

**Helping to make the dream of
homeownership come true.**

ACU 2017 ANNUAL REPORT



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*When we work together,
dreams can come true.*





Our commitment to end homelessness and create affordable housing runs deep.

The very nature of being a co-operative means we're always mindful of what's best for the community. Every year, one of the greatest needs in our community is the need for affordable housing. Of course, helping our members find a way to own their own home has always been a huge part of what we do. But helping to create opportunities for affordable housing in the wider community is a fundamental part of who we are as a financial co-operative.

Since our inception, Assiniboine Credit Union has put the needs of our members and the community first and foremost as we grew to become one of Manitoba's largest and most successful credit unions. Along the way, we've worked with and supported organizations whose sole purpose is to help create housing for a vulnerable segment of society. We've partnered with organizations supporting low income families through accessible financing options, and we've worked with other co-operatives funding and financing co-op housing projects.

Times are increasingly tough for a lot of Manitobans. In 2017, 54% of us lived paycheck to paycheck, and 21% of Winnipeg families lived on less than the estimated "living wage". Whether it's our continued involvement with Habitat for Humanity, developing

land trusts in the West Broadway neighbourhood, or sponsoring national conferences to foster the exchange of ideas, we remain committed to doing all we can to help meet the housing needs in our community.

This year's annual report highlights just a few of the major efforts ACU supported in our goal to make a positive impact. We hope you are inspired by these stories and perhaps do something, in some small way, to help out. After all, at ACU, we're all about *money doing more*.



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we've worked with
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Message from the Chair of the Board

Welcome to our 2017 annual report. With my first year as Chair of the Board now complete, I'm proud to say that this past year was a great success for ACU on many fronts. As a leading, Manitoba financial co-operative, using our financial success to create positive impact for our members, communities, planet, and our employees, remained a key goal.

In 2017 we saw the continuing implementation of the corporate strategic plan—a road map established by the Executive Management Team and Board—providing goals, objectives and strategies from 2017–2020. Our industry and society in general continue to rapidly change. Having a corporate vision and a road map to guide us through these evolving times is vital for our success.

The corporate strategic plan helped us strengthen our financial position in 2017. Our dedication to values-based banking continued enabling us to create a

greater positive influence in our community. We made deeper commitments to ending homelessness and creating affordable housing with our long-standing ties to Merchants Corner, Habitat for Humanity and Siloam Mission, all stories you can read about in this report. This year, ACU was one of the founding signatories to the Winnipeg Indigenous Accord. Our commitment to Truth and Reconciliation continues to grow as we have implemented changes designed to help make our co-operative become more meaningful to Indigenous people and community.

Last annual meeting, the Board said goodbye to past chair, Vera Goussaert. The entire Board thanks Vera for her dedication and the excellent leadership she provided. We also welcomed new Board member, Anne Lindsey; an experienced leader, mentor and manager with a solid understanding of financial matters. Anne brings a long history of community engagement and advocacy for inclusion and community economic development.

As we look forward to 2018, we are filled with excitement. As your Board, we will continue to enable ACU to deliver financial services to more people than any other credit union in Manitoba. We will move forward with our strategic plan. We will remain steadfast in strengthening our commitment to Truth and Reconciliation. Helping to create affordable housing will remain a priority as we continue to partner with organizations that provide homes for people who are most in need.

Your Board is a dedicated and talented group of people who are passionate about serving all ACU members. As Chair of that Board, I want you to know that each and every one of us is dedicated to maintaining and growing a more personal relationship with you. Visiting branches, volunteering and attending community events, and meeting with you throughout the year and at the annual meeting, are all ways we can stay in touch and foster a better credit union.

On behalf of your Board of Directors, I thank all ACU members. The trust you place in us empowers us as we guide your financial co-operative into the future. Thank you to my fellow Directors for your dedicated service, your contribution at our Board meetings, and your participation on the various committees that help keep us all on track. Thank you to the ACU Executive Management team, management and all employees. You all work very hard to ensure we remain a vibrant, successful and growing credit union. 2018 is upon us, and I'm excited to see what it brings.



Having a road map to guide us through these evolving times is vital for our success.



A handwritten signature in blue ink, which appears to read "Alain Molgat".

Alain Molgat | Chair of the ACU Board of Directors

2017 Board of Directors



Alain Molgat | Board Chair



Kevin Freedman | Vice Chair



Dennis Anderson | Director



Wilbur Coates | Director



Crystal Laborero | Director



Paul Lacap | Director



Anne Lindsey | Director



Garry Loewen | Director



James Magnus-Johnston | Director



Nicole Ritchot | Director

ACU Governance Report Summary

ACU is a values-based financial co-operative committed to doing business in a way that is financially sound and socially and environmentally responsible. Our member-elected Board of Directors is accountable to our over 120,000 members and committed to governing ethically and transparently. The ACU Board always considers the impact of business decisions on employees, members, the environment and the communities ACU serves.

In 2017, the Board continued to oversee strategies, approved the ACU budget, and the annual measures of success. It completed the implementation of the governance roadmap for integrating values-based banking throughout ACU, assessed the Board's current plan to ensure strong and meaningful engagement between the Board and its stakeholders, and approved the revised ACU enterprise risk management framework. By engaging in discussions on strategic topics, the Board gained a strong understanding of issues that may impact ACU and our stakeholders

now, and in the future. The Board also strengthened dialogue with members of the community through visits to ACU branches, attendance at community events and involvement in social media.

In the coming year the Board will continue its commitment to strong governance by: participating in an annual planning session; overseeing the implementation of refinements to the ACU enterprise risk management framework; participating in credit union system initiatives through leadership and insight; and continuing to assess its own performance.

With solid governance leading the way, ACU is able to achieve its vision, and demonstrate *money doing more* in a tangible way.

[Click here to view 2017 detailed information.](#)



What we've done this year, and in the past.

Everyone deserves a place to call home. Raising your children, pursuing an education or a job, or creating stability in your life in order to build a better future, simply doesn't work when you are homeless. For some, owning a home is important for that sense of belonging and community, which is why enabling homeownership for our members has always been a very important part of what we do. Working with members and community partners to provide solutions to these challenges has become a priority for ACU. Too many of our neighbours have an increasingly difficult time getting to a place in life where they are able to own their own home, or even find a safe and affordable place to live. That's why we work so hard to create these opportunities.

In the 1990s, we began working with community partners on creative homeownership models in the North End, and land trusts in the West Broadway neighbourhood. Today, nearly \$2.5 billion of your credit union's money is loaned to members so they can own a home. Of this, nearly \$1 billion is specifically loaned to members who live in low and moderate income neighbourhoods, helping to ensure they have opportunities to own a home.

We continue to work with organizations that support homeownership programs for low income families, financing affordable housing options for those in our communities who need support. We have now provided almost \$85 million in financing to non-profit and co-operative organizations providing affordable housing to more than 3,000 individuals.

ACU employees also volunteer their time and expertise with Habitat for Humanity to help low income families own their own home. Once again, in 2017, your credit union employees and Board members spent time working alongside future homeowners building homes for their families.

This year, ACU also sponsored important events in our city that enable people to come together to celebrate, learn, and plan. This included being a leading financial contributor and sponsor of the Canadian Alliance for Ending Homelessness conference held in Winnipeg

this past October. This important national conference brings people together from across the country to share ideas about homelessness issues, in hopes that they can spark solutions. ACU CEO Kevin Sitka gave opening remarks to the conference, participated in the CEO Sleepout, and raised over \$7,000 in donations.

Part of our sponsorship funding went to a program operated in the Broadway Neighbourhood Centre. Just TV provides youth with an opportunity to express themselves through multimedia in a safe, fun, and creative environment, providing an alternative to street life, while developing skills, social connections and self-confidence. Five participants each produced a video about their experiences with homelessness. These videos were showcased at the CEO Sleepout and the participants were involved in filming and capturing moments from the conference as well.

ACU continues its proud legacy of helping to provide accessible and affordable housing to our members, and those in the wider community who are in need. Through our commitments to local social organizations, housing co-operatives and direct to members, we are creating real and positive impact in the quest to make affordable housing available to all those who need it.



We have now provided almost \$85 million in financing to non-profit and co-operative organizations providing affordable housing to more than 3,000 individuals.

Old Grace Housing Co-op

As community housing projects go, Old Grace Housing Co-op not only aligns with the mission and values of ACU, it fits our strategy to support affordable housing. The housing development, situated at the corner of Arlington Street and Preston Avenue in Winnipeg's Wolseley neighbourhood, is committed to providing affordable housing for individuals and families of diverse ages, abilities and incomes. The project develops vacant land in the middle of an established community, helping to create a vibrant area where an empty lot once stood. The design fits the scale and character of the homes in the neighbourhood, it exceeds Canadian standards for environmental sustainability, and is pet-friendly and smoke-free.

ACU is proud to be part of the financing that helped get this important project off the ground and headed towards completion. We've been involved as one of the financing partners since 2013, providing construction loans for the 60-unit, first phase of development.

Old Grace Housing Co-operative (OGHC) is a non-profit organization established in early 2012 to create housing on the site of the original Grace Hospital. OGHC has drawn support from a variety of stakeholders including organizations focused on neighbourhood housing, immigrant services, the Canadian Paraplegic Association, BUILD, SEED Winnipeg, Jubilee Fund, Society for Manitobans with Disabilities, and Habitat for Humanity. Some of these organizations create opportunities for low-income people to qualify for membership in the co-op.

Emily Ternette, a current OGHC Board member, is slated to move into her unit upon phase one

completion. She had lived in the neighbourhood for many years and is looking forward to moving back. "In a way, this is like coming home," she said. The retired, former committees assistant and communications officer with Manitoba League of Persons with Disabilities, heard about the co-op, started investigating, and soon joined them as a member. She's excited about her future home and the facility. "Being with people my own age who have the same values I have, who have similar interests as me... that's what I'm looking forward to the most," she added.

The first phase of construction began on August 11, 2016, with the first occupants set to move in in early 2018. Through this endeavour, 64 families will now be able to live in a brand new, affordable, diverse and accessible co-op community. Phase two of the project will consist of four, three-bedroom townhouses, and will commence in early 2018 with occupancy in the fall of that year. Once complete, 34 of the 64 suites will be affordable housing units reserved for families who meet Manitoba Housing criteria.



ACU is proud to be part of the financing that helped get this important project off the ground and headed towards completion.



Message from the President & Chief Executive Officer

As Manitoba's largest financial co-operative by members, and second largest by assets, we've always taken on the challenge of doing what's right for our members, their communities, and the planet. A fine example of that is in our commitment to create affordable housing, and I'm proud to say that we continued to grow that commitment in a big way in 2017. The stories in this report demonstrate the real and positive effect ACU has had on individual members, the community, and the Manitoba economy as a whole, where housing is concerned. They truly highlight our dedication to values-based banking in a real-life way and demonstrate yet another example of what money doing more is all about.

Throughout 2017, we asked members to share their financial dreams with us; dreams of home ownership, of a comfortable retirement, of trips and adventures, of owning a business, and of owning a vehicle. We're proud to say that we helped thousands of members obtain their home, begin the journey towards a comfortable retirement through a new RRSP or TFSA, and in purchasing whatever they saw in their dreams.

As is the case every year, 2017 saw our industry continue with its relentless pace of change. Pressure from rising interest rates, regulatory changes, and

advancements brought about by technological change, all played a significant role in how we carried out our business. Through it all we continued to meet your needs while remaining focused on improving the member experience, and increasing our efficiency as a financial co-operative.

From a financial point of view, 2017 saw loan growth of 4.4% and a total asset growth \$115 million or 2.6%. This growth resulted in increased revenues and, when combined with continued expense management, enabled us to improve our profitability and helped to increase our equity. Our strong financial performance helped us to continue to achieve our core regulatory requirements within a financial sector where regulatory requirements continue to expand and become more challenging.



Your continued support and trust truly makes a difference and inspires all of us to accomplish all that we do.

I'm very proud to report that in 2017, we received several awards in recognition of the outstanding work done by management and employees. ACU received the National Credit Union Social Responsibility Award, and one of our leaders was one of five Canadian credit union employees to receive the National Young Leaders Award. We were named one of Canada's Greenest Employers for the fifth year in a row, one of Manitoba's Top 25 Employers, and one of the top three financial institutions in Canada in member service.

These awards speak volumes about this organization and the level of dedication shown by every employee. Much of this can be credited to the Being Assiniboine program; a strategic renewal at the most fundamental level. By June of 2018, all ACU employees will have gone through this 3-day experiential workshop that reinforces the ACU mission, vision, and values. Employees come to truly understand what it means to work at ACU, helping them create a positive experience for our members, partners and community.

Values-based banking continues to influence every aspect of our business. We continue to provide banking services to those underserved by other

financial institution. We provide loans to new Canadians enabling them to get their credentials recognized in Canada, so that we may all benefit from their expertise. We continue with our significant efforts and contributions towards the development of affordable housing, and we are increasingly seen as the financial institution of choice for these projects.

Looking forward, we have some new and exciting initiatives being launched, including the arrival of Apple Pay, first in debit, then in credit; and a new credit card offering with a new dedicated U.S. card. A new high-rate savings account for business members will be introduced; and the replacement of our ATM fleet will make for a better member ATM experience.

On behalf of the ACU Executive Management I thank all our members, our Board, management and all employees. Your continued support and trust truly makes a difference and inspires all of us to accomplish all that we do. I know that 2018 will once again be a challenging year of continued change and increased competition. I'm excited to see what the year brings, and as always, I look forward to the opportunity to increase our shared success.

Kevin Sitka | President & Chief Executive Officer



2017 Executive Management Team



Kevin Sitka
President & Chief Executive Officer



Allan Godfrey
Executive VP and Chief Financial
and Risk Officer



Jennifer Mullen-Berube
Executive VP and Chief Brand
and Innovation Officer



Diane Bourns
VP Sales and Service



Kim Champion Taylor
VP People Solutions



Audrey Maeren
VP Governance and Strategic Initiatives
(Retired August 2017)



Craig Peel
VP Sales and Service



Brendan Reimer
Strategic Partner,
Values-Based Banking



Michael Taylor
VP Finance and Administration

ACU Operations Report Summary

The day-to-day management of a financial co-operative requires a dedicated and knowledgeable leadership team. That's why we work hard to attract and retain quality people who build and nurture trusting relationships with our members, and foster strong, self-reliant communities.

Once again, ACU was named one of Manitoba's top employers, a comprehensive award which evaluates companies based on everything from physical workspace, atmosphere, social, health, financial and family benefits; to training, development and community involvement.

The ACU triple bottom line of people, planet and prosperity is at the heart of how we do business as we actively use financial services for the benefit of our members, employees, communities, and the environment. Our goal is to remain competitive in the marketplace while leveraging our prosperity to benefit our members and their communities.

In 2017, we were once again recognized as one of Canada's greenest employers for our use of sound environmental practices. By providing more efficiently-run, environmentally friendly branches, ACU members see a direct benefit in reduced costs and less environmental impact in the community.

This past year, we changed our retail chequing and saving packages. Members were notified of the changes and invited to contact us with any questions they may have, or to choose a different account. The changes resulted in more attractive options for members while maintaining support for Financial Access Program partners. In three months, 1,500 members chose to open one of the new chequing or savings packages. As well, thousands of members have given us the opportunity to offer our expert guidance on choosing the best account package based on their evolving transaction needs, at a fair and reasonable cost.

Another change in 2017 saw ACU members approving a resolution to eliminate grandfathered joint memberships, giving each member a voice in their credit union.

As we move into 2018, we will continue to look for ways to actively engage our members as we work to enhance the overall member experience. As always, we will continue to promote the values of ACU as we demonstrate what *money doing more* is all about.

[Click here to view 2017 detailed information.](#)





ACU partners with community organizations.

When you share a vision of creating affordable housing and ending homelessness, partnerships come naturally. During 2017, ACU continued to forge strong bonds with groups that work towards strengthening our communities and those who live there.

MERCHANTS CORNER

In Winnipeg's North End, sits a building that has for decades been a point of contention for all those living near-by. A cause of considerable community frustration and infamous symbol of decline, the former Merchants Hotel building is now undergoing a transformation of epic proportion. It is being re-developed into a community space called Merchants Corner, featuring an education centre, student housing, office space and café. ACU is very proud to be part of the exciting re-birth of the building, and the neighbourhood. The massive redevelopment addresses a key recommendation of the Truth and Reconciliation Commission, to eliminate educational and employment gaps between aboriginal and non-aboriginal Canadians.

ACU has always been a strong supporter of neighbourhood revitalization and community economic development. Our North End branch continues to provide financial services to an area that has been abandoned by the banks. Merchants Corner is another logical step in the re-birth of this community. The new facility will have 30 units of affordable housing while being an educational pod for the University of Winnipeg's Department of Inner-City Studies and the Community Education Development Association (CEDA) Pathways to Education program. A public common space will also provide various activities including literacy programming for pre-schoolers.

ACU made a significant financial commitment of \$50,000 towards the project.

SILOAM MISSION

When it comes to helping people living on the street find a safe harbour, Siloam Mission is there. For 30 years, this non-profit organization has provided food, clothing, shelter and hope to Winnipeg's poor and homeless. 2017 marked a very special year for the Mission as it opened a new 400 person dining hall as the first part of a two-phase expansion. Phase two, slated to begin in 2018, will see the addition of 50 new beds with a separate shelter area for up to 33 women, and an expanded health centre.

ACU CEO Kevin Sitka took an active role in enlisting the support of other Winnipeg financial institutions. Together we donated almost \$100,000 and ACU continues to work closely with Siloam as they move forward with further efforts to create affordable housing and other community support initiatives.



ACU has always been a strong supporter of neighbourhood revitalization and community economic development.

ACU creates the greatest impact with individual members.

Belinda Squance is a resident of Winnipeg's West End and a big believer in her community. As a home owner, she's made an investment in her neighbourhood, and seen a lot of positive changes over the years.

But it wasn't always easy. She wasn't always an ACU member. "I was dealing with a bank, and I always heard the word no, and Toronto would have to decide," she said. "So I went to see ACU. Right from the start, I felt I was treated as a person, not a number."

Belinda was managing the Ellice Café (now the Feast Café), a meeting place for the community supported by ACU, but life brought about changes that often made earning a decent living a challenge. She was in a tough spot. Her bank was not willing to consolidate her debts, and Belinda worried she may lose her home. It was a stressful time. That's when Belinda visited our Broadway branch and shared with us her financial situation, the challenges she was facing, and her goals. And that's when she began to discover what *money doing more* was all about.

She immediately warmed to the relaxed and easy approach ACU took towards her situation and her banking needs. "ACU looked at my finances, consolidated my debts, restructured my mortgage and literally changed my life for the better," says Belinda. It was a great fit, and she saw benefits on many levels. "When repairs needed to be done, I was able to get a home improvement loan that enabled me to not only upkeep my home, but keep my home," she added.

While there may have been many reasons for Belinda to choose ACU, one of the biggest was our shared values. Belinda has always chosen work that serves her community and currently volunteers for the Daniel McItyre/St. Matthews Community Association, and is a former Board member. "When ACU opened the North End branch I thought, I want to support these people," she said. "If I, in some small way, can help ACU make some money so they can help others, I want to do that."

One of the biggest benefits she has seen from being an ACU member is, "ACU has allowed me to dream again." Belinda has now started an organization called Hope Grows, which provides clothing, personal and household items to women exiting and transitioning out of the sex-trade industry.

Belinda has met with ACU to map out a new investment plan, one that includes her hopes and dreams. "Working with ACU has allowed me to take my life back, to begin to enjoy again, to do things again, to dream again," she said. And we couldn't be happier.



*ACU has allowed
me to dream again.*



ACU Non-Financial Results Summary

Non-financial results are key measures of our business success and include important social and environmental data that provide insight into our overall performance as a financial co-operative.

In 2017, we made significant contributions to community grants and sponsorships (see detail below); we added 1,663 new members through various access to financial services initiatives; and we grew financial services that created positive social or environmental impact by over \$52 million.

We've made almost \$85 million available for projects that provide affordable housing, helping over 3,000 of our most vulnerable neighbours. This past year we processed over 100,000 transactions at our branches in West Broadway, McGregor and Gillam. We established these branches in areas other financial institutions had abandoned, providing services that are clearly needed.

In 2017, over \$20 million was used in purchasing choices that support nonprofits, co-operatives, fair trade, environmental purchases, and purchases from B-corps, Indigenous-owned and locally-owned companies. To date, over 250 loans have been given to help foreign-trained professionals get their credentials recognized in Canada so they can do what they are trained to do, to benefit our community.

As part of our focus and commitment to our members, we continue to strive to improve on every level, from limiting our environmental impact to creating a diverse and inclusive workplace. We're always mindful of the financial well-being of our members, employees, and the community.

In 2017, ACU contributed nearly a half-million dollars towards sponsorships and grants:

2017 CATEGORY	GRANTS	SPONSORSHIPS	TOTAL	DISTRIBUTION
Community Inclusion	\$254,790	\$105,125	\$359,915	78.2%
Environmental Sustainability	\$18,550	\$5,500	\$24,050	5.2%
Community Enterprise Development	\$69,647	\$6,100	\$75,747	16.6%
TOTALS	\$342,987	\$116,725	\$459,712	100%

[Click here to view 2017 detailed information.](#)

2017 Financial Highlights

ACU realized growth in both the loan and deposit portfolios while also making improvements in operating efficiency. The loan growth led to increased revenues while total operating expenses saw a decrease from 2016 levels. The increased revenues, along with lower operating expense, resulted in improved profitability, efficiency ratio and equity levels.

Growth

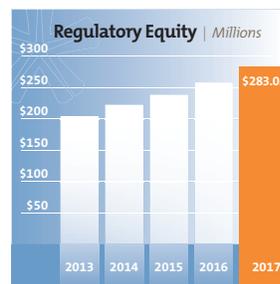
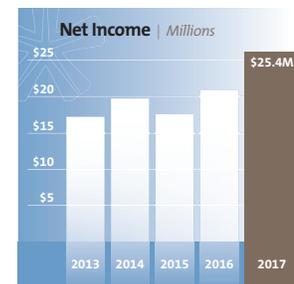
ACU ended the year with assets totaling \$4.5 billion, which is an increase of \$115 million or 2.6% over the prior year. The loan portfolio grew \$163 million or 4.4%. Loan growth was generated through strong growth in the commercial and community portfolio which increased \$179 million or 22.1% in 2017. The strong commercial and community growth levels were driven by mortgage growth. The deposit portfolio grew to \$4.0 billion, an increase of \$88 million or 2.2% over the previous year. Deposit growth was primarily realized in savings and term deposits.

Profitability

ACU generated net income of \$25.4 million, an increase of 23.6% from the prior year. Profitability increased due to a 5.5% increase in financial margin and other income, while operating expenses decreased 1.1%. As a result of increased revenues and reduced operating expenses, the efficiency ratio improved to 66.3%.

Equity

ACU saw strong growth in its regulatory equity, ending 2017 with total regulatory equity of \$283 million, which is an increase of \$25 million or 9.5% over 2016 levels. Regulatory equity, which includes total equity and member shares, now equates to 6.3% of assets. Our equity measures are all in excess of regulatory requirements, ensuring that ACU has the financial strength and capacity to support growth, and to make the necessary investments to meet the needs of our members and our communities.



PricewaterhouseCoopers LLP
One Lombard Place, Suite 2300
Winnipeg, MB, Canada R3B 0X6
T: +1 204 926 2400
F: +1 204 944 1020

"PwC" refers to PricewaterhouseCoopers LLP,
an Ontario limited liability partnership.

March 29, 2018

Report of the Independent Auditor on the Summary Consolidated Financial Statements

To the Members of
Assiniboine Credit Union Limited

The accompanying summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at December 31, 2017 and the summary consolidated statements of net income and comprehensive income, changes in members' equity and cash flows for the year then ended, are derived from the audited consolidated financial statements of Assiniboine Credit Union Limited for the year ended December 31, 2017. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated March 29, 2018.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of Assiniboine Credit Union Limited.

Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of a summary of the audited consolidated financial statements on the basis described in Note 1.

Auditor's 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 Standards ("CAS") 810, "Engagements to Report on Summary Financial Statements".

Opinion

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of Assiniboine Credit Union Limited for the year ended December 31, 2017 are a fair summary of those consolidated financial statements, on the basis described in Note 1.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

A full set of consolidated financial statements with the accompanying notes is available from Assiniboine Credit Union Limited or at assiniboine.mb.ca

Summary Consolidated Statement of Financial Position

As at December 31, 2017 (in thousands of dollars)

	2017 \$	2016 \$
Assets		
Cash on hand and on deposit	73,391	97,083
Investments	486,680	511,400
Loans to members	3,882,805	3,719,497
Other assets	19,444	16,902
Property, equipment and intangible assets	15,754	17,723
Deferred income tax asset	984	966
	<hr/>	<hr/>
Total assets	4,479,058	4,363,571
Liabilities		
Members' deposits	4,018,507	3,930,610
Accounts payable	12,598	13,763
Mortgage securitization liabilities	163,685	159,894
Income tax payable	1,275	886
Members' shares	10,720	11,001
Shares to be issued	120	124
	<hr/>	<hr/>
Total liabilities	4,206,905	4,116,278
Members' Equity		
Members' shares	16,221	16,315
Shares to be issued	568	571
Contributed surplus	35,633	35,633
Retained surplus	219,731	194,774
	<hr/>	<hr/>
Total equity	272,153	247,293
	<hr/>	<hr/>
Total liabilities and equity	4,479,058	4,363,571

Approved by the Board of Directors



Director



Director

A full set of consolidated financial statements with the accompanying notes is available from Assiniboine Credit Union Limited or at assiniboine.mb.ca

Summary Consolidated Statement of Net Income and Comprehensive Income

For the year ended December 31, 2017 (in thousands of dollars)

	2017 \$	2016 \$
Revenues		
Interest from loans to members	123,222	118,789
Investment income	11,771	10,670
	134,993	129,459
Cost of funds		
Interest paid to members and other	66,708	67,269
Financial margin	68,285	62,190
Other income	27,873	28,942
Financial margin and other income	96,158	91,132
Operating expenses		
Administration	17,803	17,268
Member security	3,486	3,389
Occupancy	8,148	8,512
Organizational	2,184	2,235
Personnel	32,104	33,019
	63,725	64,423
Gross operating margin	32,433	26,709
Allowance for loan loss	(1,798)	(2,167)
Dividends on surplus shares	(120)	(124)
Net income before income taxes	30,515	24,418
Provision for (recovery of) income taxes		
Current	5,098	3,984
Deferred	(18)	(141)
	5,080	3,843
Net income and comprehensive income for the year	25,435	20,575

A full set of consolidated financial statements with the accompanying notes is available from Assiniboine Credit Union Limited or at assiniboine.mb.ca

Summary Consolidated Statement of Changes in Members' Equity

For the year ended December 31, 2017 (in thousands of dollars)

	Members' shares \$	Shares to be issued \$	Contributed surplus \$	Retained surplus \$	Total members' equity \$
Balance at January 1, 2017	16,315	571	35,633	194,774	247,293
Net income and comprehensive income for the year	—	—	—	25,435	25,435
Dividends on preference shares	—	568	—	(478)	90
Members' shares					
Issued	571	(571)	—	—	—
Redeemed	(665)	—	—	—	(665)
Balance at December 31, 2017	16,221	568	35,633	219,731	272,153

	Members' shares \$	Shares to be issued \$	Contributed surplus \$	Retained surplus \$	Total members' equity \$
Balance at January 1, 2016	16,588	581	35,633	174,683	227,485
Net income and comprehensive income for the year	—	—	—	20,575	20,575
Dividends on preference shares	—	571	—	(484)	87
Members' shares					
Issued	581	(581)	—	—	—
Redeemed	(854)	—	—	—	(854)
Balance at December 31, 2016	16,315	571	35,633	194,774	247,293

A full set of consolidated financial statements with the accompanying notes is available from Assiniboine Credit Union Limited or at assiniboine.mb.ca

Summary Consolidated Statement of Cash Flows

For the year ended December 31, 2017 (in thousands of dollars)

	2017 \$	2016 \$
Cash provided by (used in)		
Operating activities		
Net income and comprehensive income for the year	25,435	20,575
Items not affecting cash		
Depreciation	2,648	2,746
Allowance for loan loss	1,798	2,167
Deferred income taxes	(18)	(141)
Dividends on surplus shares	120	124
	29,983	25,471
Net change in non-cash working capital items		
Investments – accrued interest	(320)	34
Loans to members – accrued interest	(624)	(238)
Other assets	(2,542)	(1,723)
Income taxes	389	653
Members' deposits – accrued interest	(1,527)	(1,384)
Accounts payable	(1,165)	2,200
	(5,789)	(458)
Loans to members – net of repayments	(164,482)	(267,461)
Members' deposits – net of withdrawals	89,424	99,439
Net change in investments	25,040	61,683
	(50,018)	(106,339)
	(25,824)	(81,326)
Investing activities		
Purchase of property and equipment and intangibles	(679)	(957)
Financing activities		
Net increase in mortgage securitization	3,791	66,473
Net increase (decrease) in common shares	70	(15)
Redemption of surplus shares	(475)	(505)
Redemption of preference shares, net of taxes	(575)	(767)
	2,811	65,186
Net decrease in cash on hand and on deposit	(23,692)	(17,097)
Cash on hand and on deposit – Beginning of year	97,083	114,180
Cash on hand and on deposit – End of year	73,391	97,083

A full set of consolidated financial statements with the accompanying notes is available from Assiniboine Credit Union Limited or at assiniboine.mb.ca

Notes to the Summary Consolidated Financial Statements

December 31, 2017

1 Basis of the summary consolidated financial statements

Management has prepared the summary consolidated financial statements from the December 31, 2017 audited consolidated financial statements, which are prepared in conformity with International Financial Reporting Standards (“IFRS”). The detailed notes included in the audited consolidated financial statements are not included in these summary consolidated financial statements.

The criteria developed by management for the preparation of the summary consolidated financial statements is as follows: that the information included in the summarized consolidated financial statements is in agreement with the related information in the complete consolidated financial statements and that the summarized consolidated financial statements contain the information necessary to avoid distorting or obscuring matters disclosed in the related complete consolidated financial statements, including the notes thereto, in all material respects.

2 Compliance with minimum capital and liquidity requirements

The Credit Union is in compliance with the capital and liquidity reserve requirements at December 31, 2017 established by the regulations to the Credit Unions and Caisses Populaires Act of Manitoba.

Readers of the summary consolidated financial statements are advised that in order to appropriately interpret the Credit Union’s capital and liquidity, the reader must refer to the audited consolidated financial statements and notes for the year ended December 31, 2017, which contain the information detailing the calculation.



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