



Personnel / Personal

Tarmo Lõbu, *President & CEO*
 Karin Ahermaa, *Manager, Lending Services, MFIS**
 Krista Kiilaspea, *Manager, Branch Operations*
 Ingrid Kütt, *Manager, Member Services, MFIS**
 Ene Timmusk, *Administrative Supervisor*
 Katrin Jõgeda, *Loan Officer, MFIS**
 Priit Nikker, *Systems Administrator*
 Anne Guitter, *Member Representative*
 Hille Järve, *Member Representative*
 Heili Orav, *Member Representative, MFIS**
 Indrek Aduson, *Member Representative*
 Helen Garshnek, *Member Representative*
 Erika Kivik, *Member Representative*

* *Mutual Funds Investment Specialist*

Board of Directors / Nõukogu

Toomas Marley, *Chair*
 Peeter Einola, *Vice Chair*
 Ellen Valter, *Secretary*
 Lea Kõiv, *Audit Committee Chair*
 Ants Kütt, *Director*
 Ivar Nippak, *Director*
 Eevi Novek, *Audit Committee Member*
 Tarvo Toomes, *Director*
 Tõnis Toomver, *Director*
 Kenneth Valvur, *Director*
 Thomas Vanaselja, *Audit Committee Member*

Our Members



Estonian (Toronto) Credit Union Limited

958 Broadview Ave., Toronto ON M4K 2R6, tel: 416-465-4659, fax: 416-465-8442, Toll free: 1-866-844-3828

From Estonia local call: 712-1912, Skype: estocu, www.estoniancu.com



Annual Review 2005

Message from the President & CEO



Tarmo Lõbu

I am pleased to report that 2005 has proven to be another stellar year for the credit union with profit and patronage levels continuing to establish record highs.

Membership growth continues to increase in momentum, with over 200 new members attracted to the credit union. Deposit growth of \$3.8 million drove our asset levels to a new high of \$67.9 million. A 30% increase in earnings translated to a very healthy \$581k of income before

patronage returns and income taxes. Contributing to this level of profitability was a \$4.4 million increase in our loan portfolios.

In recognition of these strong results, the board of directors recently elected to return a record \$250,000 from 2005 profits to our membership as interest rebates and bonus interest.

We continued in our efforts to constantly improve upon the quality and range of services that we offer our members. 2005 saw considerable work expended in upgrading our lending licences to more effectively service the varied needs of our membership. These included greater flexibility under

our commercial licence as well as the ability to syndicate larger loans to other credit unions. Other service improvements ranged from the introduction of a local Estonian telephone number, to the addition of a night depository box.

Our wide range of financial products and services, lack of transaction fees, competitive rates and personalized service provide for a unique service package which we believe is unparalleled in today's market place. As a result we are seeing more and more people switching their financial relationships from traditional banks to us.

Future growth will enable us to improve upon our economies of scale, and lead to further improvements in our profitability, and ultimately, the value of what we are able to offer our members. For this reason we continue to encourage you to refer new members to us, be they Estonians or non-Estonians.

We are grateful for the privilege of serving you, and remain steadfast in our efforts to ensure that all of your expectations are not only met, but surpassed.

Tarmo Lõbu
February 14, 2006

Message from the Chair



Toomas Marley

Your Credit Union remains in control

The fiscal year 2005 was another record breaking year for your Credit Union, representing a great achievement on the part of the management and staff. Their efforts are sincerely valued by the Board of Directors and the members of our Credit Union.

Successful financial performance, however, must be achieved following disciplined, diligent, proven and recognized best practices for operating a financial institution. There are too many reports in the business newspapers of inadequate controls, sloppy procedures, and outright fraud, resulting in damage to corporate reputations, lawsuits, regulatory actions and, in some cases, the insolvency and bankruptcy of the company. Governments and regulators have reacted to these poor business practices through increased surveillance and regulation.

Your Credit Union operates within this environment and must remain in control of its operations. I am pleased to report that the internal controls of your Credit Union operate in a fully satisfactory manner to protect the assets of our members and the continuing viability of the organization. This opinion is shared by the Audit Committee, our internal auditor and the government regulators who examine our operations from time to time.

As required by the Credit Unions and Caisses Populaires Act of Ontario, your Credit Union has a three member Audit Committee which meets at least quarterly. An outside consultant who specializes in auditing credit unions, has been engaged to perform the internal audit function. The internal auditor tests various controls of the Credit Union on a monthly rotation and reports his findings to the Audit Committee.

The role of the Audit Committee is spelled out in the provincial legislation governing Credit Unions and the regulations thereto. Each year the Audit Committee confirms to the annual meeting of members that it has carried out the prescribed duties.

The Audit Committee is able to confirm that audits of the activities of the credit union by government supervisory authorities, as well as by the internal auditor, show that the Credit Union management is meeting or exceeding the standards that have been established for it. All audits have shown that the appropriate controls are in place, and that the Credit Union management is performing to high standards required by law and your Board of Directors.

Our members can be confident that their assets in the Credit Union are safe, that their interests are well protected by the management and staff who are entrusted with these responsibilities and that the financial future of the Credit union is secure.

Toomas Marley
February 15, 2006

Toronto Eesti Ühispank

BILANSS

Detsember 31,

VARAD

Kassa ja nõuded krediidasutustele
 Väärtpaberid
 Laenuid
 Põhivara
 Muud varad

KOHUSTUSED JA OMAKAPITAL

Liikmete hoised
 Muud võlad

Liikmete osatähed

Liikmete omakapital

KASUMIARUANNE

Seisuga 31. Detsember

Intressitulu

Laenudest
 Eluasemelaenuid
 Tarbimislaenuid
 Äri-laenuid
 Väärtpaberid

Intressikulu

Liikmete hoised
 Neto intressi kasum
 Nõuete allahindlus

Muu tulu

Neto intressikasum ja muu tulu

Kulud

Palgakulu ja hüvised
 Halduskulud
 Põhivara amortisatsioon
 Üür & kommunaalkulud
 Laenukulud
 Side liikmetega
 Hooste kindlustus
 Süsteemi uuendamise amortisatsioon

Kasum enne alljärgnevaid

Kasumi väljamaks
 Tulumaks

Puhaskasum

Jaotamata kasum, aasta alguses
 Jaotamata kasum, aasta lõpus

Täiuslik 2005. a revideeritud
 Finantsaruanne on kättesaadav Toronto
 Eesti Ühispankast.



BALANCE SHEET

As at December 31,

ASSETS

Cash resources
Investments
Loans
Capital assets
Other assets

LIABILITIES AND EQUITY

Members' deposits
Accounts payable and accrued liabilities

Membership shares

Membership equity

STATEMENT OF EARNINGS

For the year ended December 31,

Interest income

Interest on loans
Residential mortgages
Personal loans
Commercial mortgages
Investments

Interest expense

Member deposits

Financial margin

Provision for loan losses

Other income

Net interest and other income

Expenses

Salaries and benefits
Administrative
Amortization of capital assets
Occupancy
Loan costs
Member relations
Deposit insurance
Amortization of conversion costs

Earnings before undernoted

Patronage return to members
Income taxes

Net earnings

Retained earnings, beginning of year

Retained earnings, end of year

2005 2004

Cash resources	\$7,350,547	\$8,852,359
Investments	16,950,944	15,953,507
Loans	43,317,371	38,953,176
Capital assets	66,318	77,536
Other assets	262,658	276,366
Total Assets	\$67,947,838	\$64,112,944

Members' deposits	\$62,263,137	\$58,808,217
Accounts payable and accrued liabilities	628,042	503,067
Total Liabilities	62,891,179	59,311,284

106,400 104,320

Membership equity	4,950,259	4,697,340
Total Equity	\$67,947,838	\$64,112,944

2005 2004

Interest on loans	\$1,423,203	\$1,343,600
Residential mortgages	196,148	150,391
Personal loans	251,321	216,643
Commercial mortgages	802,263	746,944
Investments	2,672,935	2,457,578

Member deposits	888,435	802,338
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Financial margin	1,784,500	1,655,240
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Provision for loan losses	(30,000)	(15,469)
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Net interest and other income	1,754,500	1,639,771
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Other income	74,797	85,714
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Net interest and other income	1,829,297	1,725,485
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Salaries and benefits	684,818	642,868
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Administrative	298,882	325,548
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Amortization of capital assets	41,425	75,959
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Occupancy	92,018	92,751
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Loan costs	40,900	38,199
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Member relations	47,516	54,417
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Deposit insurance	42,741	40,021
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Amortization of conversion costs	-	6,688
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Total Expenses	1,248,300	1,276,451
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Earnings before undernoted	580,997	449,034
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Patronage return to members	250,000	190,000
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Income taxes	78,078	54,700
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Net earnings	252,919	204,334
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Retained earnings, beginning of year	4,697,340	4,493,006
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Retained earnings, end of year	\$4,950,259	\$4,697,340
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Annual General Meeting



ETCU Brunch



Presidendi ülevaade

Viimased aastad on Toronto Eesti Ühispanka tegevuses olnud väga edukad. Aasta 2005 ei olnud sugugi halvem kui eelmised. Meie varad kasvasid täie hooga, tõustes \$67.9 miljonini. Kasum enne tulumakse ja boonustintressi väljamakseid ulatus \$581,000, osaliselt tänu \$4,4 miljonilisele laenukasvule.

Sellise eduka aasta taustal otsustas ühispanka nõukogu jagada \$250,000 panga tuludest tagasi oma liikmetele.

Jätkame oma suunda pidevalt areneda ning tulla välja paremate ja mitmekesisemate teenustega. Tahaksin ära märkida laenugevuse haarde suurenemist, mis annab vabamad käed ärielanude väljaandmisel ning suuremate kommerts-laenu ühist rahastamist teiste ühispankadega.

Esimehe ülevaade

Aasta 2005 kujunes Toronto Eesti Ühispanka jaoks taas erilisel edukaks. Taoline saavutus poleks kunagi võimalik panga juhtkonna ja teenistujate panusega. Ühispanka nõukogu ja võin julgusega öelda, meie liikmed, hindavad väga kõrgelt nende pingutusi panga edu nimel.

Tahaksin seekord välja tuua, kui täpselt ja hästi Toronto Eesti Ühispank jälgib ettekirjutatud seadusi ja nõudmisi, mis on väga tähtis ühe panga püsimiseks ja tegutsemiseks. Ikka ja jälle loeme praeguses ärimaailmas ette tulnud halvast ärikorraldusest ja lausa pettustest, mille tulemusena kompaniid kaotavad usalduse, satuvad kohtu ette või äärmuslike juhtudena lähevad pankrotti.

Eelmisel aastal sai sisse seatud kohalik Eesti telefoninumber ning korralik postkast peale töötunde tehtavate depositeid jaoks.

Meie tasuta teenused, head intressimäärad ja isiklik lähenemine liikmetele on võrreldamatu pakutavate teenustega finantsmaailmas. Seda näeme liikmeskonna pidevas suurenemises, kes loovuvad pankades pakutavast teenindusest meie ühispanka kasuks.

Tuleviku kasv aitab meil aina paremuse poole liikuda. Sellepärast julgustame kõiki praeguseid liikmeid jagama oma kogemusi ning soovitamata Toronto Eesti Ühispanka nii eesti kui ka kanada sõpradele.

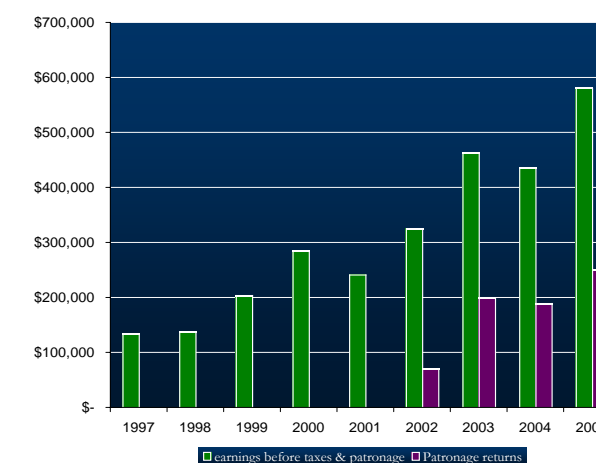
Täname teid jätkuva usalduse eest ning omalt poolt püüame, et suudame teie nõudmisi mitte ainult rahuldada vaid ka ületada!

Vastavalt ettekirjutustele on meie pangal kolmeliikmeline revisjonikomitee. Lisaks sellele on ühispank palganud välisrevidendi, kellel on hulgaliselt kogemusi ühispankadega ja kes kontrollib erinevaid aspekte meie tegevuses.

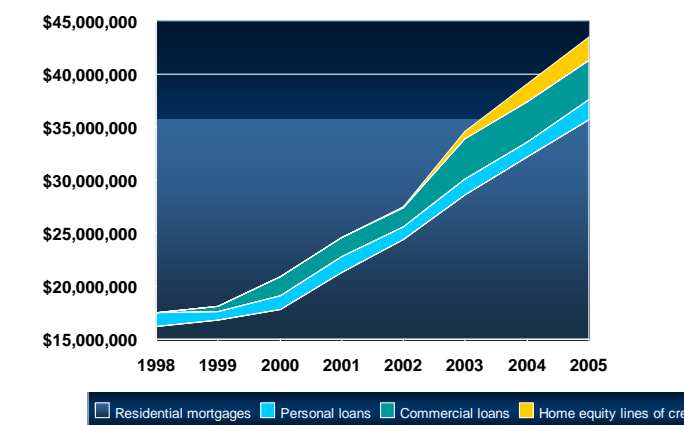
Kõigi meie revidentide ja ka valitsuse poolt saadetud kontrollide ühine otsus on, et Toronto Eesti Ühispank täidab täpselt või isegi ületab osasid nõudmisi, mis seadustes ette kirjutatud on.

Meie liikmed võivad olla kindlad, et nende varad on Toronto Eesti Ühispankas hästi hoitud, et nende huvid on nii juhtkonna kui teenistujate poolt kaitstud, et Toronto Eesti Ühispanka tulevik on kindlustatud.

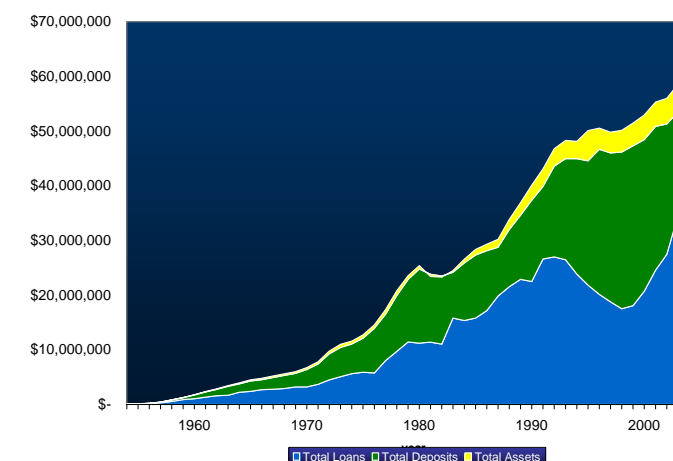
Earnings before taxes & patronage



Loans Growth



Growth Trends



Annual General Meeting

This year's Annual General Meeting will be held in the Estonian House on March 29, 2006 at 7:30 PM

Aasta Peakoosolek

Aasta Peakoosolek toimub Eesti Maja Kristall Saalis 29.märts 2006 7:30 pl

Complete 2005 Audited Financial Statements and Membership Reports are available from the branch.