

The background of the page is a white central area surrounded by a decorative border of green leaves. The leaves are stylized and layered, creating a natural, organic frame.

IC
SAVINGS
2014
ANNUAL
REPORT



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OUR MISSION

CREATING SOCIAL, ECONOMIC AND CULTURAL VALUE
FOR THE BENEFIT OF OUR COMMUNITIES

CREANDO VALORE SOCIALE, ECONOMICO E CULTURALE
A BENEFICIO DI TUTTA LA COMUNITÀ

IC Savings opened for business in October 2000 with a single branch in Woodbridge. Since then, we've grown to become one of the most successful credit unions in the province of Ontario.

Our more than 11,000 members can now access a full range of financial products and services online, or through the six branches and lending services centres we operate in some of the GTA's most vibrant neighbourhoods.

We've achieved this success by remaining true to our mission, and because we understand the responsibility that has been entrusted to us by our members.

This annual report is a distillation of our activities between February 1, 2013 and January 31, 2014. The numbers speak to our entire team's focus on the practices that will ensure a fiscally sound enterprise. The stories, on the other hand, underscore a deep commitment to our communities and to the future.



Photo Credit: Tamara Romanchuk

IC SAVINGS PROUDLY SUPPORTS MANY LOCAL EVENTS AND ACTIVITIES, LIKE THE DUNDAS WEST FEST HELD IN EARLY JUNE 2013 IN LITTLE PORTUGAL.

MESSAGE FROM THE BOARD CHAIR



In posting another strong financial performance, IC Savings continues to solidify its position as one of the best-managed and most-trusted financial cooperatives in Ontario.

As a board, we take great pride in both the company's record of steady growth as well as its enviable reputation. We remain committed to the principles of good governance, and know that, at every level of the organization, there is a shared commitment to deliver the IC Savings' promise of *Better Banking* to its more than 11,000 members.

Finally, in as much as we work hard to deliver value to our members, we also recognize that "doing good" is also good business. Cooperative banking is based on the idea that profits should be returned to members by way of great rates and better services.

Equally important is the notion that profits should be put back into the community where we live. Last year, for example, we funded \$100,000 on a 10-year pledge to Humber River Hospital.

Together, we are accomplishing many things. I'm certain that the year ahead will provide us with many more opportunities to do good work.

A handwritten signature in black ink, appearing to read 'Alex De Iulis', written over a white background.

ALEX DE IULIS
CHAIR OF THE BOARD

Creating value is central to what we do, day in and day out, at IC Savings. In doing so, we earn the confidence and trust of our members. Our fiscal year ending January 2014 was no exception.

By every performance measure IC Savings ended the year with a strong balance sheet and in a position of strength.

Across all business units, whether personal banking or commercial lending, IC Savings reported significant growth. Total assets under administration grew to over \$462 million, while loans increased to over \$407 million, up 10.4% from the previous year. Despite an economic climate typified by increasing competition and prolonged low interest rates, our net profits increased by 13.5% to \$4.3 million. Our capital and retained earnings grew by 14% to more than \$36.5 million.

I believe that our enterprise is well-poised for sustained growth over the long-term. In large part this is due to a sound business model and a disciplined approach to managing risk.

Equally important to our success are our people. Not only is IC Savings well-served by an experienced board of directors, it also benefits from an expert senior management team and dedicated employees. All are focused on delivering an exceptional customer experience.

We thank our members for the trust and confidence placed in us. We will continue to work hard for this, and to offer our very best.



FAUSTO GAUDIO
PRESIDENT & CEO

MESSAGE FROM THE PRESIDENT & CEO



FINANCIAL HIGHLIGHTS

ASSETS UNDER ADMINISTRATION

2014	2013
\$462,858,362	\$429,947,773

DEPOSITS FROM MEMBERS

2014	2013
\$414,179,436	\$379,802,370

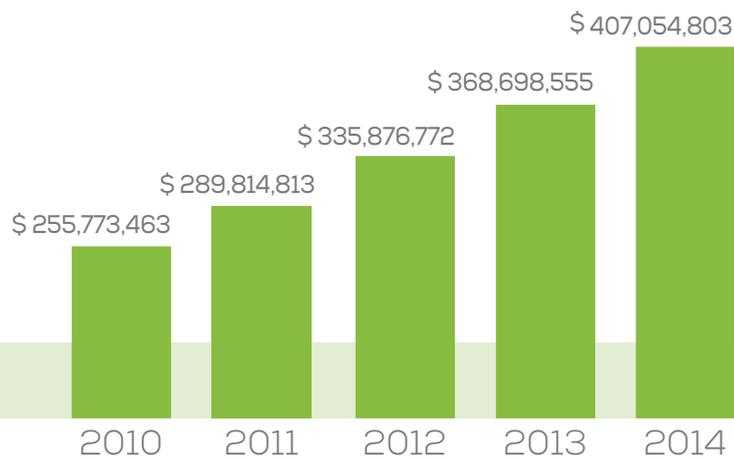


CAPITAL & RETAINED EARNINGS

	2014	2013
Retained Earnings	\$19,631,438	\$16,297,000
Class B Investment Shares	16,644,272	15,566,638
Accumulated Other Comprehensive Income	272,059	179,153
Total	\$36,547,769	\$32,042,791

LOAN GROWTH

(INCLUDES SECURITIZATIONS)



FINANCIAL HIGHLIGHTS

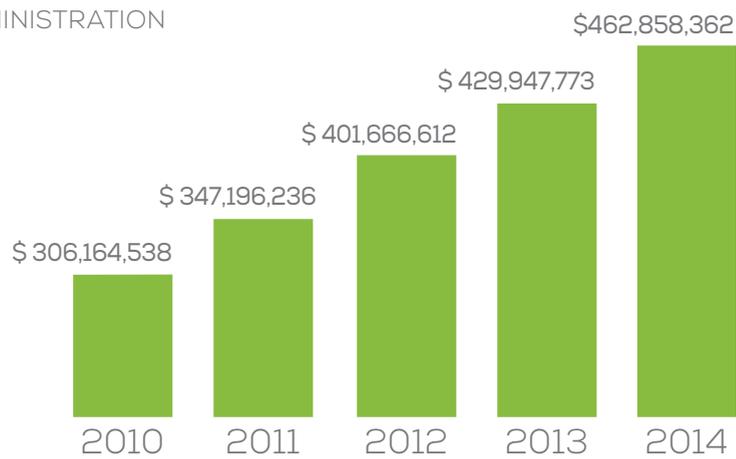
PROFITABILITY NET INCOME

2014	2013
\$4,401,686	\$4,032,504

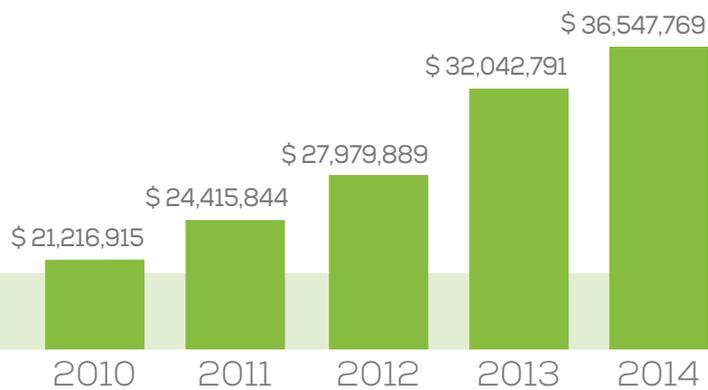
NET INTEREST & OTHER INCOME

2014	2013
\$12,339,795	\$11,401,733

GROWTH OF ASSETS UNDER ADMINISTRATION



CAPITAL GROWTH



BUILDING CHARACTER,

ONE SOCCER BALL AT A TIME

Can a soccer ball build self-esteem and character? Can “the beautiful game” be the path to opportunity and success for today’s youth? IC Savings certainly thinks so.

On a spring day in April, at the Keele Street Reservoir in the city’s north end, Bob Iarussi, the legendary soccer player and inaugural member of the Canadian Soccer Hall of Fame, presided over the official opening of the Toronto Azzurri/LiUNA Clubhouse at the club’s Youth Sports Village. Joining the club’s current chairman were about two hundred supporters, including IC Savings. All were on hand to celebrate an incredible milestone; one many years in the making.

“In our line of work, IC Savings is often presented with ideas and concepts that can have tremendous impacts on the communities in which we live and work,” said Fausto Gaudio, the credit union’s president and CEO. “As an enterprise, we committed to help finance this particular project, joining a chain reaction of support by other stakeholders, including the City of Toronto.” In 2006, the City of Toronto leased five acres of land to the club for this initiative.



(From left to right) Bob Iarussi, Chairman, Toronto Azzurri S.C.; Sam Ciccolini, Masters Insurance; Councillor Anthony Perruzza; Mario Borsato, Member, Building Committee; Joe Mancuso, Board Member; Tony Graci, President, Toronto Azzurri S.C.; Fausto Gaudio, President & CEO, IC Savings; Sgt. Stephen Hicks, Toronto Police Service & Founder, forKICKS; Ralph Ciccio, Business Manager & Project Coordinator; Carmen Principato, LiUNA Local 506; Officer Glenn Jones, Toronto Police Service & forKICKS Coordinator; Joseph Mancinelli, International VP and Regional Manager, LiUNA; Dino Bottero, Board Member; Elaine Daviau, Board Member; Deputy Chief Peter Sloly, Toronto Police Service

“It is our mission to develop and deliver the highest quality programs in sport, education, career planning and the arts for the youth in our community,” said Mr. Iarusci. “We hope our programs will help them develop the skills to be successful in life.”



One of the more intriguing programs to run out of the sports village is forKICKS, an initiative launched in 1999 by Sgt. Stephen Hicks of Toronto Police Service. Targeting local at-risk and special needs youth, forKICKS seeks to get children participating in sport not only to become more physically fit, but also to gain self-esteem and well-being.

Increasing the odds for today's youth to lead happier, healthier and more productive lives is an end goal we can all get behind. IC Savings wishes to congratulate the entire board of the Toronto Azzurri Soccer Club, and the many members of IC Savings who participated, notably Ralph Ciccio. He chaired the building committee and continues to drive the clubhouse construction project forward with vision and purpose.

HELPING DEVELOP TOMORROW'S LEADERS

An ancient Chinese proverb says, “Tell me, I will forget. Show me, I will remember. Involve me, and I will understand.” How apt a description for the Study in Florence Program running out of UofT Mississauga’s Department of Language Studies.

One of three academic study-in-Italy programs that receives support from IC Savings in the form of individual scholarships, it stresses the value of global fluency in an ever-changing international marketplace. “While this experiential learning program allows students to be fully immersed in Italian life and culture, it also makes them more global-minded as they participate in a higher level of intercultural communication,” said Professor Michael Lettieri, M.A., Ph.D., founding chair of the department, former Associate Dean (Humanities) and Vice-Principal (Academic) at UofT Mississauga..

“Our mission at IC Savings is to contribute to the economic, social and cultural growth of our communities,” said Fausto Gaudio, president and CEO. “We are so pleased to have this exceptional opportunity to help develop tomorrow’s leaders.”

For fourth-year students Angela Wu and Diana Aldaz, this nine-week program was a life-changing experience. Like the other students enrolled, each was required to sign a communications agreement in which they promised to speak, read and write only in Italian for the duration of the program.

For 21-year old Diana Aldaz, it fostered a sense of independence. “I had never been away from home before this, and the world opened up to me in Florence. I’m more independent now. This experience was huge.”

Both students agree that only so much can be learned from a textbook. “You can only learn so much within the four walls of a classroom. I am so grateful that I had the opportunity to explore Italian culture

firsthand ... to see it, and touch it,” said Angela Wu, a 21-year old international student, who is also fluent in Chinese and Spanish. Each will return to Florence this fall as program interns, gladly sharing their knowledge and experience with other Canadian students who successfully applied for the 2014 fall program.

“IC Savings are the pioneers of this (program),” says Prof. Lettieri. “We cannot thank IC Savings enough for their extraordinary and longstanding support.”



Legend has it that tossing a coin into the Trevi Fountain, one of the world's most beautiful, ensures a return trip to Rome. Angela does just that while taking in the incredible sights and sounds of the Eternal City.

FINANCIAL STATEMENTS

BALANCE SHEET AS AT JANUARY 31, 2014

	2014	2013
ASSETS		
Cash Resources	17,837,738	25,864,971
Investments	30,652,142	29,026,207
Loans to Members	398,784,596	354,237,377
Other Assets	920,033	598,010
Property and Equipment	6,393,646	5,760,030
	454,588,155	415,486,595
LIABILITIES & RETAINED EARNINGS		
Liabilities		
Member Deposits	414,179,436	379,802,370
Other Liabilities	3,787,574	3,573,157
Membership Shares	73,376	68,277
	418,040,386	383,443,804
MEMBERS' EQUITY		
Retained Earnings	19,631,438	16,297,000
Class B Investment Shares	16,644,272	15,566,638
Accumulated Other Comprehensive Income	272,059	179,153
Total	36,547,769	32,042,791
	454,588,155	415,486,595

APPROVED BY THE BOARD

FRANK A. PETTI
Chair, Audit Committee

ALEX DE IULIS
Chair




ASSETS UNDER ADMINISTRATION

	2014	2013
Balance Sheet Assets	\$454,588,155	\$415,486,595
Securitized Assets	\$8,270,207	\$14,461,178
Total Assets Under Administration	\$462,858,362	\$429,947,773

STATEMENT OF OPERATIONS FOR THE YEAR ENDED JANUARY 31, 2014

	2014	2013
INTEREST INCOME		
Member Loans	17,381,379	16,030,772
Investment Income	393,827	503,173
	17,775,206	16,533,945
INTEREST EXPENSE		
Member Deposits	6,710,610	6,688,726
	6,710,610	6,688,726
Net Interest Income	11,064,596	9,845,219
Provision for Impaired Loans	301,956	296,833
Net Interest Income After Provisions for Impaired Loans	10,762,640	9,548,386
Other Income	1,577,155	1,853,347
Net Interest & Other Income	12,339,795	11,401,733
OPERATING EXPENSES		
Personnel	3,865,817	3,749,973
Administrative Expenses	2,011,916	1,867,219
Occupancy Expenses	877,277	737,224
Depreciation and Amortization	325,956	317,552
Deposit Insurance Premium	218,202	198,178
	7,299,168	6,870,146
Income Before Taxes	5,040,627	4,531,587
INCOME TAXES		
Current	883,400	784,556
Deferred	(151,553)	(48,345)
	731,847	736,211
Net Income for the Year	4,308,780	3,795,376
Other Comprehensive Income	92,906	237,128
Total Comprehensive Income for the Year	4,401,686	4,032,504

The enclosed financial statements represent excerpts from the full set of audited financial statements of Italian Canadian Savings & Credit Union Limited. Audited complete financial statements are available upon request.

IC SAVINGS FOUNDATION

STATEMENT OF OPERATIONS AND NET ASSETS FOR THE YEAR ENDED JANUARY 31, 2014

	2014	2013
REVENUE		
Contributions	140,000	120,000
Other Contributions	42,260	12,500
Fundraising	125,153	108,020
Interest Income	1,010	657
	308,423	241,177
EXPENSES		
Donations	248,915	98,000
Uncollected Donations	100,000	-
Cost of Fundraising	35,266	35,160
Professional Fees	5,402	5,424
	389,583	138,584
(Deficiency) Excess of Revenue Over Expenses	(81,160)	102,593
Net Assets, beginning of the year	320,510	217,917
Net Assets, end of the year	239,350	320,510

BOARD OF GOVERNORS

Ralph Chiodo, Chair	Ralph Aquino	Danny Caranci	Marcello Di Giovanni	Vince Mariani
Italo Di Bonaventura, Vice-Chair	Clara Astolfo	Morris Cariola	Fausto Gaudio	Vince Papa
The Hon. Frank Iacobucci	Vito Bianchini	Sam Ciccolini	Robert Gray	Frank Petti
	Dino Bottero	Alex De Iulio	Grace Locilento	Felice Sabatino

SOME OF THE RECIPIENTS OF OUR SUPPORT ARE:

- Batey Mission / Health Partners
- Mon Sheong Foundation
- St. Peter's Dominican Relief Fund
- Fondation Michaelle Jean Foundation
- Pier 21 Society
- University of Toronto
- Friuli Long Term Care
- SickKids Foundation
- Villa Colombo Vaughan
- Mens Sana
- Societa Unita
- York University

AUDIT COMMITTEE REPORT

The Credit Union's Audit Committee is a committee of the Board of Directors and operates pursuant to section 125 of the Credit Unions and Caisses Populaires Act, 1994. The committee, which consists of four directors, has a mandate to cover all of the duties specified to be performed by the audit committee in the Regulations of the Act. The Audit Committee meets at least quarterly and arranges its agenda so that, on an annual basis, the following duties will be performed and appropriate action taken as a result thereof:

Serve as the principal communication link between the external auditors and the Board of Directors and, in particular, review the terms of engagement and scope of the audit, and review IC Savings' annual financial statements prior to recommending Board approval. Obtain a reasonable understanding of the elements of internal controls that are important to safeguard the assets of the Credit Union, ensure the accuracy of financial reports, and ensure compliance with policies and procedures.

Serve as the Board's liaison with the internal auditor and review the internal audit mandate, work plan and reports. Review the policies, procedures and controls which relate to legislative compliance, with a particular focus on requirements for liquidity, capital adequacy and interest rate risk management.

Based on its findings, the Audit Committee issues reports and makes recommendations to the Board of Directors or senior management, as appropriate, with respect to the matters outlined above and follows up to ensure that the recommendations are considered and appropriate action taken.

The committee receives full co-operation and support from management to enable it to effectively fulfill its role in maintaining the quality of financial reporting to the Members, and an effective overall control structure.

There are no significant recommendations made by the Audit Committee that have not been either implemented or are in the process of being implemented. In addition, there are no matters which the Audit Committee believes should be reported to the Members, nor are there any further matters which are required to be disclosed pursuant to the Act or the Regulations thereto.



Frank A. Petti
Chair, Audit Committee

BOARD OF DIRECTORS

Elected by the membership to govern the credit union, our Board of Directors reflects a diverse range of industry and professional backgrounds. We are fortunate to draw upon the experience and talents of this committed group, all volunteers, who provide leadership and guidance at the highest level of governance.

BOARD OF DIRECTORS

Alex De Iulis
Chair

Sam J. Ciccolini
Vice-Chair

Frank A. Petti
Chair, Audit Committee

Dino Bottero
Director

Paolo Canciani
Director

John Da Re
Director

Marisa Zanini
Director

Robert Gray
Corporate Secretary

James Mizzoni
Honourary Director

EXECUTIVE TEAM

Our experienced senior managers strive for excellence, seeking to deliver an exceptional customer experience. Their continued focus on this goal has been instrumental to our success.

Fausto Gaudio
President & CEO

Clara Astolfo
VP, Community and
Business Development

Bruce Savage
Senior VP, Lending Services

WHERE TO FIND US



RENDERING OF OUR NEW CORPORATE CENTRE
ETOBICOKE - DUNDAS & KIPLING - 5300 DUNDAS STREET WEST

WOODBIDGE
VILLAGE

TORONTO
DUFFERIN ST.

TORONTO
LITTLE ITALY

WOODBIDGE
MARTIN GROVE

TORONTO
CORSO ITALIA

TORONTO
LITTLE PORTUGAL

CORPORATE OFFICE - 2900 DUFFERIN ST., TORONTO, ONTARIO M6B 3S8 • ICSAVINGS.CA



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