

## Toronto Eesti Ühispanga põhikirja muudatused

2009. aasta juunis esitas Ontario valitsus muudatused, mis mõjutavad ühispankade süsteemi. Need hakkavad kehtima 1. oktoobril 2010. Selle alusel on Toronto Eesti Ühispank vaadanud üle oma põhikirja ning teinud omapoolsed täiendused, mis vastavad tulevaste kehtima hakkavate eeskirjadega.

Põhilised parandused on toodud ära allpool. Põhikiri on

tervikuna kättesaadav ühispanga kontoris. Toronto Eesti Ühispanga nõukogu on selle kinnitanud ning nüüd on vaja veel liikmeskonnalt sellekohast nõusolekut tuleval peakoosolekul.

Kui kellelgi tekib küsimusi, siis on ühispanga juhtkond hea meelelega nõus nendele vastama.

## Estonian (Toronto) Credit Union Limited (“the Credit Union”) By-Law Changes

In June 2009, the Ontario Government introduced major changes to the Credit Unions and Caisses Populaires Act, 1994 and the regulations which govern Ontario credit unions. These amendments come into full force on October 1, 2010.

As a result, we have conducted a detailed review of our by-laws and are introducing a number of changes which will bring them into compliance with the new legislation, and otherwise improve our governance structure. Key amendments

### Summary of Proposed By-Law Amendments

#### Bond of Association

The proposed by-law opens up membership for ALL individuals of Estonian heritage regardless of residency. The requirement for the Board of Directors to specifically approve all individuals of non-Estonian heritage for membership, who are resident or employed in the Province of Ontario, is being repealed.

#### Language

Languages of operation will be clarified to confirm that all official records and documents which are subject to review by regulators, external auditors and legal counsel be maintained in English.

#### Board of Directors

The size of the Board will be decreased from ten to nine.

#### Qualification of Directors

Candidates for the Board of Directors must now:

- I. disclose information concerning certain material contracts with the Credit Union prior to being elected to the board,
- II. meet additional qualifications for directors as may be established in the Credit Union's policies, and
- III. not have served on the Board for more than five consecutive three year terms commencing from the first Annual General Member Meeting in which these bylaws are approved.

To comply with the requirements in I. and II. above, nominations for new candidates must be submitted along with appropriate information to the board no less than 10 days in advance of a membership meeting which includes in its agenda the election of directors.

#### Calling of Meetings

A new requirement for the Board to meet at least four times in each fiscal year is introduced.

#### Other Committees

References to the credit committee are repealed and replaced with a general authority for the Board to appoint such other committees as it may deem advisable provide that the functions of any such committees are advisory only.

#### Officers

As a minimum the Board must now appoint a Chair, a Corporate Secretary and a Chief Executive Officer. The Chair must be a director, the Corporate Secretary may be an employee or a director and the Chief Executive Officer must be an employee.

are summarized below. A copy of the complete by-law is available for inspection by members at the Credit Union's branch.

These amendments have been approved by the Credit Union's Board of Directors and must now be confirmed by the membership at the upcoming Annual General Meeting scheduled for March 22, 2010.

The Board may, but is not obliged to appoint such other officers as it may seem fit. Specific references to the Treasurer are repealed.

#### Term limits – Board Chair

The Chair may not serve as Chair for longer than nine consecutive one year terms.

#### Annual meeting – Order of Business

The fixed agenda under the current by-laws is replaced with the requirement for the Board to establish the order of business.

The following items are required to be placed before the members:

- I. audited financial statements of the Credit Union
- II. the report of the Auditor
- III. the report of the Audit Committee
- IV. such other information respecting the financial position of

the Credit Union and the results of its operations as the Board determines should be presented to the members.

#### Notice of Meeting

The option of posting notice on the Credit Union's web-site has been added, as has the ability to notify members by email. The notice must now:

- I. include a summary of any proposed special resolution, including one to amend the Credit Union's by-laws; and
- II. provide sufficient detail to permit members to form a reasonable judgment on any matters to be considered at the meeting.

#### Lending

Requirements for the Credit Union to apply to the Superintendent of Financial Services for, and make loans in accordance with specific lending licences has been replaced with the ability to make loans in accordance with the Act and the Credit Union's lending policies.

*Please note that while this summary is intended to cover all significant areas for which amendments are being proposed, the proposed revisions contain a number of non-substantive changes which are for the most part of a technical nature, the inclusion of which, in this summary is not considered practical. Members are encouraged to refer to the actual text of the proposed by-law which may be obtained from the Credit Union's branch.*



## Message from the CEO



2009 proved an eventful year for the credit union which saw large scale changes within the organization and as well as within the system in which it thrives. Among these, I was happy to return to the credit union when approached by the board last fall.

2009 continued to be a challenging year for the system as a whole, which saw a continuation of margin pressures, an increasingly onerous regulatory regime and a far more challenging business environment. All of these have contributed to an increasing number of credit unions which are losing money and increased consolidation and merger activity in the credit union system. Over the course of the past 10 years the number of credit unions with assets under \$100million has fallen by some 2/3, as smaller credit unions find it more difficult to succeed in today's environment. While we continue to experience strong levels of growth and profitability, we are not unaffected by these changes.

Our unwavering commitment to the Estonian community can only be sustained by ensuring that we as a financial institution undertake the steps necessary to further strengthen our business model and ensure our long term viability. 2009 saw many changes to ensure that we are well positioned to confront the various challenges that may be expected to confront us over the upcoming years; be they from a declining demographic base or a slowing economic environment as Canada eventually succumbs to new global economic realities. These included the addition of our first non-Estonian, Jennifer Hutcheon as our new Manager of Lending Services.

Falling margins stabilized at current levels over the first part of the year as interest rates hit all time lows and contributed a 40% drop in earnings from 2008 levels. While unrealized accounting gains enabled our net profits (before taxes and patronage distributions) to surpass last year's levels, these gains can be expected to reverse in upcoming years as underlying investments approach maturity. On the positive side, 2009 saw close to \$6million in deposit growth as our asset levels approached a record \$90million. Loan portfolios grew by \$4million.

We remain committed to share our success with our membership. The board has authorized a distribution \$150,000 of 2009 profits to members as interest rebates on loans and bonus interest on deposits early 2010. While this is down 25% from last year's levels it is reflective of lower interest rates and margin levels experienced this year, and consistent with reduced levels paid by the decreasing number of credit unions that continue to share their profits with members.

On a less upbeat note the past year also saw the retirement of Karin Ahermaa and the recent decision of Ingrid Kütt to leave the credit union after over two decades of service. I would like to express my sincere gratitude to both Karin and Ingrid for their very significant contributions to the credit union. They will both be missed.

Thanks are also in order to our board, whose highly qualified members volunteer their free time and sound counsel in support of the organization, our highly committed staff who place our members first, and most importantly to you, our membership. We sincerely value the trust and confidence that you place in us and remain committed to exceeding all of your expectations.

Tarmo Lõbu, CEO

## Message from the Chair



In late 2009 both the International Monetary Fund (IMF) and Organization for Economic Co-operation upgraded their economic outlook for Canada. According to the IMF, "with household and financial institution balance sheets stronger than in many countries, Canada's economy is relatively well-positioned to resume expansion". Indeed, we are fortunate that both these organizations share a positive assessment of Canada's near-term outlook and current economic health.

The slowdown in Canadian and other western economies started in the latter part of 2007, and while the situation has improved since then, challenges remain. Canada has weathered the storm much better than others. In stark contrast, Estonia's gross domestic product had recently been contracting at an annualized rate of greater than 15%, and despite recent signs of improvement, is expected to remain in negative territory until at least 2011.

Canada has a strong financial sector. There were no failures of any large banks, as there were in the US and elsewhere. However, many of the smaller institutions, including credit unions situated in Ontario, face difficulties. This has led to the various regulatory authorities increasing their scrutiny of financial institutions, including the Estonian Credit Union.

Our credit union is a well-managed organization. This is what both our internal and external auditors tell us. Furthermore, we fare well in inspections by supervisory

authorities.

Our Credit Union is financially sound, with prudent management, conservative investment policies and the avoidance of excessive risk-taking all contributing to this.

We are very fortunate to have had Tarmo Lõbu return as CEO after Toomas Kutti returned to management consulting last year. We would like to thank Toomas very much for his contributions over the past two years.

Our Credit Union, as with other organizations established some 50 to 60 years ago in our community, must assess what new business directions are required to meet the needs of the community which have also changed. Accordingly, the Board considers strategic planning, in the best interests of our members, to be one of its most vital roles. This task is underway and various alternatives, including organic growth within the current membership and strategic alliances with like-minded organizations, are all being assessed.

It is noteworthy that your Board is comprised of volunteers who dedicate a considerable amount of time and effort to overseeing the activities of the credit union. Even though the members are volunteers, this does not in any manner lessen their responsibilities under the various statutes. We would like to thank both Ken Valvr and Tonis Toomver, who are retiring from the Board, for their efforts over the years.

On behalf of the Board of the Credit Union, I wish to also thank our staff who are our public face and with whom you the members deal. They continue to ably dedicate themselves to meeting the needs of our members.

Lea Kõiv, Chair



Estonian Toronto Credit Union Limited / Toronto Eesti Ühispank  
958 Broadview Ave. Toronto Ontario M4K 2R6

## BALANCE SHEET

As at December 31, 2009

	2009	2008
<b>ASSETS</b>		
Cash resources	\$5,693,914	\$5,455,379
Investments	19,499,538	17,690,991
Loans	64,123,584	60,260,267
Capital assets	51,425	39,354
Other assets	484,474	484,005
	<u>\$89,852,935</u>	<u>\$83,929,996</u>
<b>LIABILITIES AND EQUITY</b>		
Members' deposits	\$82,776,486	\$76,829,310
Accounts payable & accrued liabilities	736,854	1,026,748
	<u>\$83,513,340</u>	<u>\$77,856,058</u>
Membership shares	100,180	110,300
Retained earnings	6,239,415	5,963,638
	<u>\$89,852,935</u>	<u>\$83,929,996</u>
<b>STATEMENT OF EARNINGS</b>		
For the year ended December 31, 2009	2009	2008
<b>Interest income</b>		
Loans	\$2,741,520	\$3,246,289
Investments	583,446	666,472
	<u>\$3,324,966</u>	<u>\$3,912,761</u>
<b>Interest expense</b>		
Member deposits	1,559,069	1,877,069
<b>Financial margin</b>		
	\$1,765,897	\$2,035,692
Provision for loan losses	(123,539)	(120,277)
	<u>\$1,642,358</u>	<u>\$1,915,415</u>
<b>Other income</b>		
	150,405	108,041
<b>Net interest and other income</b>	<u>\$1,792,763</u>	<u>\$2,023,456</u>
<b>Expenses</b>		
Salaries and benefits	\$754,634	\$799,586
Administrative	452,863	400,439
Occupancy	104,531	101,697
Amortization of capital assets	32,344	25,006
Member relations	39,788	50,590
Deposit insurance	51,306	48,184
Loan costs	12,483	10,538
	<u>\$1,447,949</u>	<u>\$1,436,040</u>
<b>Earnings before undernoted</b>	\$344,814	\$587,416
Share of limited partnership loss	-	(118,465)
Write down of investment in CUCO	-	(36,000)
Unrealized gains on investments	152,593	19,340
Patronage return to members	(150,000)	(201,979)
Income taxes	(71,630)	(39,480)
	<u>\$275,777</u>	<u>\$210,832</u>
<b>Net earnings</b>	\$275,777	\$210,832
<b>Retained earnings, beginning of year</b>	5,963,638	5,752,806
<b>Retained earnings, end of year</b>	<u>\$6,239,415</u>	<u>\$5,963,638</u>

## BILANSS

31. detsember, 2009.a.

### VARAD

Kassa ja nõuded krediidiastutustele
Võlakirjad ja väärtpaberid
Laenud
Põhivara
Muud varad

### KOHUSTUSED JA OMAKAPITAL

Liikmete hoiused
Muud võlad

Liikmete osatähed

Jaotamata kasum

### KASUMIARUANNE

Seisuga 31. detsember, 2009.a.

#### Intressitulu

Laenud
Võlakirjad ja väärtpaberid

#### Intressikulu

Liikmete hoiused
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#### Neto intressi kasum

Nõuete allahindlus

Muu tulu

#### Neto intressikasum ja muu tulu

#### Kulud

Palgakulu ja hüvised
Halduskulud
Üür ja kommunaalkulud
Põhivara amortisatsioon
Side liikmetega
Hoiuste kindlustus
Laenukulud

#### Kasum enne alljärgnevaid

Ühistu väärtpaberi allahindlus
CUCO osatähtede allahindlus
Realiseerimata kasum
Kasumi väljamaks
Tulumaks

#### Puhaskasum

#### Jaotamata kasum, aasta alguses

#### Jaotamata kasum, aasta lõpus

## Toronto Eesti Ühispanga tegevjuhi ülevaade

2009 osutus ühispanga jaoks sündmusterohkeks aastaks, mille jooksul toimus hulk suuri muutusi nii meie organisatsioonis kui ka ühispankade süsteemis. Kõige selle keskel oli mul hea meel tagasi pöörduda Toronto Eesti Ühispanga teenistusse, kui panga nõukogu pöördus eelmisel sügisel minu poole sellekohase küsimusega.

2009. aasta oli finantsüsteemi jaoks jätkuvalt raske intressimääravahede vähenemise, üha keerulisemaks muutuva regulatsioonisüsteemi ja väljakutseterohke ärimaailmaga. Paljud ühispannad on selle tagajärjel kaotanud raha, mitmed on ühinenud. Väiksemate ühispankade jaoks on edasi tegutsemine praegustes tingimustes palju keerulisemaks ja raskemaks läinud. Viimase kümne aasta jooksul on ühispankade arv, mille varad alla \$100 miljoni, kahanenud 2/3 võrra. Kuigi Toronto Eesti Ühispank on endiselt kasvanud ja kasumis, siis pole meiegi muudatustest mõjutamata jäänud.

Selleks et me vankumatult saaksime täita oma kohustust Eesti ühiskonna ees ning tagada pikaajalist elujõulisust, peame ette võtma vajalikke samme. 2009. aastal viidi läbi mitmeid muutusi, et tulevasteks väljakutseteks valmis olla, olgu põhjuseks siis väiksemaks jäänud demograafiline põhi või majandustegevuse aeglustumine. Nõnda sai laenuosakonna juhatajaks esimest korda ühispanga ajaloos Eesti taustata Jennifer Hutcheon.

Langevad intressimääravad stabiliseerisid praegusel tasemel eelmise aasta alguses, jõudes punkti, mis on üle aegade kõige madalam. See tõi kaasa 40% sissetuleku vähenemise võrreldes 2008 aastaga. Kuigi

## Nõukogu esimehe ülevaade

2009 aasta lõpus nimetasid nii Rahvusvaheline Valuutafond (IMF) kui Majandusliku Koostöö ja Arengu Organisatsioon, et Kanada majanduslik olukord on tugevam kui varem arvatud. IMF väidab, et Kanada perede ja finantsasutuste sissetulekute ja väljaminekute suhe on palju paremas seisus võrreldes mitmete teiste riikidega, mis tähendab tugevat alust majanduskasvuks. Tõepoolest, võime rahul olla, et mõlemad organisatsioonid jagavad positiivset hinnangut Kanada lähituleviku ja praeguse majandusliku olukorra kohta.

Kanada ja teiste lääneriikide majanduslangus algas 2007 teisest poolest ja kuigi üldine olukord on paranemas, siis jäävad väljakutsed samaks. Kanada on praegusele majanduskriisile palju paremini vastu pannud kui teised. Eesti sisemajanduse kogutoodang kukkus eelmisel aastal näiteks 15% ning jääb negatiivseks vähemalt tuleva aasta alguseks.

Kanada finantssektor on väga tugev. Suurpannad jätkasid probleemideta, mis tabasid USA-d ja muid riike. Samas seisavad raskustega silmitsi mitmed väiksemad finantsasutused, kaasa arvatud ühispannad Ontario. Nõnda on erinevaid tegevusalasid reguleerivad asutused suurendanud oma kontrolli mitte ainult Toronto Eesti Ühispangas vaid ka mujal.

Meie ühispank on hästi juhitud organisatsioon. Nõnda väidavad nii meie sise- kui välisrevidendid. Oleme hästi läbinud ka kõrgemate järelevalveasutuste kontrolli. Kõik see on tulnud tänu Toronto Eesti Ühispanga tugevale finantsküsimuste lahendamisele, tänu usaldusväärsele

realiseerimata arvestuslik tulu tähendas netokasumi ületamist (enne tulumaksu ning tulu jagamist liikmetega), siis on seoses hoiustajate vananemisega ette näha mitmeid uusi väljakutseid meie organisatsioonile. Positiivsemast küljest kasvas deposiitide hulk \$6 miljoni võrra ning varade hulk jõudis \$90 miljoni piirimaile. Laenude hulk kasvas \$4 miljoni võrra.

Jätkame endiselt oma eduka tegevuse tulemuste jagamist oma liikmetega. Ühispanga nõukogu on otsustanud eraldada \$150 tuhat boonusintressiks ning laenuintressi tagasimakseteks. See summa on eelmise aasta omast 25% väiksem, sest arvesse tuli võtta madalamaid intresse ning intressimääravahesid, samuti on vähenenud samasugused väljamaksed teistes ühispankades või hoopis lõpetatud.

Eelmine aasta tõi kaasa ka meie kauaaegse laenuosakonna juhataja Karin Ahermaa pensionile mineku ning hiljuti otsustas Ingrid Kütt peale paarikümneaastast teenistust lahkuda. Tahaksin avaldada oma siirast tänu nii Karinile kui Ingridile nende olulise panuse eest, mis nad Toronto Eesti Ühispannale läbi aastate on andnud.

Täna ka meie panga nõukogu, mille liikmed vabatahtlikult jagavad oma aega ja nõuandeid ühispanga edukaks tegevuseks, ning meie teenistujaid, kes pühendunult oma tööd teevad, seades liikmete huvid alati esikohale, ja muidugi kõige tähtsamana, tänu teile, meie liikmetele! Hindame väga teie poolt osutatud jätkuvat usaldust ning usku meie ühisesse pankas.

Tarmo Löbu, tegevjuht

juhtkonnale, konservatiivsele investeerimispoliitikale ning liigsetest riskidest eemalehoidmisele. Meil oli väga hea meel, et Tarmo Löbu oli nõus taas kord tegevjuhi ülesandeid oma õlgadele võtma, kui Tooma Kütti pöördus eelmisel aastal tagasi juhtimiskonsultandi töö juurde. Tahaksime Toomast tänada tema panuse eest kahel viimasel aastal!

Toronto Eesti Ühispank peab nii nagu teised 50 kuni 60 aastat tagasi loodud Eesti organisatsioonid tõsiselt kaaluma, millises suunas edasi minna, et meie muutunud ühiskonnas sama edukalt edasi tegutseda. Ühispanga nõukogu peab strateegilist planeerimist meie liikmete parimate huvide nimel üheks oma kõige olulisemaks rolliks. Põhjalikult kaalutakse pidevalt erinevaid võimalusi, sealhulgas kasvu meie endi liikmete põhjal ja strateegilist koostööd teiste samadel põhimõtetel töötavate organisatsioonidega.

Tahaksin rõhutada, et ühispanga nõukogu liikmed on kõik vabatahtlikult olnud nõus pühendama oma aega ja jõupingutusi panga tegevuse heaks. Kuigi nende osalus on vabatahtlik, ei tähenda see väiksemat vastutust kohustuste ees, mida nad vastavalt seadusandlusele täidavad. Tahaksime seekord eriti tänada Ken Valvurit ja Tõnis Toomveri, kes on otsustanud oma ameti maha panna.

Toronto Eesti Ühispanga nõukogu nimel tänaksin ka panga teenistujaid, kes iga päev liikmete soovide ja vajadustega tegelevad. Nad teevad oma tööd pühendumusega, täites oskuslikult oma ülesandeid.

Lea Kõiv, nõukogu esimees

## PERSONNEL/PERSONAL

Tarmo Löbu, CEO  
Jennifer Hutcheon, Manager, Lending Services  
Krista Kiilaspea, Manager, Branch Operations  
Ene Timmusk, Supervisor, Administration  
Priit Nikker, Supervisor, Systems & Operations  
Helen Garshnek, Loan Officer  
Kristjan Medri, Commercial Loans  
Toomas Tammark, Loan Officer  
Anne Guiter, Member Representative  
Hille Järve, Member Representative  
Heili Orav, Member Representative

## BOARD MEMBERS/ NÕUKOGU

Lea Kõiv, Chair  
Toomas Marley, Vice Chair  
Ellen Valter, Secretary  
Peeter Einola, Director  
Anne Leius, Director  
Tiina Liivet, Director  
Mihkel Tombak, Director  
Tarvo Toomes, Director  
Tõnis Toomver, Director  
Kenneth Valvur, Director



Ingrid Kütt, kes on olnud üle 20 aasta panga teenistuses.

Audited 2009 financial statements, the auditor's report and the audit committee report will be available for inspection, by any member, at the meeting and at the offices of the credit union anytime beforehand.

Detail•ec2009.a. revideeritud finantsaruannet võib küsida Toronto Eesti Ühispanga kontorist.