

## Normalized Financial Statements

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We have included a presentation of financials to help readers compare results. It was felt that this would be helpful given that the audited financial statements offer two significant changes year over year. First, the 2015 reporting period includes only the results of the former SCU. Second, the 2016 results, while combined, also include three additional months given the differing reporting periods and required December 31 year-end.

For greater clarity, due to the different fiscal year-ends of the legacy credit unions the statement of income for the amalgamated credit union required a 15-month period in accordance with International Financial Reporting Standards (IFRS – Business Combinations). The fiscal year-end of the former KSCU credit union was December 31 whereas for the former SCU credit union the year-end was September 30. The results for the final quarter of 2015 (October 1/15 to December 31/15) for SCU were incorporated into the 15-month results for Moya CU for 2016.

To obtain an accurate comparison between the 2016 and 2015 results the 15-month results were normalized to reflect a 12-month period. The results for the 2015 fourth quarter for the legacy SCU credit union were removed from the 2016 period and included in the 2015 period and the results for the 2014 final quarter for SCU credit union were removed from the 2015 results.

For the statement of financial position the assets, liabilities, and equity for each of the two legacy credit unions as at December 31, 2015 were summed to reflect the numbers of the amalgamated Moya Financial Credit Union Limited.

In no way do we wish to discount the importance of the audited financial statements and our only hope in providing the attached presentation is to help in a year over year comparison. Should you have any questions, we invite you to contact us by phone, email or in person and we would be very pleased to review all of this in greater detail.

For more information:

- Call (416) 252-6527 or email [main@moyafinancial.ca](mailto:main@moyafinancial.ca).
- Come in to our Corporate Office at 747 Brown's Line.

## SUMMARY STATEMENT OF FINANCIAL POSITION

In \$	31-Dec-16	31-Dec-15
<b>Assets</b>		
Cash	8,724,644	13,120,851
Investments	62,986,395	77,087,897
Member Loans	148,623,986	127,433,588
Prepaid Expenses	83,306	36,413
Deferred Income Taxes	-	134,226
Interest Rate Swaps	532,391	-
Property & Equipment	1,766,110	1,213,046
Intangible Assets	401,362	-
	<b>223,118,194</b>	<b>219,026,021</b>
<b>Liabilities</b>		
Member deposits	204,769,735	202,769,594
Accounts Payable and accrued liabilities	358,825	227,094
Taxes Payable	290,551	312,723
Deferred Incomes taxes	169,873	175,678
Interest Rate Swaps	-	105,146
Member shares	659,711	697,179
	<b>206,248,695</b>	<b>204,287,414</b>
<b>Member's Equity</b>		
Contributed Surplus	8,352,253	-
Retained Earnings	8,244,507	14,313,456
Accumulated and Other Comprehensive Income	272,739	425,151
	<b>16,869,499</b>	<b>14,738,607</b>
	<b>223,118,194</b>	<b>219,026,021</b>

## SUMMARY STATEMENT OF INCOME

In \$	31-Dec-16	31-Dec-15
<b>Interest income</b>		
Member loans	4,590,108	4,247,321
Investments	1,157,856	1,351,926
	<b>5,747,964</b>	<b>5,599,247</b>
<b>Interest expense</b>		
Member deposits	2,072,052	2,171,803
<b>Net interest income</b>	<b>3,675,912</b>	<b>3,427,444</b>
<b>Provision for (recovery of) impaired loans</b>	<b>18,941</b>	<b>681</b>
<b>Net Interest income after provision for impaired loans</b>	<b>3,656,971</b>	<b>3,426,763</b>
<b>Other Income</b>	<b>345,054</b>	<b>354,976</b>
<b>Net Interest and Other Income</b>	<b>4,002,025</b>	<b>3,781,739</b>
<b>Operating Expenses</b>		
Administrative Expenses	1,492,903	1,556,085
Salaries & Benefits	1,565,106	1,568,788
	<b>3,058,009</b>	<b>3,124,873</b>
<b>Income before other items</b>	<b>944,016</b>	<b>656,866</b>
<b>Other items</b>		
Amortization of amalgamation fair value adjustments	- 264,831	-
Unrealized gain / (loss) on interest rate swap agreements	646,035 -	30,790
<b>Income before income taxes</b>	<b>1,325,220</b>	<b>626,076</b>
<b>Income taxes</b>		
Current	436,176	121,429
Deferred	- 185,511 -	6,824
	<b>250,665</b>	<b>114,605</b>
<b>Net Income</b>	<b>1,074,555</b>	<b>511,471</b>