



Ukrainian Credit Unions in Canada

Review of 2010
Financial Results

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Annual General Meeting
Council of Ukrainian Credit Unions of
Canada
October 15, 2011

Membership

	2006	2007	2008	2009	2010	5 yr Avg.
Members	70,452	72,280	71,338	68,653	70,035	
Growth rate	-1.5%	2.6%	-1.3%	-3.8%	2.0%	-0.4%

Most new members - Ukrainian CU
6,577 including 5,446 So-Use – net
1,131 members – 6% increase

New Community - 113 net new
members – 5.2% increase.

Slide 2

BL1 Bob Leshchyshen, 29/10/2010

BL2 Bob Leshchyshen, 29/10/2010

Assets

	2006	2007	2008	2009	2010	5 yr Avg.
Assets (\$Mils)	\$1,245	\$1,322	\$1,427	\$1,490	\$1,633	
Growth rate	5.6%	6.2%	7.9%	4.4%	9.6%	6.7%
Assets per member	\$17,672	\$18,290	\$20,003	\$21,703	\$23,317	
Growth rate	7.2%	3.5%	9.4%	8.5%	7.4%	7.2%

Best asset growth:

Carpathia CU – 12.9%

Buduchnist CU – 10.7%

New Community CU – 10.5%

Ukrainian CU – 9.3% (adjusted) – 27.5%



Total Loans

	2006	2007	2008	2009	2010	Avg.
Loans (\$Mils)	\$1,027	\$1,090	\$1,176	\$1,240	\$1,353	
Growth rate	9.3%	6.1%	8.0%	5.4%	9.1%	7.6%

Best loan growth:

Buduchnist CU -14.5%

New Community CU – 12.5%

CP Ukrainienne – 12.6%

Residential Mortgages

	2006	2007	2008	2009	2010	CAGR %
Residential mortgages	\$621,296	\$717,447	\$769,625	\$798,205	\$866,555	
Growth rate %	10.5%	15.5%	7.3%	3.7%	8.6%	9.0%
Mix %	64.8%	65.8%	65.4%	64.4%	63.9%	

Best growth of residential mortgages:

Buduchnist CU - 16.3%

New Community CU – 8.3%

United Hamilton CU – 8.0%

Commercial Mortgages

	2006	2007	2008	2009	2010	CAGR %
Commercial Mortgages	\$240,122	\$285,915	\$295,952	\$328,223	\$364,909	
Growth rate %	10.7%	19.1%	3.5%	10.9%	11.2%	11.0%
Mix %	25.0%	26.2%	25.2%	26.5%	26.9%	

Best growth of commercial mortgage loans:

- New Community CU – 29.0%
- North Winnipeg CU – 15.8%
- CP Ukrainienne – 14.7%

Consumer Loans

	2006	2007	2008	2009	2010	CAGR %
Consumer loans	\$77,632	\$62,877	\$74,986	\$75,118	\$80,030	
Growth rate %	-0.8%	-19.0%	19.3%	0.2%	6.5%	0.5%
Mix %	8.1%	5.8%	6.4%	6.1%	5.9%	

Best growth of consumer loans:

- New Community CU – 30.9%
- CP Ukrainienne – 17.7%
- Ukrainian CU – 11.8% (adjusted) - 20% (So-Use included)

Business Loans

	2006	2007	2008	2009	2010	<i>CAGR</i> %
Business Loans	\$20,234	\$23,348	\$35,710	\$37,982	\$44,073	
Growth rate %	-11.8%	15.4%	52.9%	6.4%	16.0%	13.9%
Mix %	2.1%	2.1%	3.0%	3.1%	3.3%	

Only three credit unions had business loan portfolios.

Buduchnist CU - 19.9% growth.

Carpathia CU – 19.2% growth

North Winnipeg CU- decrease of 13.7%

Deposits

	2006	2007	2008	2009	2010	5 yr Avg.
Deposits (\$Mils)	\$1,101	\$1,195	\$1,304	\$1,352	\$1,472	
Growth rate	2.4%	8.6%	9.1%	3.7%	8.9%	6.5%

Best growth of deposits:

Carpathia CU – 13.5%

Ukrainian CU – 11.8% adjusted –
26.2% (So-Use included)

New Community – 10.4%



Deposit Mix %

	2006	2007	2008	2009	2010
Demand deposits	30.6%	29.1%	32.3%	35.0%	31.3%
Term deposits	54.6%	56.7%	53.2%	49.9%	53.3%
Registered plans	14.7%	14.2%	14.5%	15.1%	15.4%

More dependence on term deposits and registered plans and less on demand deposits.

Members are seeking higher yields.

Operating Costs

	2006	2007	2008	2009	2010	5 yr Avg.
Operating expenses	\$25,879	\$27,156	\$27,793	\$28,213	\$30,136	
Growth rate %	2.4%	4.9%	2.3%	1.5%	6.8%	3.6%
Operating expense ratio	2.14%	2.12%	2.03%	1.95%	1.98%	2.04%
Productivity ratio	70.7%	73.4%	74.4%	72.7%	72.5%	72.7%

Operating expense ratio increased slightly in 2010 after declining for the last 5 years.

Because gross income has increased the productivity ratio has remained stable.



Lowest Operating Costs

Credit unions with the lowest operating expense margin:

- CP Ukrainenne 1.71% (1.68%)
Carpathia CU – 1.76% (1.83%)
- Buduchnist CU – 1.78% (1.62%)

The other CU had expense ratios excess of 2.00%

Net Income

	2006	2007	2008	2009	2010	5 yr Avg.
Net Income (\$Mils)	\$8.3	\$7.7	\$7.3	\$8.2	\$9.5	
Growth rate %	5.3%	-7.3%	-5.1%	12.5%	16.0%	3.9%

After declining in 2007 and 2008, net income increased by 12.5% in 2009 and 16% in 2010.

Net income improved due to higher net interest margin and lower loan provision.
(56% decline)

Best ROA Ratio

	2006	2007	2008	2009	2010	5 yr Avg.
Return on assets	0.68%	0.60%	0.53%	0.56%	0.62%	0.60%

The following three credit unions had the best ROA in 2010:

CP Ukrainenne - 1.59% (1.42%)

Carpathia CU – 0.73% (0.60%)

Buduchnist CU – 0.70% (0.59%)

Average ROE

	2006	2007	2008	2009	2010	5 yr Avg.
Return on Equity	9.3%	8.1%	7.4%	8.0%	8.5%	8.3%

Credit Unions which had above average ROE:

- CP Ukrainienne – 15.0% (14.6%)
- Carpathia CU – 13.5% (10.6%)
- New Community CU – 10.0% (14.2%)

Net Interest Margin

	2006	2007	2008	2009	2010	5 yr Avg.
Net interest margin	2.60%	2.47%	2.28%	2.27%	2.31%	2.39%

CUs - best Net Interest Margin

- CP Ukrainenne – 3.17% (2.92%)
- United Ukrainian CU – 2.43% (2.93%)
- New Community CU – 2.40% (2.47%)
- Buduchnist CU – 2.27% (2.17%)
- Carpathia CU- 2.23% (2.16%)

Dividends and Patronage Payments

	2006	2007	2008	2009	2010	5 yr Avg.
Dividends/Patronage paid (\$Mils)	\$2.711	\$2.559	\$1.280	\$2.153	\$2.083	
Growth rate %	3.4%	-5.6%	-50.0%	68.2%	-3.3%	-4.5%
% return to members	23.7%	21.9%	16.1%	26.3%	22.0%	22.0%

Declined for 2 years, 2007-08

Decline in 2008 was due to the \$2.7 million write-down. (Central shares & Asset Backed Securities)

In 2010, Ukrainian CU and North Winnipeg increased their dividends, all other decreased.

Capital Ratio (capital/assets)

	2006	2007	2008	2009	2010	5 yr Avg.
Equity and Shares (\$Mils)	\$91.9	\$97.1	\$99.2	\$107.7	\$121.0	
Growth rate %	6.0%	5.6%	2.2%	8.6%	12.4%	6.9%
Capital % assets	7.38%	7.34%	6.95%	7.23%	7.41%	7.3%

Credit Unions which highest capital ratio:

- CP Ukrainenne – 11.04% vs 10.10%
 - Buduchnist CU* – 8.45% vs 8.65%
 - Ukrainian CU – 7.13% vs 6.19%
- * Assets grew faster than capital.

Comparable Asset Growth

	2006	2007	2008	2009	2010	5 yr Avg.
Assets (\$Mils)	\$1,245	\$1,322	\$1,427	\$1,490	\$1,633	
Growth rate	5.6%	6.2%	7.9%	4.4%	9.6%	6.7%

Canada's largest CU 5.7% vs 6.5%

Canadian Movement 4.2% vs 6.9%

Ukrainian CUs 9.6% vs 4.4%

Comparable Membership

	2006	2007	2008	2009	2010	<i>5 yr Avg.</i>
Members	70,452	72,280	71,338	68,653	70,035	
Growth rate	-1.5%	2.6%	-1.3%	-3.8%	2.0%	-0.4%

Canada's largest CU 0.9% vs
6.4%

Canadian Movement (0.5%)
vs (0.8)%.

Ukrainian CUs - 2.0% vs
(3.8%).

Comparable Net Income

	2006	2007	2008	2009	2010	<i>5 yr Avg.</i>
Net Income (\$Mils)	\$8.3	\$7.7	\$7.3	\$8.2	\$9.5	
Growth rate %	5.3%	-7.3%	-5.1%	12.5%	16.0%	3.9%

Largest CUs in Canada – 19.6% vs
(6.1%)

Ukrainian CUs - 16.0% vs 12.5%
5 yr avg Largest CUs– 8.4% vs
Ukrainian CUs – 3.9%.

Return on Assets (ROA)

	2006	2007	2008	2009	2010	5 yr Avg.
Return on assets	0.68%	0.60%	0.53%	0.56%	0.62%	0.60%

Largest CUs in Canada 0.63%
vs 0.55%.

Ukrainian CUs – 0.62% vs 0.56%

Capital Ratio (capital/assets)

	2006	2007	2008	2009	2010	5 yr Avg.
Equity and Shares (\$Mils)	\$91.9	\$97.1	\$99.2	\$107.7	\$121.0	
Growth rate %	6.0%	5.6%	2.2%	8.6%	12.4%	6.9%
Capital % assets	7.38%	7.34%	6.95%	7.23%	7.41%	7.3%

**Largest CUs in Canada 6.68% vs
6.42%.**

**Ukrainian CUs – 7.41% vs
7.23%**

Net Interest Margin

	2006	2007	2008	2009	2010	5 yr Avg.
Net interest margin	2.60%	2.47%	2.28%	2.27%	2.31%	2.39%

Largest CUs in Canada 2.57% vs 2.37%.

Ukrainian CUs - 2.31% vs 2.27%



Operating Expenses % Avg. Assets

Largest CUs in Canada 2.57% vs 2.55%.

Ukrainian CUs - 1.98% vs 1.95%



Credit Exposure

	2005	2006	2007	2008	2009	5 yr-Avg
Allowance % loans	0.28%	0.25%	0.23%	0.29%	0.27%	0.26%

Largest CUs in Canada 0.51% vs 0.53%.

Ukrainian CUs - 0.27% vs 0.21%

Donations, Advertising and Promotion Expenses

		2009	2009 09/08	2010	2010 10/09
		Total	Total Growth	Total	Growth
Name of credit union		(\$000)	%	(\$000)	%
1	Buduchnist	\$820	51.6%	\$1,670	34.3%
2	Ukrainian	\$455	-15.6%	\$513	33.6%
3	Carpathia	\$50	50.0%	\$300	300.0%
4	CP Ukrainienne de Montreal	\$99	-39.4%	\$79	31.7%
5	North Winnipeg	\$12	-8.2%	\$14	22.2%
6	So-Use	\$50	27.7%	\$0	-100.0%
7	New Community	\$10	17.0%	\$17	41.2%
8	United Ukrainian	\$10	71.0%	\$10	-42.7%
Total		\$1,506	23.9%	\$2,602	39.4%