



2016
Summarized
Financial
Statements

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Independent Auditors' Report

To the Members of DUCA Financial Services Credit Union Ltd.

The accompanying summary consolidated financial statements of DUCA Financial Services Credit Union Ltd., which comprise the summary consolidated statement of financial position as at December 31, 2016, the summary consolidated statement of comprehensive income and changes in equity for the year then ended, and related notes, are derived from the complete audited consolidated financial statements, prepared in accordance with International Financial Reporting Standards, of DUCA Financial Services Credit Union Ltd. as at and for the year ended December 31, 2016.

We expressed an unmodified audit opinion on those complete consolidated financial statements in our auditors' report dated February 28th, 2017.

The summary consolidated financial statements do not contain all the requirements of International Financial Reporting Standards applied in the preparation of the complete audited consolidated financial statements of DUCA Financial Services Credit Union Ltd. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the complete audited consolidated financial statements of DUCA Financial Services Credit Union Ltd.

Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements in accordance with the basis described in Note 1.

Auditors' Responsibility

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summary consolidated financial statements derived from the complete audited consolidated financial statements of DUCA Financial Services Credit Union Ltd. as at and for the year ended December 31, 2016 are a fair summary of those complete consolidated financial statements, in accordance with the basis described in Note 1.



Chartered Professional Accountants, Licensed Public Accountants

February 28, 2017
Toronto, Canada

Consolidated Statement of Financial Position

(thousands of Canadian dollars)

	2016*	2015*
Assets		
Cash and cash equivalents	135,222	93,103
Investments	255,458	188,960
Member loans	2,064,405	1,983,869
Other assets	1,362	1,363
Property and equipment	12,437	13,630
Derivative financial instruments	–	54
Deferred tax asset	5,772	–
Goodwill	1,678	1,678
Total Assets	2,476,334	2,282,657
Liabilities And Members' Equity		
Liabilities		
Member deposits	1,868,667	1,790,981
Securitization liabilities — mortgage-backed security liabilities	434,559	329,114
Accounts payable and accrued liabilities	6,756	3,896
Payable to Zenbanx Holdings Inc.	–	4,688
Income tax payable	1,849	2,266
Deferred tax liability tax	–	580
Derivative financial instruments	–	200
Patronage return and dividend payable	2,021	2,064
Deferred revenue	3,522	3,304
Members' shares	1,407	1,619
Total Liabilities	2,318,781	2,138,712
Equity		
Members' shares	84,256	86,187
Retained earnings	73,297	60,427
Non-controlling interest	–	(2,669)
Total Equity	157,553	143,945
Total Liabilities and Members' Equity	2,476,334	2,282,657

Consolidated Statement of Comprehensive Income (Loss)

(thousands of Canadian dollars)

	2016*	2015*
Interest And Other Income		
Interest income		
Interest on member loans	83,757	74,787
Other interest	3,194	2,426
Total Interest Income	86,951	77,213
Interest expenses		
Interest on member deposits	35,424	35,968
Borrowings and securitizations	7,149	4,664
Total Interest Expenses	42,573	40,632
Net Interest Income	44,378	36,581
Other income		
	7,386	10,598
Net Interest And Other Income	51,764	47,179
Provision for credit losses		
	2,363	2,899
Net Interest And Other Income After Provision For Credit Losses	49,401	44,280
Operating Expenses		
Salaries and benefits	16,231	15,131
Occupancy	2,817	2,640
Depreciation and amortization	2,694	1,413
Deposit insurance	1,382	1,485
Directors and committees	391	544
Loss (Gain) on derivative instruments	(8)	121
Zenbanx Canada	4,305	12,912
Other operating and administrative expenses	9,172	8,174
Total Operating Expenses	36,984	42,420
Income before patronage return and income taxes and non-controlling interest	12,417	1,860
Patronage return		
	1,164	1,173
Income Before Income Taxes And Non-Controlling Interest	11,253	687
Income taxes		
	(815)	3,752
Comprehensive (Loss) Income	12,068	(3,065)
Net loss attributable to non-controlling interest Zenbanx Canada		
	(1,659)	(5,083)
Net Income Attributable To Members	13,727	2,018

Consolidated Statement of Changes in Equity

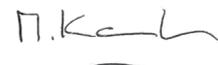
(thousands of Canadian dollars)

	Class A Shares	Class B Shares	Retained Earnings	Non-controlling Interests	Total Equity
Balance, December 31, 2014	46,275	–	59,300	2,414	107,989
Comprehensive income	–	–	2,018	(5,083)	(3,065)
Dividends to members	–	–	(891)	–	(891)
Issue of shares	2,736	41,337	–	–	44,073
Redemption of shares	(4,161)	–	–	–	(4,161)
Balance, December 31, 2015	44,850	41,337	60,427	(2,669)	143,945
Comprehensive loss	–	–	13,727	(1,659)	12,068
Dividends to members	–	–	(857)	–	(857)
Issue of shares	1,743	–	–	–	1,743
Redemption of shares	(3,600)	(74)	–	–	(3,674)
Capital Contributed	–	–	–	4,328	4,328
Balance, December 31, 2016	42,993	41,263	73,297	–	157,553

Approved on behalf of the Board



Tom Vandelloo, Chair



Marijke Kanters, Vice Chair

Note 1

The summary consolidated financial statements are derived from the audited consolidated financial statements, prepared in accordance with International Financial Reporting Standards.

Management is responsible for the preparation of the Summary Consolidated Financial Statements.

The preparation of these summary consolidated financial statements requires management to determine the information that needs to be reflected in them so that they are consistent in all material respects with, or represent a fair summary of, the audited consolidated financial statements.

Management prepared these summary consolidated financial statements using the following criteria:

- the summary consolidated financial statements include the summary consolidated statement of financial position and the summary consolidated statements of comprehensive income and changes in Members' equity;
- information in the summary consolidated financial statements agrees with the related information in the audited consolidated financial statements;
- the summary consolidated financial statements contain the information from the audited consolidated financial statements dealing with matters having a pervasive or otherwise significant effect on the summarized consolidated financial statements.

See [the full 2016 Consolidated Financial Statements](http://www.duca.com/about-us/governance/corporate-reports/) at www.duca.com/about-us/governance/corporate-reports/

* As at December 31

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