

LIVE AND WORK AS A COMMUNITY



*moya*  
FINANCIAL

2017 ANNUAL REPORT

# Our Values



CARING FOR  
OTHERS



COMMUNITY  
SERVICE



HARD WORK



TRUST



Members  
First!



FAMILY

*moya*  
FINANCIAL

## THEME

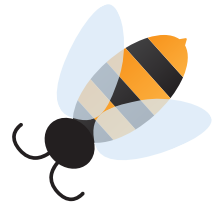
Our theme for this year's annual report and annual general meeting is **live and work as a community**.

Beekeeping is one of the oldest human activities and is a prime part of the Slovenian identity. Bees symbolize community, hard work, trust, family, and care for others – all Moya Financial values. Like bees, which devote their lives to providing for their hive, Moya Financial makes the effort to contribute to our community and support our members. Bees are productive, focus on the task in front of them, and do not get sidetracked from their goal.

The honeycomb design seen throughout this report represents our community. We are all small pieces of a greater collective that produces a strong, thriving financial institution.

Moya Financial's goal is to continue delivering additional services and following trends into the digital age, and we will work hard to achieve this goal. But all our hard work means nothing if we do not get to share the rewards with our members and our community.





## TABLE OF CONTENTS

Moya Financial Team.....	4
Board of Directors .....	5
Moya Financial Governance .....	6
Message from the Board Chair .....	8
Message from the CEO .....	9
Credit Manager's Report.....	10
Audit & Risk Committee Report.....	11
Management's Responsibility.....	12
Report of the Independent Auditors on the Summary Financial Statements.....	12
Summary Statement of Financial Position.....	13
Summary Statement of Income .....	14
Summary Statement of Comprehensive Income.....	15
Summary Statement of Changes in Members' Equity.....	15
Note to the Summary Financial Statements .....	15
Community Contribution Report.....	17
Services Summary .....	18
Contact Information and Hours of Operation.....	19





# Moya Financial Team



## BOARD OF DIRECTORS



**Val Koncan, BSc**  
(term expires 2020)

**Board Chair;  
Chair, Governance  
& Human Resources  
Committee**

Val holds a degree in computer science and has amassed extensive experience in software development and information technology in both the public and private sectors. He currently works for DXC Technology. Elected to the Board of Directors of Slovenia Parishes Credit Union in 2003.



**Barbara Udovic,**  
MBA, BComm  
(term expires 2020)

**Board Vice Chair;  
Member, Nominating  
& Member Community  
Relations Committee**

With a background in finance, Barbara is currently an Associate Director in the Global Banking & Markets division at Scotiabank. Elected to the Board of Directors of Krek Slovenian Credit Union in 2006.



**William (Bill) Stajan**  
(term expires 2018)

**Corporate Secretary;  
Member, Governance  
& Human Resources  
Committee**

Bill is co-owner and CEO of ABC Fire Door, a longstanding manufacturing firm in Mississauga. He has extensive knowledge of the construction industry and has volunteered for many community groups. Elected to the Board of Directors of Slovenia Parishes Credit Union in 1976, where he served for 12 years as Chair.



**Lori Cimerman, BA**  
(term expires 2019)

**Director; Member,  
Nominating & Member  
Community Relations  
Committee**

Lori is Director of Compliance for HomeLife Realty Services Inc. and Broker of Record for HomeLife/Cimerman Real Estate Ltd., Brokerage. Elected to the Board of Directors of Slovenia Parishes Credit Union in 2006.



**Paul Dolenc, RGD**  
(term expires 2019)

**Director; Member,  
Nominating & Member  
Community Relations  
Committee**

Paul works in the marketing industry as Director, Project Management & Design at Harbinger Communications Inc. Elected to the Board of Directors of Slovenia Parishes Credit Union in 2004.



**Joseph Levstik,**  
BA (Econ.), BAS  
(term expires 2018)

**Director; Member,  
Governance & Human  
Resources Committee**

Joseph retired after 25 years' service at the Canada Revenue Agency, most recently as a team leader in the Legislative Policy and Regulatory Affairs division. Elected to the Board of Directors of Krek Slovenian Credit Union in 2007.



**David Mezic, MBA,**  
BA (Business and ITM)  
(term expires 2019)

**Director; Chair,  
Nominating & Member  
Community Relations  
Committee**

David is Director of IT at J.M. Die Ltd. He previously held positions at the Royal Bank of Canada and Bank of America. Elected to the Board of Directors of Krek Slovenian Credit Union in 2011.



**Andrew Rovanseck,**  
CPA, CA, BBA  
(term expires 2020)

**Director; Chair, Audit  
& Risk Committee**

Andrew is Director of Finance at Veolia North America. He previously held roles as Associate Director of Finance at Bell Canada and Manager at KPMG LLP. Elected to the Board of Directors of Krek Slovenian Credit Union in 2011.



**Jim Ulcar, BSc (Econ.  
& Business Admin.)**  
(term expires 2020)

**Director; Member,  
Audit & Risk  
Committee**

Jim is Assistant Vice President of Corporate Compliance with State Street Trust Company Canada, a large custodian bank. Elected to the Board of Directors of Slovenia Parishes Credit Union in 2013.



**Margaret Zalar,**  
LL.B., LL.M.(Tax),  
J.D., Lawyer  
(term expires 2018)

**Director; Member,  
Governance & Human  
Resources Committee**

Margaret served on the Board of Directors of Krek Slovenian Credit Union from 1994 to 1997 and from 2002 to 2016.



**Mark Zizek,**  
BA (Commerce  
& Econ.)  
(term expires 2019)

**Director; Member,  
Audit & Risk  
Committee**

Mark is the Sales Administration Manager at CGC Inc., a drywall and ceiling tile manufacturing company. Elected to the Board of Directors of Krek Slovenian Credit Union in 1992.







## MOYA FINANCIAL GOVERNANCE

### GOVERNING LEGISLATION AND REGULATION

Moya Financial Credit Union Limited (Moya Financial) operates within a comprehensive regulatory framework that involves the Ministry of Finance, the Financial Services Commission of Ontario (FSCO), and the Deposit Insurance Corporation of Ontario (DICO).

The credit union sector is governed by the *Credit Unions and Caisses Populaires Act, 1994* and Ontario Regulation 237/09. DICO has developed a number of bylaws, guidance notes, frameworks, guides, and tools to assist credit unions in complying with these requirements and DICO's regulatory framework. More information can be found on the DICO website: [www.dico.com](http://www.dico.com).

The Ministry of Finance is responsible for developing and establishing the legislative and regulatory framework under which credit unions must operate. FSCO is responsible for ensuring that credit unions operate in accordance with the requirements of the Act and Regulations, particularly with respect to market conduct issues relating to credit union members and the general public.

DICO is responsible for overseeing compliance with solvency rules and for providing deposit insurance protection for deposits held in Ontario credit unions up to prescribed limits. As part of this responsibility, DICO has the authority to issue bylaws to ensure that credit unions operate in accordance with sound business and financial practices.

To promote responsible governance through strength and stability, Moya Financial regularly reports to DICO and participates in periodic risk-based examinations.

### APPROACH TO CREDIT UNION GOVERNANCE

Our governance framework ensures that Moya Financial is managed and operated in a sound and prudent manner, which includes the following:

- A qualified and independent Board with diverse backgrounds, experience, and skills;
- A commitment to ethical leadership consistent with our values and Code of Conduct;
- A set of governance principles to guide the Board's own work;
- A qualified and dynamic Chief Executive Officer to lead our credit union;
- Clearly defined roles and a collaborative relationship with executive management;
- A set of strategies and performance measures, combined with effective monitoring;
- Independent risk and control functions;
- Transparent disclosure of material corporate information to stakeholders.

### BUSINESS CONDUCT AND ETHICS

At Moya Financial, we believe in living our values and earning our members' trust. Our values are the foundation of our culture, and they extend to how we do business. As a cooperative organization, we believe in social responsibility, in doing business with honesty and integrity, and in complying with legal and regulatory requirements. A strong and positive tone at the top is established by our Board and executive leadership team through a values-based Code of Conduct (Code). Expectations and guidelines for business conduct and ethical decision-making are set out in our Code. All members of our Moya Financial team – directors, executive management, and every employee – renew their commitment each year to act in a way that makes our values authentic. To support our Code, internal and external safe disclosure reporting mechanisms are in place. Through these safe mechanisms, concerns of actual or suspected improper or unethical conduct can be reported without fear of retaliation or adverse employment action.

### BOARD COMPOSITION

Moya Financial is committed to governance excellence and to building a Board team that effectively oversees our credit union, continually acting as a strategic resource. Our Board members possess a diverse combination of competencies, knowledge, experience, and personal attributes. Renewal and succession are part of our ongoing governance plan. Directors are elected through a democratic process, with members voting in accordance with our bylaws.

The Board currently consists of 12 independent directors. For 2018, the Board is proposing and seeking approval from the membership to reduce the number of directors to 10. Terms are three years long and tenure is limited to four consecutive terms. The Nominating and Member Community Relations Committee is responsible for overseeing the nomination process and the election of directors in accordance with legislation. Voting is done by mail-in ballot ahead of the Annual General Meeting, and election results are announced at the Annual General Meeting.

### BOARD RESPONSIBILITIES

Our Board has overall responsibility for the stewardship of Moya Financial and for ensuring that our credit union can successfully meet the challenges of the rapidly changing financial services industry and its growing regulatory requirements. Our Board always acts in the best interests of Moya Financial and our members. In performing its role, our Board establishes vision, values, and strategy; makes significant decisions that affect our credit union; monitors risk and results; and regularly meets in camera with and without management present. Our Board's responsibilities are fully described in the Board's mandate and include the following:

- Managing the Board's affairs, setting the governance principles, establishing meeting processes, and determining the mandate and composition of Board committees;

- Ensuring an effective organizational structure that appropriately balances separation between retail and risk management control functions;
- Selecting the Chief Executive Officer, establishing performance objectives and compensation, and evaluating performance;
- Reviewing and approving the strategic plan, annual business plan, and budgets;
- Monitoring risks and overseeing progress toward achieving strategic objectives;
- Reviewing and approving financial statements and regulatory filings, and overseeing timely and accurate reporting to members and the regulator regarding performance;
- Considering the legitimate business interests of members and stakeholders, and being accountable to them.

## BOARD STRATEGIC DIRECTION

The Moya Financial Board of Directors provides strategic direction for the credit union and helps us live out our vision, values, and strategy. In 2017, the Board supported Moya Financial as we continued on the journey to define financial wellness for our members and provide ease, access, and convenience of service for our members through digital channels. That direction resulted in the following accomplishments for Moya Financial over the past year:

- **Financial Wellness.** Moya Financial is committed to helping improve the financial wellness of our members. This decision, which defines our key purpose, is at the core of everything at Moya Financial.
- **Online Banking.** Online services provide members with complete control of their accounts from the comfort of their homes. Our online banking application allows members to send and receive e-transfers, view cheques they have written, transfer money from their Moya Financial accounts to external accounts, pay bills directly from their accounts, and much more.

- **Moya Mobile Banking.** Available from Google Play and the App Store, this application allows members to check their account balances and account activity, deposit cheques by taking a photo of the cheque, pay bills, transfer money between accounts, manage scheduled payments and transfers, and send and receive e-transfers.

## BOARD COMMITTEES

Our Board enhances efficiency and effectiveness through well-appointed and structured committees. Committee memberships are reviewed annually and take into consideration the competencies and preferences of directors. Each committee has a mandate outlining its purpose and responsibilities. Committees meet regularly throughout the year and provide meeting minutes and reports to the full Board. Outside advisors may be independently engaged at the expense of Moya Financial to assist as needed. Each committee is composed of four directors.

- The **Audit and Risk Committee** is responsible for the integrity of the financial reporting, the performance of internal and external audit functions, and ensuring the existence of a strong enterprise risk management framework. The Committee provides reasonable assurance that strategic, operational, financial, and regulatory objectives are achieved in the creation and protection of member value. The Committee oversees the identification, development, and measurement of strategies to manage those risks and oversees compliance with legal and regulatory requirements.
- The **Governance and Human Resources Committee** is responsible for all governance/human resources related issues and assists the Board in upholding effective governance structures and processes to oversee the organization.
- A **Nominating and Member Community Relations Committee** is formed to oversee the annual director election process. The committee is also in close touch with our marketing department, collaborating on our marketing efforts throughout the year.

- The **Executive Committee** consists of the Board's Chair, Vice Chair, and Secretary, along with the chairs of each of the above committees. The Executive Committee's role is to assist the Board of Directors in the continuous fulfillment of its role by dealing with urgent issues at the discretion of the Board or when the Board cannot be convened. The Executive Committee is also responsible for the annual performance evaluation of the CEO.

## COMPENSATION AND ATTENDANCE

The Governance and Human Resource Committee is responsible for reviewing director compensation and ensuring it is appropriate. The Director Remuneration Policy, reviewed in 2017, includes an honorarium and expense amount per meeting attended.

Preparation, attendance, and active participation in regular Board and Board committee meetings, strategic planning sessions, and other special meetings is expected of our directors. Accountability is important. Directors are expected to attend 100% of Board and applicable Board committee meetings. Attendance of less than 80% will be of concern to the Board and the director may be asked to withdraw from service.

## BOARD ASSESSMENTS

The Board is committed to effective credit union governance and continuous improvement. Annually, the Governance and Human Resources Committee facilitates a Board evaluation process to assess the effectiveness of Board operations. Results of the evaluation can help to form the basis of recommendations to the Board for improving governance practices. Assessments are also required by the regulators.





## MESSAGE FROM THE BOARD CHAIR

On behalf of the Board of Directors, I am pleased to report on another successful year for our credit union, concluding our second full year of operation and trusted service to our members.

2017 was a year of opportunities, a year of challenges, a year of many successes, and a year of great pride for Moya Financial. 2017 was also a time to focus on the future. We welcomed several new individuals to the Moya Financial team, and all of them have made a significant impact on the long-term viability of this financial institution. We also said goodbye to a few who had decided to look for opportunities elsewhere. We are confident that we have a team that can address all of your financial needs and will make you proud and satisfied to be a member of Moya Financial Credit Union.

At the time of our first AGM, we had already rolled out the Moya Mobile App. For anyone who has not yet tried this app, we encourage you to download it onto your Android or Apple smartphone and give it a try. It is designed to simplify your life and give you new options for managing your Moya Financial finances.

Another early initiative of our new management team was to introduce some new investment products, giving members additional choices beyond what has traditionally been available. We continue to provide a complete wealth management offering, including mutual funds and other investment products that members have an appetite for. Come in and speak with our wealth specialists to see how these new products can help you attain your financial goals.

In addition to our wealth management offerings, Moya Financial has maintained a competitive loan and mortgage rate. On numerous occasions throughout the year, Moya Financial's mortgage rates were among the best available.

In May 2017, the Board announced the appointment of Tony Krosel as our interim Chief Executive Officer, after the departure of our previous CEO. Tony was a longstanding Board member with decades of experience in the financial services industry in both management and investment roles. At the time, the Board felt he was a strong fit for the CEO position, and after the six-month interim CEO period was over, the Board felt that Tony was truly the right person for the job and appointed him permanent CEO. Since assuming the CEO role, Tony has been busy meeting with members, staff, and the Board and putting in place the foundation for a successful and sustainable Moya Financial.

2017 was a very busy year for the Board and much was accomplished. In addition to its normal governance requirements, the Board participated in overhauling the compensation package for our employees, the people you deal with day to day. The result is an incentive package that is more closely aligned with our objectives and core principles.

The Board also participated in a strategy session, as well as numerous training sessions, as part of normal Board requirements. In September, Deposit Insurance Corporation of Ontario (DICO) regulators came on site to perform their regular audit and once again, the Board assisted. Governance is a key responsibility of the Board, and your Board of Directors has shown that it is committed to ensuring that Moya Financial is in compliance with all regulatory requirements.

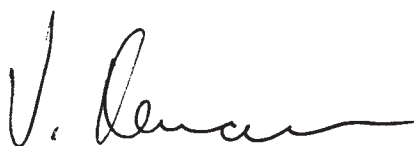
The foundations put in place in 2017 will enable Moya Financial to grow. Growth is necessary for Moya Financial to be viable for the long term. And even though interest rates in Canada remained at all-time lows for most of the year, Moya Financial still had a very successful year. A significant reason for that success is the loyalty of you, our members. To show our appreciation for the success that you have helped us achieve in 2017, the Board of Directors has declared a patronage distribution of \$225,000 for 2017, payable to all active members in good standing of Moya Financial. Payment of the distribution is scheduled for later this year.

One of our core principles is that we strive to be a leader in the Slovenian community. As part of that commitment, we continued the Moya Financial Scholarship program. Congratulations to this year's recipients, Natalie Marentič and Jacqueline Anne Pinnington.

We continue to provide sponsorship to various clubs and organizations, including Slovenska Šola, Dom Lipa Retirement Home, the Slovenian Radio Hour, and the Slovenian Farm Youth Sports Tournaments, as well as many other events in our community. Moya Financial is deeply committed to the preservation of our Slovenian culture and heritage.

I would like to take this opportunity to thank the staff and my fellow Board members at Moya Financial for their commitment to providing our members with exceptional service. I would also like to thank you, our members, for your trust and loyalty, which allow us to build a stronger credit union to serve the needs of our Slovenian community now and in the future. We thank you for being a part of our success.

**Najlepša hvala za vašo izkazano podporo.**



**Val Koncan**  
Chair of the Board of Directors





## MESSAGE FROM THE CEO

I'd like to start by saying it is an honour to serve as your new CEO. Thank you for your warm welcome and generous support. In the short time I have been CEO, we have accomplished a lot and I am very proud of our team. We have developed a plan to deliver even more services and technology, and we are very excited about the years ahead.

2017 marks the second year of operations for Moya Financial and we are pleased with our excellent results. Financially we are strong – assets and profitability continue to grow. Our solid financial position is supported by our commitment to maintaining a strong risk management culture. We take a prudent approach to protecting members' assets while facilitating further growth. Our portfolios are well matched and our credit quality remains excellent.

We have added significantly to our products and services, enabling us to compete with other financial institutions. I encourage you to take advantage of the increased insurance limits and invite you to add to your deposit portfolio with our new industry-leading Growing-Rate and Index-Linked term deposits. Look for our upcoming new online banking features, enhanced business services, credit cards and new-look Moya MemberCards. To enhance our member service, we have new, extended branch hours.

Moya Financial is well positioned to keep up with the ever-changing financial services landscape. Through all the changes, we always keep in mind the need for a long-lasting member relationship. Your financial success is our success!

So please tell your family and friends our story. We are proud of our heritage and we are passionate about serving you and helping you meet all your financial goals. We want to be your primary financial institution! Let's also encourage our younger generation to bank here, ensuring a lasting legacy.

It is rewarding to be working with you, our members. In serving our community, we hosted member appreciation events and financially supported many Slovenian organizations. And our Slovenian Recipe Calendar continues to be very popular. Remember to keep sending us your favourite recipes!

In closing, I would like to thank our Board and staff for their hard work and dedication to our members. And thank you for your trust and loyalty. We appreciate your commitment. Together we will continue to grow stronger.

**Hvala za zaupanje!**



**Tony Krosel**  
CEO



## CREDIT MANAGER'S REPORT

I am pleased to report that our total loan portfolio at the close of the 2017 fiscal year stood at approximately \$166.2 million. This is an increase of \$17.6 million, or 12%, over 2016. This increase reflects another satisfactory year of growth in most loan classes, particularly member home mortgages, a focused target. And while we saw less growth in our commercial portfolio, this past year we again exceeded the new-approvals budget set by your Board of Directors.

During the review period, Moya Financial received 184 new loan applications, 164 of which we approved – an approval rate of almost 90%:

- 55 personal loans and lines of credit totalling \$7.1 million (included here are 30 new Home Equity Lines of Credit totalling nearly \$6.5 million)
- 84 new residential mortgages – a 29% year-over-year increase – totalling \$29.2 million, a 23% dollar increase
- 25 new commercial loans totalling \$14.4 million

This totals \$50.7 million in new approvals.

As for loan delinquencies at the end of fiscal 2017 and unsatisfactory loans identified over the period, we are extremely pleased to report that these figures are less than 0.1% and 0.6% of the lending portfolio, respectively. Currently, we do not anticipate any increase to the credit union's loan loss provisions.

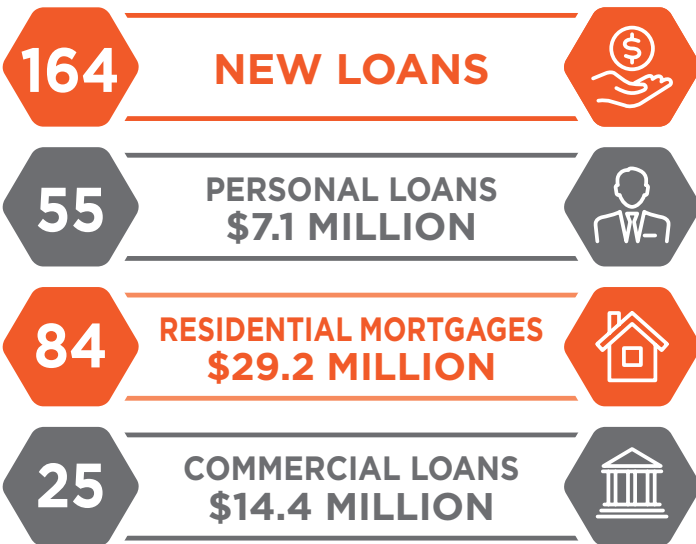
Our 2018 budget calls for a growth picture similar to 2017's in all sectors, but with a closer focus on increasing the commercial portfolio.

With the introduction of generalized stress testing to determine outsized mortgage serviceability as prescribed for federally chartered financial institutions, we also will be formally including this type of testing in our due diligence process. We hope this will assist in heightening our members' awareness of the potential risk inherent in financing the ever-increasing cost of home ownership and of possible future interest rate increases.

Our lending portfolio remains very safe and we look forward to the opportunity to continue assisting and serving you over the remainder of 2018.



**Bill Calder**  
Vice President, Credit Operations



*"Investing members' assets prudently and helping members of the community attain the dream of home ownership."*



**11.8%**  
2017 GROWTH



**2016  
MEMBER LOANS  
\$148.6  
MILLION**

**2017  
MEMBER LOANS  
\$166.2  
MILLION**

## AUDIT & RISK COMMITTEE REPORT

The mandate of the Audit and Risk Committee is to assist the Board in fulfilling its responsibility to the membership, the investment community, and regulatory authorities with respect to corporate governance, financial reporting, internal control procedures, and oversight of the internal audit function. A written report is prepared and presented at Board meetings to discuss any items of concern and the necessary corrective actions. The committee met 13 times in 2017. The Audit and Risk Committee conducts its affairs in accordance with the Act and Regulations.

Over the past year, the Audit and Risk Committee emphasized the review of corporate governance, internal policies, forecasts, budgets, and procedures to ensure Moya Financial follows industry practices and government regulations. We continue to ensure that policy guidelines and systems are in place to ensure that enterprise risks are at an acceptable level. In addition, the committee plays a key role in ensuring that a robust process for identifying, managing, and monitoring critical risks is in place.

These requirements demand greater knowledge, competencies, and involvement from directors than ever before and additional

reporting to regulatory bodies by our management. To effectively fulfill present and future responsibilities, the Audit and Risk Committee identified and participated in professional development and training to meet increased director competencies required by legislation.

In our opinion, Moya Financial Credit Union Limited continues to thrive on financial strength and stability.

The support of the staff and management in helping us fulfill our mandate is greatly appreciated.



**Andrew Rovanssek**  
Chair, Audit & Risk Committee





## MANAGEMENT'S RESPONSIBILITY

### To the Members of Moya Financial Credit Union Limited:

The accompanying summary financial statements and the complete financial statements of Moya Financial Credit Union Limited (collectively, the "financial statements") are the responsibility of management and have been approved by the Board of Directors.

Management is responsible for the preparation and presentation of the financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting policies and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is responsible for overseeing management in the performance of its financial reporting responsibilities and for approving the financial statements. The Audit and Risk Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters, and financial reporting issues. The Audit and Risk Committee is also responsible for recommending the appointment of the credit union's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Audit and Risk Committee and management to discuss their audit findings.

March 1, 2018

**Tony Krosel**  
CEO

## REPORT OF THE INDEPENDENT AUDITORS ON THE SUMMARY FINANCIAL STATEMENTS

### To the Members of Moya Financial Credit Union Limited:

The accompanying summary financial statements, which comprise the summary statement of financial position as at December 31, 2017, the summary statements of income, comprehensive income and changes in members' equity for the year then ended, are derived from the audited financial statements of Moya Financial Credit Union Limited for the year ended December 31, 2017. We expressed an unmodified audit opinion on those financial statements in our report dated February 8, 2018.

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

### Management's Responsibility for the Summary Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express an opinion on the summary 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 financial statements derived from the audited financial statements of Moya Financial Credit Union Limited for the year ended December 31, 2017, are a fair summary of those financial statements, on the basis described in Note 1.

**Chartered Professional Accountants**  
**Licensed Public Accountants**  
Mississauga, Ontario  
March 1, 2018

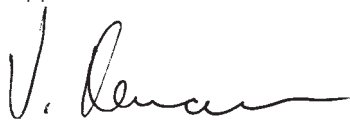
# SUMMARY STATEMENT OF FINANCIAL POSITION

As at December 31, 2017

In \$	2017	2016
<b>Assets</b>		
Cash	5,075,390	8,724,644
Investments	54,894,405	62,986,395
Member loans	166,198,381	148,623,986
Prepaid expenses	23,949	83,306
Taxes receivable	24,949	-
Interest rate swaps	1,363,398	532,391
Property and equipment	1,847,713	1,766,110
Intangible assets	299,306	401,362
	<b>229,727,491</b>	<b>223,118,194</b>
<b>Liabilities</b>		
Member deposits	210,433,489	204,769,735
Accounts payable and other liabilities	501,895	358,825
Taxes payable	-	290,551
Deferred income taxes	93,702	169,873
Member shares	634,627	659,711
	<b>211,663,713</b>	<b>206,248,695</b>
<b>Members' Equity</b>		
Contributed surplus	8,352,253	8,352,253
Retained earnings	9,700,795	8,244,507
Accumulated other comprehensive income	10,730	272,739
	<b>18,063,778</b>	<b>16,869,499</b>
	<b>229,727,491</b>	<b>223,118,194</b>

The accompanying note forms part of the financial statements.

Approved on behalf of the Board



Val Koncan, Chair



Andrew Rovanseck, Director

## ASSET GROWTH

**\$6.6**  
MILLION

2016  
TOTAL ASSETS  
\$223.1  
MILLION

2017  
TOTAL ASSETS  
\$229.7  
MILLION





## SUMMARY STATEMENT OF INCOME

For the year ended December 31, 2017

In \$	2017 (12 months)	2016 (15 months)
<b>Interest income</b>		
Member loans	5,347,847	5,051,390
Investments	936,333	1,338,199
	6,284,180	6,389,589
<b>Interest expense</b>		
Member deposits	2,095,319	2,322,674
<b>Net interest income</b>	4,188,861	4,066,915
<b>Provision for impaired loans</b>	9,585	7,745
<b>Net interest income after provision for impaired loans</b>	4,179,276	4,059,170
<b>Other income</b>	291,379	360,516
<b>Net interest and other income</b>	4,470,655	4,419,686
<b>Operating expenses</b>		
Administrative expenses	1,508,838	1,713,513
Salaries and benefits	1,682,077	1,738,277
	3,190,915	3,451,790
<b>Income before distributions and other items</b>	1,279,740	967,896
<b>Distribution to members</b>	(225,000)	-
<b>Income before other items</b>	1,054,740	967,896
<b>Other items</b>		
Amortization of amalgamation fair value adjustments	(212,461)	(264,831)
Unrealized change in fair value of financial instruments	688,401	637,538
Gain realized on available for sale investments	354,776	-
<b>Income before income taxes</b>	1,885,456	1,340,603
<b>Income taxes</b>		
Current	505,339	436,176
Deferred	(76,171)	(168,416)
	429,168	267,760
<b>Net income</b>	1,456,288	1,072,843

The accompanying note forms part of the financial statements.

In 2017 we experienced a healthy increase in our loan portfolio investing members' assets prudently.

**MEMBER LOANS**  
\$166.2  
MILLION

**MEMBER DEPOSITS**  
\$210.4  
MILLION

Continued growth in member deposits strengthens our credit union now and for the future.

Growth in members' equity indicates financial strength, assuring members that their assets are in good hands.

**MEMBERS' EQUITY**  
\$18.1  
MILLION

**MEMBERS' EQUITY GROWTH**  
7%

Patronage distribution rewards members for their loyalty and belief in the credit union.

**PATRONAGE DISTRIBUTION TO MEMBERS**  
\$225  
THOUSAND

## SUMMARY STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2017

In \$	2017 (12 months)	2016 (15 months)
<b>Net income for the period</b>	<b>1,456,288</b>	1,072,843
<b>Other comprehensive income</b>		
<i>Will be reclassified to net income when certain conditions are met:</i>		
Gain realized on available for sale investments transferred to investment income	<b>(354,776)</b>	-
Unrealized (loss) gain on available for sale investments	<b>(1,699)</b>	11,904
Income tax recovery (expense) relating to other comprehensive income	<b>94,466</b>	(1,845)
<b>Total other comprehensive (loss) income</b>	<b>(262,009)</b>	10,059
<b>Total comprehensive (loss) income for the period</b>	<b>1,194,279</b>	1,082,902

## SUMMARY STATEMENT OF CHANGES IN MEMBERS' EQUITY

For the year ended December 31, 2017

In \$	Contributed surplus	Retained earnings	Accumulated other comprehensive income	Total
<b>Balance, September 30, 2015</b>	-	7,171,664	262,680	7,434,344
Net income for the year	-	1,072,843	-	1,072,843
Other comprehensive income for the period, net of tax	-	-	10,059	10,059
Amalgamation of Slovenia Parishes (Toronto) Credit Union Limited and Krek Slovenian Credit Union Ltd.	8,352,253	-	-	8,352,253
<b>Balance, December 31, 2016</b>	<b>8,352,253</b>	<b>8,244,507</b>	<b>272,739</b>	<b>16,869,499</b>
Net income for the year	-	1,456,288	-	1,456,288
Other comprehensive loss for the year, net of tax	-	-	(262,009)	(262,009)
<b>Balance, December 31, 2017</b>	<b>8,352,253</b>	<b>9,700,795</b>	<b>10,730</b>	<b>18,063,778</b>

The accompanying note forms part of the financial statements.

## NOTE TO THE SUMMARY FINANCIAL STATEMENTS

For the year ended December 31, 2017

### 1. Basis of presentation

Management is responsible for the preparation of the summary financial statements. The summary financial statements presented include the summary statement of financial position, and the summary statements of income, comprehensive income and changes in members' equity. They do not include the summary statement of cash flows, summary of significant accounting policies, or notes to the financial statements and accompanying schedules. The summary statements of financial position, income, comprehensive income and changes in members' equity are presented in the same detail as the audited financial statements except the note referencing has been removed.

# Live & Work as a Community



*moya*  
FINANCIAL







## COMMUNITY CONTRIBUTION REPORT

Community is important to Moya Financial, and each year we strive to support our members and events within the Slovenian-Canadian community in Ontario. We are proud to support our community, our members, and our staff. By giving back each year through a variety of community organizations and events we are reminded that we are truly a part of our community and that what we do matters.

*In 2017 we contributed over **\$15,000** through various sponsorships and donations.*



### *Here are some of the events and organizations Moya Financial supported in 2017:*

- All Slovenian Cultural Committee – Glasilo & Radio Glas Kanadskih Slovencev
- Belokranjski Club and Foundation
- Bled Planica Social Club
- Canadian Catholic Women's League
- Canadian Slovenian Chamber of Commerce
- Canadian Slovenian Historical Society
- Club Triglav
- Dom Lipa Retirement Home
- Evening Bell – Večerni Zvon
- FLIP Canada Tour
- Holiday Gardens
- Lipa Park
- Mladi Glas & Planika Slovenian Dance Group
- Otroški kotiček
- Plamen – Canadian Slovenian Vocal Group
- Planica Hunting and Fishing Club
- SAVA Slovenian Cultural Association
- Simon Gregorčič Slovenian Culture Association
- Sinai Health Foundation
- Slovenian-Canadian Scholarship Foundation
- Slovenian Farm Sport Events
- Slovenian Hunters & Anglers
- Slovenian Summer Camp
- Slovenska Šola Brown's Line and Hamilton
- Slovenski Dom
- Slovenski Park
- St. Gregory the Great Catholic Women's League
- St. Gregory the Great Slovenian Church
- Toronto Slovenian Explorers
- Vincencijeva Konferenca



Moya Financial also continues to support the youth of the Slovenian community in Ontario by offering the **Moya Financial Scholarship**. Each year, we present two scholarships for students entering their first year of university or college study. In 2017, we were so impressed with the outstanding work presented in all applications that we rewarded each applicant with a runner-up donation.

*2017 Moya Financial Scholarship Winners:*  
***Natalie Marentič & Jacqueline Anne Pinnington***





# SERVICES SUMMARY



## BANKING SERVICES

Chequing Account  
Daily Interest Savings Account  
Savings Account  
Trust Account  
US Funds Account  
Business Chequing Account

## CREDIT SERVICES

### Lines of Credit

Commercial Line of Credit  
Personal Line of Credit  
Home Equity Line of Credit (HELOC)

### Loans

Car Loan  
Commercial Loan  
Government Guaranteed Loan  
RRSP Loan

### Mortgages

Commercial | Residential

## INVESTMENT SERVICES

Growing-Rate Term Deposit  
Index-Linked Term Deposit  
Mutual Funds  
Non-Redeemable Term Deposit  
Redeemable Term Deposit

*Coming Soon*

Credit Cards  
Enhanced Online Banking Features  
Improved Business Services  
Refreshed Website

## ACCOUNT ACCESS SERVICES

MemberCard DebitCard  
Mobile Banking App  
Deposit Anywhere™

### Online Banking

e-Statements  
Interac e-Transfer®  
Increased Authentication

## ADDITIONAL SERVICES

Bill Payments  
Deposit Insurance  
Direct Deposit  
Moya Financial Scholarship  
Primary Cheque  
Safety Deposit Box  
Travel Insurance  
Wire Transfers

## REGISTERED PLANS

Registered Education Savings Plan (RESP)  
Registered Retirement Income Fund (RRIF)  
Registered Retirement Savings Plan (RRSP)  
Tax-Free Savings Account (TFSA)







### Moya Financial Credit Union

725 Brown's Line, Toronto, ON M8W 3V7  
Tel: 416-255-1742 Toll Free: 1-888-728-1742  
Email: [main@moyafinancial.ca](mailto:main@moyafinancial.ca)

#### Hours of Operation

Mon, Tues & Wed: 9:30 AM – 4:30 PM  
Thur & Fri: 9:30 AM – 7:00 PM  
Sat\*: 9:00 AM – 1:00 PM

\*Closed on holiday weekends.



### Hamilton Branch

Villa Slovenia, 23 Delawana Drive,  
Hamilton, ON L8E 3N6  
Tel: 905-578-7511  
Email: [hamilton@moyafinancial.ca](mailto:hamilton@moyafinancial.ca)

#### Hours of Operation

Tues: 12:00 – 6:00 PM  
Thur & Fri: 12:00 – 5:00 PM  
Sat\*: 9:00 AM – 12:00 PM

\*First and third Saturday of the month, except on holiday weekends.

Closed on Saturdays starting Victoria Day weekend through and including Labour Day weekend.

### Manning Branch

611 Manning Avenue, Toronto, ON M6G 2W1  
Tel: 416-531-8475

#### Hours of Operation

First Fri of the month: 10:30 AM – 2:00 PM

Moya Financial is a business name used by  
Moya Financial Credit Union Limited.





Visit us online at [moyafinancial.ca](https://moyafinancial.ca)



[/moyafinancial](https://www.facebook.com/moyafinancial)



[@moyafinancialCU](https://twitter.com/moyafinancialCU)



[@moyafinancial](https://www.instagram.com/moyafinancial)