Hetmanczuk	2		VP Regional Sales	Molson Coors	BSc (Toronto), MBA (Wilfred Laurier)
11 Taras Rohatyn	5		Retired - Small business consultant		BA (Laurentian)
12 William Roman	2		General Manager	Rosewood Estates Winery	B. Comm (McMaster), Wine (Niagara College)
Average	<u>5.4</u>				



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

## Board of Directors and CEO Report

### **2021 - A Year of Perseverance and Performance**

2021 concluded as a second year of unprecedented disruption. Our members demonstrated resilience to the economic upheaval while staff and board persevered to maintain a normalcy and to move forward with our plans, to ensure a strong and bright tomorrow – tomorrow with a vision for the next generation; tomorrow with up-to-date technologies, products and services, and with new, comfortable, interactive premises; tomorrow capturing each new opportunity with yesterday's hardearned capital.

### **Perseverance**

Throughout a year of uncertainty BCU staff worked with our members, individuals and businesses prioritizing health and safety by regularly assessing our protocols and introducing new vaccination requirements in an effort to end the pandemic together. We continued to support our members with flexible repayment terms for their mortgages, deferral of mortgage payments as necessary and the introduction of the revised CEBA loan program to support our business members. In turn, our members showed their perseverance and resolve, well before year-end reinstating full mortgage payment commitments. And BCU succeeded in helping members feel confident during this time of lockdowns and of recovery.

As always, BCU continued to support the communities in which we live and serve directly funding \$868,000 to community initiatives aimed at enriching the lives of our members and our community. Like today's BCU, tomorrow's Credit Union needs to ensure steady growth and continued stable profitability to maintain sustained capital growth. As such, sustainability, financial resilience and community building remain the focus of our efforts.

### **Planning and Progress**

Your Board and Management worked diligently to renew the BCU management leadership. In recent years, we focused on the continuity of skills and competencies required to strengthen the BCU leadership team, identifying candidates to fill these requirements and target future needs.

We invested in our most important asset – our people encouraging them to grow their careers at BCU. To that end, the Branch Operations, HR, Credit, Compliance and Marketing areas of responsibility were evaluated and strengthened, each with a plan of succession and continuity, each one the better for it. Senior Management proposed the reorganization of responsibilities addressing tomorrow's necessary skills and experience while planning for an orderly succession and knowledge transfer. During the year, five senior members of BCU's staff gave notice or retired, while working diligently to ensure a smooth, successful transition.

After almost a year and a half of pandemic delay, the renovation and expansion of our premises at 2280 – 2282 Bloor Street West resumed. As the way that BCU's members do business with their CU over the last two years has changed, so too did BCU's renovation plans, focusing on the current needs of our members, particularly as they relate to branch operations and in-branch interactions.

We look forward to greeting our members back in our new HO facilities and in the Bloor West Branch in the autumn of 2022, as part of the celebrations of your CU's 70th Anniversary.

Building on our foundation of mutual care and respect, BCU sought to enhance your member experiences with new ways to deliver services – virtual appointments became the norm for many interactions, particularly advisory and BCU Wealth Management; e-sign of documents for customer convenience and the planning and testing of a new member Contact Centre to address the many voice, text and e-mail messages received by your Credit Union, as we shift the way that we communicate and do business with each other. We expect that the new member Contact Centre will be introduced in April 2022.

Although delayed by another year of prolonged uncertainty, BCU continues to work on a new internet banking and mobile platform which would markedly enhance our current offering. We look forward to introducing this comprehensive enhancement to our membership in late 2022.

## **Performance**

BCU's financial year too, reflected the resilience and resolve of our members, the care and commitment of our staff to our membership and your Credit Union's success in the face of this year's challenges.

Assets under management grew by \$60 million to \$1.117 billion or 5.6% while members equity increased by \$3.3 million, increasing regulatory capital to 8.12% on yearend assets of \$931 million. BCU Wealth Management assets topped \$186 million, resulting in a growth rate of 31.1%. At the same time, comprehensive income for the year of \$3.4 million was recorded. Our increase of \$725,000 in revenues

includes our expanding wealth management and foreign exchange businesses while the increase of \$960,000 in salary costs reflects our investment in our people and specifically in those that will take BCU into the next 70 years.

## **Community Building**

We remain true to our institutional heritage. That's why BCU continues to play a leading role in the vitality of the Ukrainian community in Canada – both through active leadership in community organizations and through our financial support and community interaction. Essentially, every beneficial initiative and important member-supported project in the community is sponsored by BCU! We are especially proud of the fact that we are the only Ukrainian financial institution to have contributed to the establishment of a charitable foundation that bears our name. As evidenced by the generous donations to the community of \$12 million since inception, BCU Foundation is playing a significant role in providing support to a variety of community-based projects. In 2021 alone, once again, we demonstrated our commitment to community building together with BCU Foundation by directing over \$2.8 million to countless youth, cultural, educational, Church and religious, humanitarian and recreational activities, community-based media and information services.

No less significant is BCU's culture of giving, as the vast majority of our directors and staff participate in community giving and community events as well as volunteer initiatives each and every year. As such, BCU continues to play a leadership role in the community's growth and development.

## **The 70th Year Ahead**

Looking ahead to 2022, our 70<sup>th</sup> Anniversary, we look forward to celebrating our achievements and sharing our plans with our members. We remain disciplined in our plans for growth, balanced in our approach to capital investment and focused on investing in our human resources to ensure continuity in our leadership and the transfer of the knowledge, skills and discipline necessary to meet the growing and more complex needs of our members and the challenges of our expanding business model.



## Thank You

BCU board and staff are merely a reflection of our BCU membership – proud leaders, engaged and dedicated to the community and committed to all things, community. For being you, our members, for your comments and referrals, we simply say, Thank You! By spreading the BCU message, you have expressed your confidence and support in your Credit Union and in our common BCU endeavour. You are all indeed, the best of members! Thank you all!

To our directors, we express our appreciation for your many hours of committee work and burden of responsibility to deliver results and your dedication and commitment to the board and the stewardship of BCU.

Thank you to our management and staff for your dedication and service to our members. Thank you to those long-standing staff who retired in the year, you have surely left your mark on BCU! Thank you to those who have picked up the mantle of leadership, for yours is the buduchnist, one dedicated to addressing the everchanging needs of our members; one committed to the well-being of our community and one poised to build BCU ever better and in our common purpose.

Together, we make BCU stronger and more vibrant for the benefit of our membership, securing our common future and enriching the shared values of our community.

Co-operatively yours,

***Andrew Tarapacky, Chairman of the Board***

***Oksana Prociuk Ciz, President & CEO***

## Corporate Governance

Buduchnist 2021 Name	Toronto, Ontario		Profession	Business	Education
	Years on Board	Position			
1 Andrew Tarapacky	26	Chair & Chair-Human Resources	IT Consultant (30 yrs)	Telecom Industry	BA, Economics (Toronto), PMP
2 Bohdan Leshchysheh	29	Treasurer & Chair- Audit & Risk	Retired	Financial Service Executive (40 yrs)	MBA (Toronto), CFA, FICB
3 Ihor Kozak	7	1st Vice Chair & Chair-Governance	Entrepreneur & Consultant	Former member of Canadian Armed Forces	MBA (Royal Military College)
4 Irene Hryniuk	13	2nd Vice Chair & Chair-Building	Hospitality Industry	CEO Old Mill Toronto	BA (York)
5 Nadia Kuz	4		Accountant	Controller Old Mill Toronto	CPA
6 Oleh Leszczyszyn	2	Chair-Technology	Retired	Past BMO Financial (24 yrs)	B.Sc (London School of Economics)
7 Paul Biszko	2		Senior Principal - Portfolio Construction Group	Ontario Teachers' Pension Plan	MBA (Western University), CFA
8 Roman Kulyk	4	Chair- Scholarship	Mortgage Broker (18 yrs)	Blurock Capital	B. Comm (U of Toronto)
9 Stefan Steciw	5	Chair-Investment	Senior VP	Guy Carpenter - Re-Insurance	H.BSc Actuarial (Western Ontario), MBA (Toronto)
Average	<u><u>10.2</u></u>				



In **1940**, Wasyl Topolnicki, the driving force behind the Ukrainian credit union movement in Canada and the free world, founded the Savings-Credit Union “Karpatiia” (**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 68th largest credit union in Canada.

## **CHAIRMAN’S REPORT**

As I write this Chairman’s message to the members of Carpathia Credit Union, I write it during a time of world upheaval. Ukrainians living in Ukraine are being invaded and are under attack by an evil force. Ukrainians living in the worldwide diaspora are abhorred with the lawless and unprovoked attack by this evil force. Freedom loving people throughout the globe are feeling threatened and are condemning this evil force.

Sadly the inhuman brutality of the evil force continues. The bravery and determination of Ukrainian women, children, and men serve as a beacon of light in this dark time of the history of the world. They are risking everything in order to protect their freedom and our identity. They are living the Ukrainian national anthem, which recounts that Ukrainians will lay down their souls and bodies if necessary to protect their freedom. In actual fact they are also protecting our freedom. Freedom should be an entitlement for all people in the world. Those of us who live in Canada are fiercely proud of our freedom. The horrific events of today, however, are a stark reminder of the reality that freedom is a privilege which must be protected at all costs. We stand with the people of Ukraine.

It is the responsibility of Ukrainians in the diaspora to do all that we can in order to uphold our collective belief in freedom. Now is the time to stand together and to create a force which will defeat the force of evil.

We pray to the Good Lord to bless the citizens of Ukraine and to protect them from harm.

Glory to Ukraine. Glory to the Heroes.

***Dr. Taras Babick, CHAIRMAN***

## **CEO’S REPORT**

It goes without saying that 2021 was a very challenging year for not only Carpathia Credit Union, but Manitoba as a whole. Against the backdrop of a global pandemic, our entire Carpathia team rallied and showcased our key values of respect, integrity, people, accountability, and community. The health and well-being of our team and our members will continue to be amongst our top priorities as we work within the provincial guidelines and navigate a community that is easing restrictions.

During the 2021 fiscal year we focused on ways to carry out our mission of ensuring financial sustainability by providing responsive and relevant financial services for the communities we serve and by building prosperous and lasting relationships with our members, partners, and staff, all while staying in line with provincial restrictions, and being adherent to social distancing protocols. We worked on keeping operating costs down, and as always, strived at not passing on any related expenses to our membership. By doing this we accomplished a modest profit of \$257,241 before taxes. With competitive interest rates being difficult to match at times, we remained focused on meeting our responsibilities to support the long-term strength and prosperity of the people and communities we serve. This is true at the corporate level with our commitment to sustainability and our support for social and economic development, as well at the individual level, where our team members give back, day in and day out.



Despite the logistical challenges of navigating social functions during a pandemic, community support initiatives have remained a priority within Carpathia Credit Union, and over the past year \$100,000.00 has been donated to various organizations. These funds allow organizations to showcase the vibrance of our community's spirit and culture, which makes me incredibly proud to be Ukrainian and the CEO of this great organization.

I am looking forward to working more closely with our community, our members and staff in 2022 as we focus on a more in-depth member experience, and a holistic advice based approach to help move our members financial well-being forward.

***Candace Martyszenko, Interim CHIEF EXECUTIVE OFFICER***

## Corporate Governance

Carpathia 2021		Winnipeg, Manitoba				
Name	Years on Board	Position	Profession	Business	Education	
1 Don Cilinsky	10	Vice Chair	Retired	Independent Research Consultant	BA, B Ed	
2 Donna Korban	2		Retired	Former owner Korban Funeral Home		
3 Dr. Taras Babick	15	Chair	Deputy Registrar	College of Physicians & Surgeons	MD, (Manitoba)	
4 Irka Semaniuk	7				BA (Manitoba)	
5 Mike Mager	2		CFO	Vomar Industries Inc.	CPA	
6 Mikel Pastrak	1		VP, Operations F & I	AutoCanada	B. Comm. (Manitoba), CPA	
7 Nicholas Chubenko	3		Retired	Geriatric Clinician		
8 Noella Pylypowich	15	Secretary	Boutique and Spa Consultant	Spa Lifestyle Fashion Boutique Inc.		
9 Roman Zubach	15	Past Chair	VP Human Resources	Manitoba Liquor Control Commission		
10 Sophia Kachor	3		Retired - Executive Director	Oseredok Ukrainian Cultural & Educational Centre		
11 Susan Zuk	8		Associate VP & Senior Consultant	Paradigm Consulting Group	BA (Manitoba)	
	Average				<u>7.4</u>	

**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.

## MESSAGE FROM THE GENERAL MANAGER

Dear Members,

In 2021, your caisse, like all of Desjardins, worked hard to help you get through this unusual period. Never was our mission to enrich the lives of people and communities more important, and that was reflected in our actions every day.

### Fiscal year at a glance

Our results show not only how committed members are to our cooperative, but also how soundly the affairs of the caisse have been managed. These results encourage us to continue our efforts to offer services and solutions that meet and exceed your expectations.

With business under management totalling \$383,586,000 up 12% compared to 2020, we're well positioned in our market. To ensure you continue to have the best possible experience as a member, we're focusing on delivering innovative products and quality service. We're also drawing on the expertise of all our employees and the many specialists who work at Desjardins.

### There when it really counts

Several of the relief measures we began implementing on March 16, 2020, are still in place and have been further developed to offer solutions for members and clients in financial difficulty, regardless of their circumstances. We also took part in the efforts to stop the spread of COVID 19 by hosting a vaccination hub at the Cité Desjardins de la coopération in Lévis for several months. Over 10,000 vaccines were administered at the site, following the government protocol. Our top priority is to ensure the health and safety of our members and employees. That's why we extended teleworking options while ensuring that essential services remained available onsite. Whether by phone or online, our advisory team worked tirelessly so they could continue to meet member's expectations. This new way of working gave our members much-appreciated flexibility and will no doubt influence how we work together in a post-pandemic world.

### Financial empowerment in everything we do

Financial empowerment is one of the founding principles of Desjardins. It means being able to manage your money sustainably and achieve your goals. At the caisse, we want to help all our members take control of their finances with sustainable financial habits that fit their lifestyle. Supporting our members and making sure they have the tools they need to make it happen is part of our cooperative nature. Their financial empowerment is the driving force behind our product design, advisory services, educational content and ever-improving support tools.

### New benefits for members

In 2021 we continued to modernize by adding new solutions.

#### *Online mortgage pre-approval*

We added a new feature in the Home section on AccèsD and in the Desjardins mobile services app so future homeowners can get a mortgage pre approval in just minutes. Online mortgage pre approvals mean members can quickly find out how much they can borrow, plus they get a mortgage rate guarantee and a pre approval certificate and letter.

*Voice biometrics*

We're rolling out new technology in our client relations centres that lets us confirm the identity of callers faster and improve fraud detection. We can use this secure voice recognition technology to confirm a caller's identity, with their consent. It's like a voice fingerprint that's designed to protect members and clients

**Giving back to members through member dividends**

In this pandemic, when acts of kindness and support are so invaluable, we recognize the importance of our member dividends and the changes we've made to them in recent years. This year, we propose total member dividends of \$302,586. And to help enrich our community by supporting meaningful projects, we recommend a contribution of \$10,000 to the Community Development Fund.

**Good people putting members first**

To help us through the current public health emergency, we harnessed one of our greatest strengths: our relationships with our members and community. These relationships grow stronger every day, thanks to our dedicated employees, managers and directors.

They've shown unwavering resilience and risen to the challenge in the face of the unknown. I'm grateful to be able to count on such a dedicated team who has gracefully adapted to changes time and time again over the past 2 years. Our team has shown up and put members first day after day, with grand gestures and small acts alike. You're an exceptional group and I thank you from the bottom of my heart.

The last word goes to our members, who also had to reinvent themselves again and again to meet all kinds of challenges since the beginning of this pandemic. You are—and always will be—what inspires us. Whatever situation you find yourself in, no matter how great the obstacle, know that we're committed to helping you now more than ever.

***Yourko Kulycky, General Manager***

**Corporate Governance**

CP Ukrainienne de Montreal						
2021	Years on Board	Position on The Board	Profession	Business	Education	
1	10	Chair	Title & Estate Attorney	Anastasia Kyva Notary Inc.	LLB (Montreal)	
2	1		Doctor	Family Medicine Practise	MD (McGill University), B.Sc., M. Sc., MBA (McGill University)	
3	18	Vice-Chair	Partner	Lavery – Lawyers	LLB (Montreal)	
4	18		Entrepreneur	Logistics Specialist	MBA (Concordia)	
5	10	Secretary	CFO	Stateside Energy LLC	BA (Concordia)	
6	12		Accountant (32 yrs)	Tretiak Holowka Inc.	CPA	
7	4		Credit Manager	B Terfloth +CIE (Canada)	CPA, BA, Accounting (McGill)	
8	3		President	Wilton-Panorama Group	B. Com (Concordia), CPA	
9	12		Retired	Business Consultant	B. Com (Sir George Williams)	
10	18		Retired	Financial Controller	B. Com (Sir George Williams)	
11	1		Accounting Technician	ACS Logistics		
12	1		Communications, PR & Marketing Professional	Self-Employed	B. Sc. (HEC Montreal), PRP	
13	7		Assistant Professor of Medicine	McGill University	M. Sc. (Montreal), Ph.D. (Montreal)	
	Average				<b>8.8</b>	



**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. The credit union is the 5th largest Ukrainian credit union in Canada, 22th largest credit union in Saskatchewan.

## **Chairman's Report**

On behalf of the Board of Directors, it is my pleasure to present the 2021 Annual Financial Report for New Community Credit Union.

Despite the economic uncertainty that this year brought, we saw another successful year with satisfactory net revenue.

2021 brought us many changes with continued uncertainty of the Pandemic. Our focus remained on delivering consistent value to our members and continuing to meet our members financial needs including the ability to assist our small businesses, which was enhanced by the continued involvement in providing Canada Emergency Business account (CEBA) Loan. On behalf of the board, we would like to thank the 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 choice for our members.

I would like to thank my fellow board members for their time, commitment, and dedication to New Community Credit Union. Your guidance and leadership within the credit union is much appreciated. You truly represent the members, and always have their best interest at heart.

In Closing, on behalf of our Board of Directors, management, and staff of our credit union, we want to extend our sincere appreciation to all our loyal members for their continued support and patronage.

***Morris Bodnar, Chairman of the Board***

## **CEO's Report**

### **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 non-members. As of December 31, 2021, there are 2,187 members. This represents a slight decline and has been declining for the past few years.

NCCU has held our office in Saskatoon's Riversdale Community and predominately provide services to Saskatoon and bordering communities. Service delivery channels are in-branch, the ATM network, and digital banking. Although recruitment is a challenge in the competitive urban market NCCU is confident our well-trained and capable staff provide a strong member experience, while mitigating risk of our 100% deposit guarantee.

After several years of considerable growth NCCU experienced a slight decline in assets in 2021. Not unlike most businesses and financial institutions 2021 was a unique year for NCCU. Our organization continues to be adversely impacted by the rate reduction which followed COVID19. This resulted in a shrinking interest margin and a continued reduction in profitability. The compressed margins of the current interest rate environment have had a profound impact on our profit level. This combined with the competitive landscape of the urban environment has made it very difficult to sustain the strong profit years NCCU enjoyed in the past fiscal years.

Being able to compete for our members residential mortgages have been particularly difficult. Technology continues to drive change and concern for our members security is a continuous battle for NCCU. Combined with the change in consumer habits and expected evolution of the provincial and national credit union system and the financial services sector, NCCU has identified the need for significant future investments in technology.

## 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. Meeting quality member service goals is our ongoing commitment whether it's on the phone, with face-to-face transactions or offering the option of expanded electronic channels. Focusing this objective while balancing the need for long term sustainability, while also considering the change in consumer habits and expectations, has continued to challenge the way NCCU does business. As a result of challenges your Board of Directors has been performing merger due diligence for the last 2years. Throughout 2021, and with the help of an independent consultant the Board has been hard at work with an exhaustive due diligence process. This has resulted in the Board making a recommendation for a proposed merge with Synergy Credit Union. The Board is confident this represents the best opportunity for NCCU to remain relevant in the long term, while remaining true to its history.

## Key Performance Results

The following will provide a summary of the Financial Statements found later in this report. New Community Credit Union's net profit experienced a 4.5% decline. In large part this reduction can be attributed to the impact of a reduced financial margin. Considering the significant impact of the pandemic, national and local economies, NCCU's financial performance in 2021 was slightly above budget.

### Financial Performance:

Balance Sheet Assets experienced a 0.36% decline, to end the year at \$126.3M. The reduction in Assets was primarily a result of a loss in total loans.

NCCU also experienced a decline in deposits of 0.9% to \$114.8M. Along with this slight reduction NCCU saw a shift in the way our members were managing their savings. A large portion of member investments moved into the Optimum Savings account, from Term Deposits.

This can be attributed to the low-rate environment and members speculating rates have reached the bottom and are likely to increase.

Unlike what NCCU had experienced for many years loan demand continued to be weaker in 2021. With the low-rate environment, it has been difficult to remain competitive in residential mortgages. The result was a net reduction in the overall loan portfolio. Loans outstanding at the end of 2021 were \$94,114,513. With a slight reduction in deposits and lower demand in residential mortgages the loan to asset ratio ended at 74.5%. In addition to balance sheet loans NCCU administered an additional \$24.5M for strategic partners. Of this amount \$3M was CEBA loans. Our total loan portfolio as at Dec 31st was \$114.1M.

NCCU's loan portfolio can be influenced by excessive concentration several different ways: geographic region, type of product, industry, demographic characteristics, and associated groups. In 2021 the largest impact was the continued low-rate environment and the continued pandemic. Members continued to face uncertainty with job loss and the strength of businesses.

With on-again / off-again health restrictions consumers continued to have to deal with uncertainty. NCCU needed to continue being mindful of these restrictions and the resulting change in consumer habits. This has magnified the important role technology will play in the future and capital investments it will take to remain relevant.

The government continued to provide and offer social programs such as the CERB payments to individuals and CEBA loans to the business community. NCCU continued to participate in the CEBA having funded a total of \$3,700,000 in government funded loans.

Although NCCU's credit portfolio was impacted by the pandemic, the government programs have helped to stabilize what could have been a much more significant situation. Not unlike past significant world, national and local events Credit Union Deposit Guarantee Corporation's (CUDGC) Regulatory environment has continued to evolve. One example is a more robust stress-testing regime that attempts to capture unlikely, but plausible scenarios and their impact on residential mortgages. Results of stressed scenarios are captured in the credit union's internal capital adequacy assessment process. Credit unions perform these stress tests through ICAAP no less than quarterly, reporting the results to your board and CUDGC.

NCCU continues to manage with the assumption that local events can have an adverse effect on earnings and capital. NCCU's loan portfolio is made of 6.59% consumer loans, 0.46% agricultural loans, 2.37% commercial loans, 87.78% mortgages – this is a combination of residential mortgages, agricultural mortgages, and commercial mortgages. We have limited geographical diversification, with the loan portfolio almost exclusively coming from the greater Saskatoon market. Although we utilize funding partnerships to sell loans, we traditionally have not participated in syndicated loans which many utilize for geographical diversity.

At year end of 2021 NCCU's residential mortgage portfolio was \$41.5M – 15.09% of this was insured, 78.55% conventional and 6.36% non-conforming. Insured mortgages are those that are government guaranteed through the National Housing Act. NCCU for many years provided insured mortgages with guarantees from Sagen (formerly Genworth) and Canada Mortgage and Housing Corp (CMHC). Conventional mortgages are those that have a minimum equity position of 20%. Non-conforming mortgages have minimum equity of 35% but are to members who don't qualify through traditional qualifying processes. Despite the pandemic, property values have held steady and as a result NCCU believes we do not hold undue risk in the loan portfolio.

## **Credit Risk**

Credit Risk is the risk of loss arising from a borrower or counterparty's inability to meet its obligations. 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, we recognized the strain that it placed on the interest margin. Over the past number of years NCCU has placed emphasis on a more diversified loan portfolio. Being an urban based credit union, this has resulted in an increase in our commercial loan portfolio. Although this does expose our organization to increased credit risk, the expectation is it will also increase interest and non-interest revenue. Most of this increase has been experienced in mortgage financing. Along with a focus in commercial NCCU has taken on more risk in our consumer loan portfolio. This change is the primary reason you see increases in our loan write-offs over the past several years. In 2021 we experienced a year-over-year increase in loan write-offs of 32.7%, for a total amount of \$146,322. It is worth mentioning this amount has increased primarily because of a \$100,000 specific allowance on one file. The remaining \$46,322 was a combination of multiple losses.

NCCU currently holds \$50,000 in collective allowance \$161,400 in specific loan allowances. Along with the total write-off and allocations NCCU's delinquency greater than 90days ended the year at 0.45%.

## **Liquidity Risk**

Liquidity risk is the potential inability to meet obligations, such as liability maturities, deposit withdrawals, or funding loans without incurring unacceptable losses. Liquidity risk includes the inability to manage unplanned decreases or changes in funding sources. 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. As at year end, we held the required 10%, or \$11.8M. NCCU has never had to draw upon this facility to fund liquidity requirements.

Operating Liquidity is the availability of high-quality liquid assets as a percentage of potential outflows. As at year end our Operating Liquidity was 169%. With NCCU's deposit growth outpacing loan growth in 2021 this has resulted in excess liquidity not experienced in many years. This combined with a reduction in net margin has resulted in reduced earnings.



2017 saw our regulator, Credit Union Deposit Guarantee Corporation implement new Liquidity Standards. A new measure of liquidity referred to as Liquidity Coverage Ratio (LCR) came into effect January 2017. The objective of the LCR is to ensure a credit union has an adequate stock of unencumbered high-quality liquid assets (HQLA). NCCU has done an effective job of managing these new standards, comfortably exceeding the range throughout 2021.

## Capital and Profitability Management

NCCU pleased to report 2021's after-tax earnings of \$715,144. Although this represents a 4.5% decrease, presented with the many challenges in 2021 we are comfortable with the result. Increased regulatory requirements continue to place pressure on building reserves; as a result, the Board made the decision to move once again 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.

Equity or Capital is the financial strength of a credit union. We completed 2021 with \$11,023,211 in Retained Earnings. The level of capital held protects us against anticipated and unexpected events. Credit Union Deposit Guarantee Corporation sets standards 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 8.61% which exceeds the 5.0% regulatory minimum. The Board has a self-imposed target of 7.5%, which continues to be maintained.

## Efficiency Ratio

Efficiency ratio is another measure often used in the financial services industry. It is typically used to analyze how well a company uses its assets and liabilities internally. The Efficiency Ratio is effectively the amount you need to spend to make \$1. It is one of the few ratios where the lower the number the stronger the result. Productivity is an area of operations we have focused considerable attention. This year was particularly difficult with the aggressive reduction in interest rates and the resulting decrease in interest margin. Unfortunately, in a year such as 2021 expenses continue while it is increasingly difficult to maintain income levels. NCCU is pleased to report considering all the challenges we our Efficiency Ratio remained relatively unchanged at 63.6%. With a credit union system average 67.79% we are still satisfied with these results.

## Summary

As a financial institution, the credit union is essentially in the business of taking on and managing risk on several 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. 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.

We have an excellent staff and feel we have the expertise combined with the financial industry experience to position NCCU for the future. 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.

Both the board and management are committed to sound financial management and as part of this we pay close attention to balancing capital levels and maintaining sustainability. With escalating regulatory expectations, increased costs of technology and consumer expectations NCCU is committed to proactively protecting the best interests of the membership. Although NCCU considers 2021 to have been another successful year, the challenges brought on by the extended compressed interest margins, combined with the other operational challenges; and after the conversations about a possible merger with TCU Financial ceased, the board continued to ask some hard questions with respect to the strategic direction of the credit union. With a focus on ensuring the membership have a relevant and financially strong credit union for years to come, these

questions led NCCU to secure the services of an independent consultant. Working with this consultant an in-depth process was put in place whereby the NCCU went to every credit union in the province to provide the opportunity for an expression of interest to participate in the due diligence process. After 9 credit unions provided an expression of interest, these same credit unions were supplied a list of questions they answered. They then provided their responses in a submission back to NCCU. Upon receipt of all response's, comparisons were made on who best matched the culture of NCCU and who offers the best partner to further discussions with. After a short list of 2 credit unions and joint management and board meetings with each of the credit unions, Synergy Credit Union was selected as the best potential partner.

This has let your Board to pass a motion to present a merger opportunity with their credit union. This same motion has been passed by the Board of Synergy Credit Union and the intention is to bring this to a Membership Vote in the 2nd quarter 2022.

## Corporate Governance

New Community 2021		Saskatoon, Saskatchewan			
Name	Years on Board	Position	Profession	Business	Education
1 Angela Wojcichowsky	10	Vice Chair	Director International Projects	Saskatchewan Polytechnic (SIAST)	BA (Saskatchewan), MPA (Regina)
2 Rick Istifo	1		Property Manager/Owner		
3 Karen Huber	1		Retired Investment Advisor		
4 Ivan Besermenji	3		Entrepreneur		
5 Morris Bodnar	12	Chair	Retired	Former Partner Bodnar & Campbell	LLB
6 Rosanne Alain	5	Secretary	Retired	Former Teacher Valley Manor School	
7 Sandra Isteevan	2		Finance Assistant	Saskatoon Community Foundation	Saskatchewan Politechnic, Diploma
8 Jay Walker	2		Self Employed Accountant	PC Limited	CPA
9 Paul Miazga	2		Self Employed	Media & Business Consultant	BA (Saskatchewan), BA Journalism (Ryerson)
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## Profile Bohdan Leshchysheh

Bohdan Leshchysheh 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.

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

Bohdan Leshchysheh'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 Leshchysheh'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), Fellow of the Institute of Canadian Bankers (FICB) 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*



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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).