



Improving lives
& strengthening
communities.

Pen
Financial
Credit Union

2017
Annual Report

Our Commitment

OUR MISSION

**At PenFinancial Credit Union,
we improve lives and
strengthen communities.**

OUR VISION

**We will be your truly local financial partner
of choice, committed to inclusive and
authentic relationships. Trust us to make
your experience personal and simple.**

OUR VALUES

Accountability

We take ownership for success while ensuring inclusivity, social responsibility and cooperative principles.

Passion

We deliver personal service by listening, guiding, nurturing and caring.

Integrity

We develop trusting relationships and maintain the highest ethical standards.

Respect

We build mutual respect through honest and authentic relationships.

Knowledge

We are committed to continuous learning.



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**We are proud ambassadors
of PenFinancial Credit Union.**

**Pen
Financial**
Credit Union



Improving lives and supporting communities means much more than simply offering financial support.

At PenFinancial, our values support *Our Commitment* to improve lives and strengthen communities across the Niagara Peninsula. Our vision is to be your truly local financial partner of choice, committed to inclusive and authentic relationships. Trust us to make your experience personal and simple.

Our members are owners and when you open an account, you become a member, hold a share, and have a say. We are locally based and owned by residents and businesses in our communities. Whether you're buying your first home,

opening a small business or planning your retirement, we've got everything you need. We place a high value on the timely, professional advice we provide, which will help you through all the stages of your life.

Supporting our communities means much more than simply offering financial support. Through sharing our expertise, we can proudly say that we truly support the communities where we live and work.

No matter how we grow, we always remember where we came from and what separates us from other financial institutions. It's our caring and nurturing nature that makes the difference. We put the humanity back into banking.

Report from the Board Chair



What stands out most about PenFinancial Credit Union is our culture and institutional values. Our mission to “improve lives and strengthen communities” signifies our commitment to our members.

The members are the “owners”, which includes the members, the employees, the senior management team, the CEO and the Board of Directors. We are a financial cooperative comprised of “people helping people” to assist with our financial needs.

Since the last AGM, it has been a busy and productive year at PenFinancial Credit Union. Some exceptional accomplishments that illustrate our successful year are:

- The opening of the new Fonthill Branch in a growing and vibrant community.
- The ground breaking and construction of the Fourth Avenue Branch in St. Catharines.
- The development and implementation of a new multi-year strategic plan with consulting assistance from Crosswater Partners. A new balanced scorecard approach will be introduced to align business activities with our strategic goals and vision.



- A successful share offering campaign of approximately \$5.7 million.
- An increase in assets leading to a year-end total of \$579M.

As a result, PenFinancial Credit Union will be better positioned to serve the population and commercial growth occurring in our communities. New members will join our family and benefit from our “truly local banking” services.

The more our credit union grows, the more work, more branches, and more jobs at PenFinancial. It also means more money being **invested back into our community.**

Our experienced Board of Directors are committed to providing effective corporate governance and stewardship. They regularly attend meetings, participate

“PenFinancial Credit Union is strategically aligning for a remarkable future.”

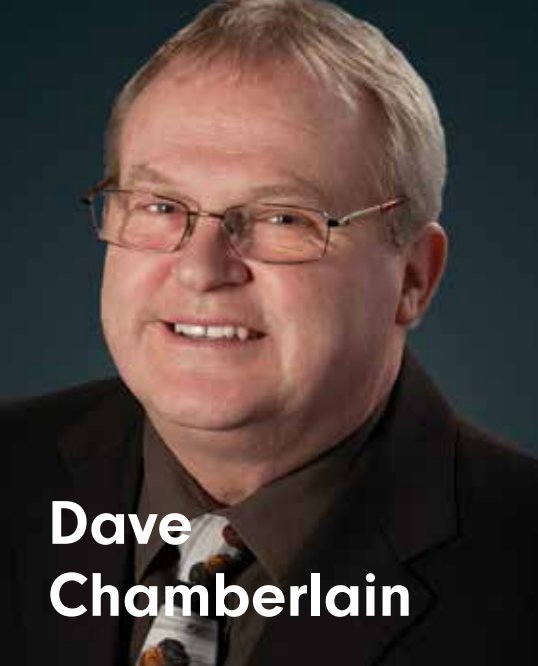
on committees and through educational opportunities maintain a strong competency rating as required by the Regulator. I am appreciative of the Board’s dedication and it has been an honour to serve this past year as your Chair.

I would also like to express my appreciation and congratulations to the whole PenFinancial Team. Your hard work and devotion is what has led to our many accomplishments.

I look forward to the challenges and successes of 2018. PenFinancial Credit Union is strategically aligning for a remarkable future.

David Jastrubecki

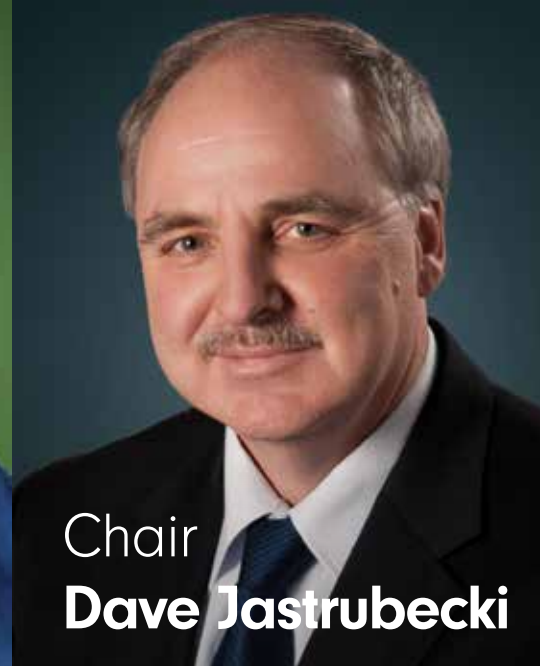
Chair, Board of Directors
PenFinancial Credit Union



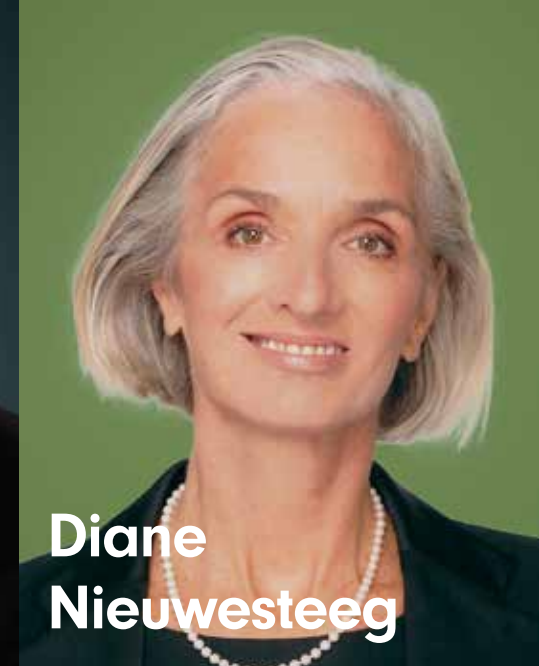
Dave Chamberlain



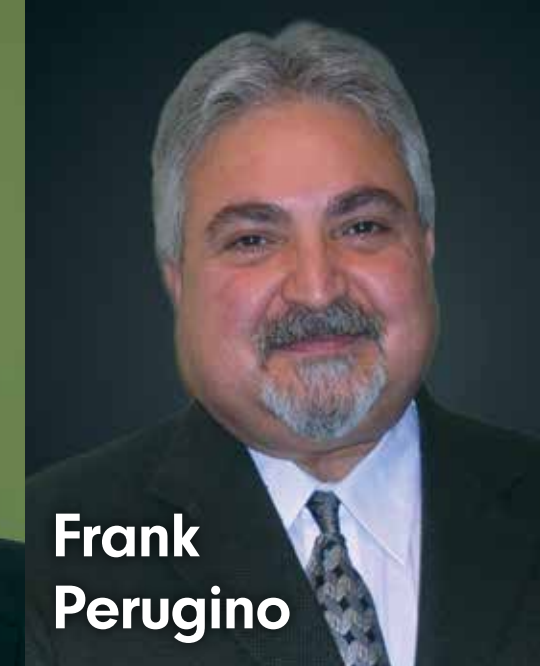
Vice Chair
Steve Gandour



Chair
Dave Jastrubecki



Diane Nieuwesteeg



Frank Perugino



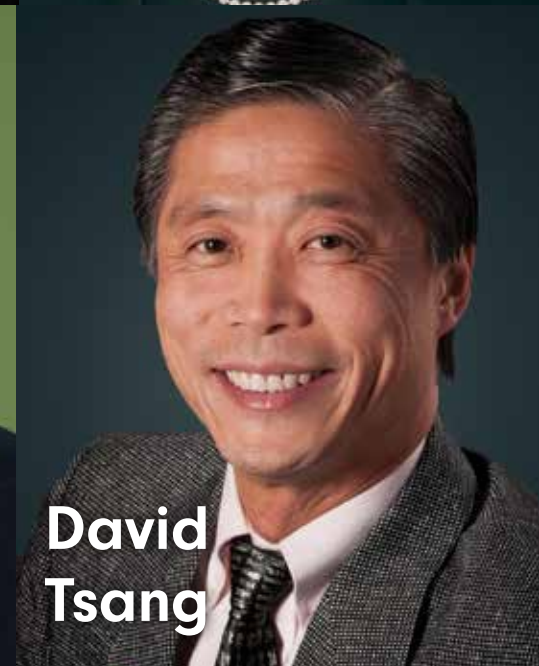
Kirbi Simpson



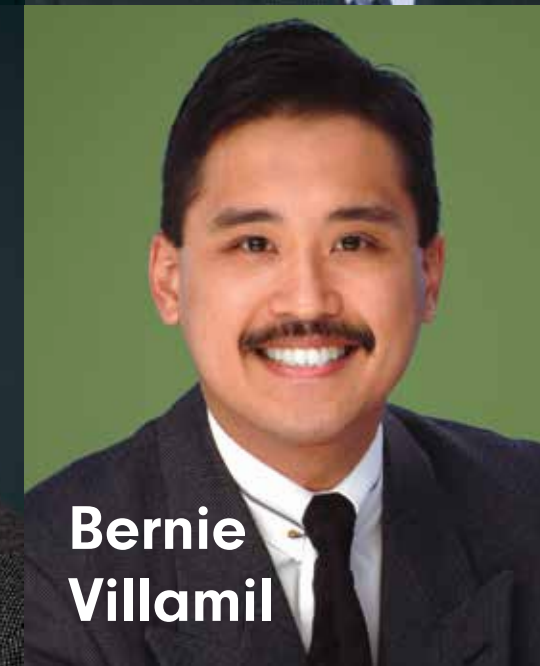
Reg Sonnenberg



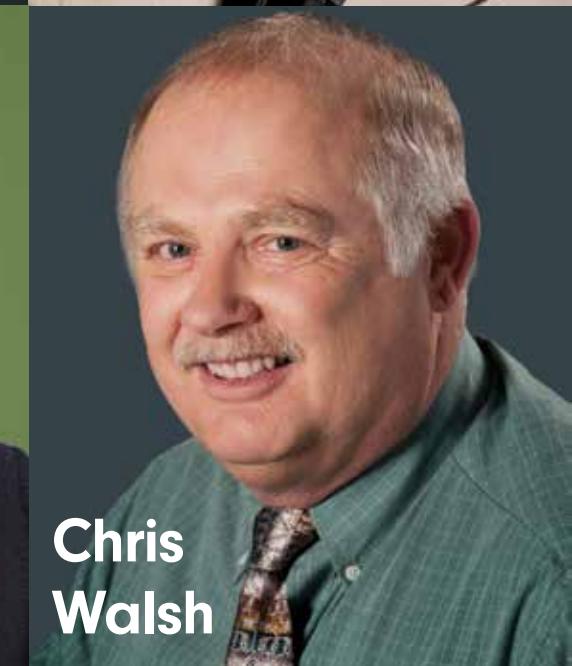
Rick Tabaka



David Tsang



Bernie Villamil



Chris Walsh

Board of Directors

Report from the Chief Executive Officer

During 2017, the Credit Union achieved our financial goals while improving services for our existing members as well as the over 1,200 new members who chose PenFinancial as their financial partner of choice. We were able to build upon our foundation for the continued growth and enhancement of services. In achieving our goals, we were able to adapt to an ever-changing economic environment and, more importantly, the ongoing needs of our membership and the communities we serve.



We continue to be guided by our mission statement of “Improving Lives and Strengthening Communities”. The Board of Directors and our employees continue to be aligned in achieving this for our members and will strive for continual improvement. I’m pleased to advise the highlights listed below represent substantial progress towards meeting our mission.

Highlights of 2017

The Credit Union continued its pattern of substantial growth with assets increasing by \$43 million to end the year at \$579 million dollars. This represents an annual growth rate close to 8%. The strong economic environment in Niagara, most notably in housing coupled with pending changes to government qualification rules for mortgages, created substantial demand by our membership resulting in close to \$58 million of lending growth (approximately 12.62%). This growth was in the form of retail residential credit as well as the continued expansion of our commercial offering. We also continue to support our membership’s growth through the expansion of our wealth offering.

Our capital foundation was strengthened by the \$5.7 million dollar investment by our members in the *Niagara Shares* campaign and strong after-tax earnings from operations. Our year end Capital Adequacy Ratio stood at 7.51%, which is an improvement over the December 2016 level of 6.98% and above the average ratio of our peers at 6.81%. This strong capital position allows for future growth of our Credit Union including capital projects such as new branch construction and renovation. During 2017 our branch network was improved with the following:

- Construction of the new Fonthill branch which opened with a soft launch in December and our grand opening in January 2018. This 2,500 sq. ft. state of the art facility will serve us well in the growing Pelham community.
- Expansion of our Bunting Road location facilitates continued growth in this busy branch and provides an increased footprint to better serve our membership in the north end of St. Catharines.
- Renovations to our Dunnville branch enhance our service capabilities for members in this market.

- Commencement of construction of our new 5,000 sq. ft. Fourth Avenue location in St. Catharines with completion slated for early summer 2018. This new facility will not only provide enhanced service capabilities to our Lake Street members, but also offer “Truly Local Banking” to the west end of St. Catharines. It should also be noted that this branch will house a meeting space in support of local community groups.

While we continue to build relationships through individual, personalized service in our branch network, we balance this by continuing to expand our digital offerings in a secure, member friendly way. To that end, we were pleased to launch:

- Personal Financial Management (PFM) tools into an online and mobile banking platform offering members a seamless way to track their spending and expenses, set and monitor budgets and link their accounts held at other financial institutions.
- Interac Flash – Canada’s first contactless debit solution – allows members to pay for everyday purchases quickly, securely and conveniently by simply holding an Interac Flash-enabled bank card in front of the reader at checkouts.

- New Mastercard credit card products including a US card and business card suite, offered through Collabria, a Canadian company that provides credit card services for credit unions across Canada.

Our provincial regulator DICO (Deposit Insurance Corporation of Ontario) conducted its bi-annual examination of our organization in late 2017. I am pleased to report our results met the threshold of a level 1 rating which indicates sound operations, business practices and governance.

“Part of any successful organization are the employees.”

In 2017, the Board and Management, in collaboration with the employee network, developed a new 5-year strategic plan to ensure the path of our Credit Union moving forward is one of growth and stability. This will serve all members well.

Part of any successful organization are the employees. To this end, we continued to invest in our employees through training and enhanced employee engagement through surveys to support communication and understanding of successes and opportunities moving forward.

We also continue to support our communities through PenFinancial’s Community Investment program. This program supports a cross section of organizations in Niagara, and in 2017 we were proud to invest over \$100,000 on behalf of our members. I encourage you to read the report from the Member & Community Relations Committee for more details.

In Closing

The success of 2017 is the culmination of support from many stakeholders. Our membership continues to be the centre of this success, followed by our dedicated employees and a supportive Board of Directors. I would like to acknowledge Frank Perugino, who will be retiring from the Board in April 2018. Frank has served the Credit Union at the highest level for 25 years.

We have made great strides of which we should all be very proud. As we reflect on a positive year, let us look forward to 2018 that will bring further growth to an already strong PenFinancial Credit Union.

Respectfully submitted,

Ken Janzen

Chief Executive Officer

Our Community Investment Program Pillars:

- Education
- Social Wellness
- Economic Vitality
- Active Communities

In 2017, 10% of our pre-tax profits we re-invested through our Community Investment Program, supporting over 30 truly local organizations.

Just a few of our Community Investments in 2017

- PenFinancial Community Leadership Scholarships at Brock University and Niagara College
- Education Foundation of Niagara's Prom Project
- Niagara Nutrition Partners Breakfast Gala
- Wellspring Niagara Capital Campaign donation and Wellspring Winter Walk
- Welland Business Improvement Association's Feast Street
- Stamford Volunteer Firefighter's Annual Easter Egg Hunt
- One Foundation
- Niagara Health's Kid's Ultimate Challenge
- Team ENERGI Financial Literacy Programming
- Fonthill Rotary Club's Niagara Mudfest Challenge
- Fort Erie Chamber of Commerce International Women's Day
- Dunnville Mudcat Festival
- Family and Children's Services Niagara New Outlooks and Beginnings Program

As a truly local co-operative organization, it's in our DNA to support the communities we serve. Through our Community Investment Program, we've invested over \$100,000, plus our time, knowledge and expertise to support a variety of charities and organizations that align with our Investment pillars:

- Education
- Social Wellness
- Economic Vitality
- Active Communities

Niagara is home to all of us, so we have a vested interest in ensuring we do what we can to work and grow together to make our communities strong, vibrant, healthy and sustainable.



1



2



9



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1

Over \$7,700 was raised at the Annual Bonnie Barron Glo Ball Tournament in support of Hospice Niagara and Wellspring Niagara.

2

We were proud to sponsor and participate in the Community Crew's Bonspiel fundraiser! The event raised over \$16,000 which will provide 500 lunches for kids at local Niagara schools.

3

Our Lake Street Branch Manager, Chris Heckley, dropped by Hospice Niagara to present them with a cheque for being our Community ATM recipient charity for the month of February.

4

The PenFi team volunteered at the OneFoundation for Niagara Health System Kids Ultimate Challenge and also had many PenFi kids participating in this spectacular Niagara event!

5

PenFinancial Employees organizing our Skates for Kids storage unit to gear up for another great year on the ice!

6

Sarah from our Huggins branch helps two Richmond Street School kids on the ice during our Skates for Kids Day.

7

Our partnership with Niagara Peninsula Home's Team ENERGI program provides participants with financial literacy training as well as a matched savings program to help towards a specific savings goal. This is truly a life changing program!

8

The PenFinancial Pelham Panthers hockey team is just one of many house league teams we sponsor under our "Active Communities" pillar.

9

Linda and our Bunting Road team donated backpacks filled with school supplies to Community Care of St. Catharines and Thorold.

10

Little 3 year old Eli inviting our Members to bring a new unwrapped toy to the PenFi Bunting Rd branch. All toys were donated to Community Care of St. Catharines and Thorold.



Chair
Cliff Priest



**Evan
Acs**



**Joanna
Amodeo**



**Mike
Cowan**



**Kathy
Hunermund**



**Jada
Nicklefork**



Vice Chair
Steve Gandour

Member & Community Relations Committee



Report from the Member & Community Relations Committee



The role of the Member and Community Relations Committee is to support objectives that maximize member and community engagement in our Credit Union and foster self-reliant, sustainable Niagara communities. Additionally, the Committee gains assurance that appropriate processes are in place to communicate effectively with members and other stakeholders. The Committee is also responsible for reviewing all policies related to member privacy, member concerns and member communications, as well as annually electing a nomination subcommittee to assist with Board recruitment.

Nurturing Relationships to Help our Members Grow

During 2017, our Committee was focused on connecting with our communities and engaging our members in our Credit Union to support our vision of making PenFinancial the truly local financial partner of choice while continuing to support our strong corporate social responsibility history. Over the year, we initiated many new programs that have positively impacted our level of community engagement, while reaching some exciting milestones along the way.



Milestones

- **Financial Literacy** is a strong focus for PenFinancial Credit Union. We know that everyone should have the opportunity to learn the skills and have the knowledge to make informed and effective financial decisions. Just like we invest in our employee education program, we are also committed to grow the financial capacity of our community stakeholders by providing opportunities that will develop strong money management skills.
- Our in-school **Financial Literacy** presentations continued to be very popular with both the DSBN and NCDSB. In 2017, our employees delivered 12 workshops to students in elementary and secondary schools.
- We are proud to have continued our **Life Events** member workshop series including a Fraud Prevention workshop and a Truly Local “Boss Lady” small business seminar. Thanks to the support of our Advisors, we also entered the third year of our partnership with Niagara Peninsula Homes (NPH), bringing the Independent Development Account (IDA) to Niagara. This Growth IDA is open to participants of the NPH’s Team ENERGI Program (a work experience program for youth with barriers to employment). The IDA is a matched savings program which encourages participants to save towards a particular goal which will assist them to move from poverty to prosperity. Participants

must attend group-based financial literacy workshops along with one-on-one coaching sessions led by the PenFinancial team, to enhance their level of financial awareness.

- We also continued to support the Job Gym in Welland, providing monthly financial literacy sessions to clients who are entering the work force in Niagara.
- 19 students entered our Sprowt.ca Video Scholarship contest in 2017 and we awarded \$4,000 in scholarship prizes to five winning entries.

- Our **Community Investment Program** supported over 30 truly local organizations, events and activities that contribute to improving lives and strengthening communities across Niagara. In addition to monetary support, our employees also donated time and expertise by fundraising in our branches, volunteering time at events and providing expertise on Boards and Committees. Our Member and Community Relations Committee had the pleasure of leading the investment of over \$100,000 to organizations that contribute to improving lives and strengthening communities across our operating geography.
- Through our **Community Investment Program**, we were very proud to invest in the new Wellspring Niagara Cancer Care Support Centre with a \$25,000 pledged donation in support of their new 11,000 square foot facility, which will open in September 2018.
- **Member and Community Relations** are important to our credit union as while we exist to provide excellent advice, good value and quality and innovative products and services at a fair price, it is the relationships we nurture that are truly our greatest asset.
- Our **Community ATM Program** donated over \$3,000 to 12 local not-for profit organizations in 2017. We encourage members to use this special drive thru ATM, located on Schmon Parkway in Thorold. Each month of the year, we donate 50 cents per withdrawal to a local Niagara charity.

Co-operatively yours,
E. Acs, J. Amodeo, M. Cowan,
S. Gandour, K. Hunermund, J. Nicklefork, C. Priest (Chair),

Over \$100,000
(that’s 10% of our pre-tax earnings)
was invested in our communities in 2017.

Report from the Governance & Human Resources Committee

Looking for some truly local financial advice? Visit trulylocaladvice.ca

The Governance & Human Resources Committee is comprised of five (5) directors who are appointed each year from and by the Board of Directors. Any member of the Board of Directors may attend the meetings of this Committee as a participant; however, they do not have a vote on matters placed before the Committee. Collaboratively, the Committee works with management to monitor the regulatory environment and corporate governance trends to identify opportunities for development and growth.



Three areas of responsibility:

- Ensures that governance practices evolve with the needs of the Credit Union. The Committee makes certain that Board members have adequate development and succession plans, the Board is accountable to stakeholders, and that duties and regulatory requirements are fulfilled.
- Assists in protecting the reputation of PenFinancial through the oversight of the development and monitoring of ethical conduct policies followed by directors and employees of the Credit Union.
- Ensures Human Resources policies are in place to provide PenFinancial employees with fair and meaningful employment in a safe and respectful workplace.



The Governance and Human Resources Committee is pleased to report that throughout 2017 all responsibilities were carried out in accordance with the Terms of Reference assigned to it by the Board of Directors. The following briefly outlines a few of the many important initiatives with which the Committee was involved:

- Reviewed, redesigned, and conducted the performance review for the CEO based on industry standards.



Our employees have a lot of reasons to enjoy working at PenFinancial. **Learn more at trulylocalcareers.ca**

- Performed annual Board self-assessment, and have begun processes for Committee self-assessments that align with each terms of reference.
- Reviewed all governance related policies for relevance, and recommended changes to the Board of Directors.

PenFinancial Credit Union has always been committed to governance excellence, as we believe this is essential to our continued success and maintaining your trust. We pledge to ensure our level of governance grows with our Credit Union so that we may thrive and be even stronger in the future.

Respectfully submitted by your 2017 Governance Committee,

*Kirbi Simpson (Chair),
Rick Tabaka, Bernie Vilamill,
Dave Jastrubecki, Dave Chamberlain*



Report from the Audit & Risk Committee

Friends and Family Referral Program

Cash for you
+ your friend!

Let your friends and family know just how much you care for them by introducing them to the amazing difference of PenFinancial. **Visit trulylocalreferrals.ca**

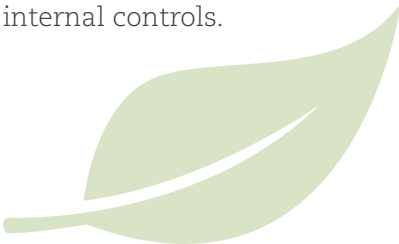


PenFinancial Credit Union Limited maintains an Audit & Risk Committee in accordance with Section 125 of the Credit Union and Caisses Populaires Act of 1994, and Ontario Regulation 237/09. The Committee, which consists of five Directors, has a mandate to cover all the duties which are specified to be performed by Audit Committees in the Act and accompanying Regulations.

The primary role of the Committee encompasses four critical oversight responsibilities:

- Review of financial reporting;
- Risk management and controls;
- Audit activities;
- Compliance activities.

The Audit and Risk Committee has received and reviewed the Audited Financial Statements for the year ending December 31, 2017 from our auditors, Deloitte LLP, Chartered Professional Accountants. Our auditors have expressed an opinion that the financial statements present fairly the financial position and results from operations of the Credit Union, and are free of material misstatement. Additionally, the auditors, through their Management Letters, have indicated that their examination has not raised any significant concerns with our procedures or internal controls.



The Audit & Risk Committee held 6 meetings during 2017 and has undertaken the following significant activities during the year:

- Reviewed and made recommendations to the Board of Directors regarding the annual external audit engagement letter, scope and plan of the audit and the audit management letters;
- Reviewed the Internal Auditor's letter of engagement, audit plan, internal audit reports, quarterly checklists and evaluated the effectiveness of the internal audit functions;
- Oversaw the Enterprise Risk Management program including reviewing the ERM Committee's quarterly reports to ensure compliance with approved tolerance and risk appetite levels as well as compliance to Board policy;
- Reviewed all audits by external stakeholders and approved Management's response to them for any identified area of risk;
- Reviewed and made appropriate changes to policies and procedures to ensure internal controls were in place;
- Ensured the continued testing of the Credit Union's Business Continuity Plan;
- Participated in various training opportunities, seminars and conferences to ensure directors' knowledge and skills are current and up to date as expected by our regulators;
- Initiated an RFP process whereby proposals for both external and internal audit services would be received in December 2017 and reviewed in January 2018.

The Audit and Risk Committee is satisfied that the Credit Union's procedures, policies and internal controls engaged by Management in conducting the business of PenFinancial are in accordance with the Act and Regulations, and International Financial Reporting Standards.

To the best of the Committee's knowledge, there is no known matter requiring disclosure to the members pursuant to the Act or Regulations at this time.

Thank you to the staff, management and fellow Committee members for their support and cooperation for the fine work we jointly accomplished in 2017.

Respectfully submitted by your 2017 Audit & Risk Committee,

David Tsang (Chair), Diane Nieuwesteeg, Frank Perugino, Reg Sonnenberg, Chris Walsh

2017 Meeting Attendance

Member & Community Relations Committee

Name	M and CR Committee Meetings Attended in 2017	Honorarium Received in 2017	Place of Residence
Cliff Priest, Chair	3/4	\$750	St. Catharines
Evan Acs	4/4	\$840	St. Catharines
Joanna Amodeo	4/4	\$805	Virgil
Mike Cowan	4/4	\$575	Dunnville
Kathy Hunermund	4/4	\$690	Vineland
Jada Nicklefork	3/4	\$575	Thorold

Member & Community Relations Committee

	2017
Total Honorarium	\$4,235

- C. Priest (Chair of Member & Community Relations Committee)

Board of Directors

	2017
Total Honorarium	\$59,950
Total Expenses (including education, conferences & other related items)	\$60,796
Total Board Expenses	\$120,746

Board of Directors

- In 2017, there were 5 additional board meetings
- K. Simpson (Chair of Governance & Human Resources Committee)
- D. Tsang (Chair of Audit and Risk Committee)

Name	Board Meetings Attended in 2017	Committee Meetings Attended in 2017 (incl. Audit & Risk, Governance & HR and M&CR committees)	Honorarium Received in 2017	Place of Residence
Dave Jastrubecki, Chair	11/11	5/6	\$6,425	St. Catharines
Steve Gandour, Vice Chair	11/11	3/4	\$5,175	Dunnville
Dave Chamberlain	11/11	6/6	\$4,800	St. Catharines
Diane Nieuwesteeg	11/11	6/6	\$4,800	Niagara Falls
Frank Perugino	10/11	6/6	\$4,800	Niagara Falls
Kirbi Simpson	10/11	5/6	\$5,550	Wainfleet
Reg Sonnenberg	11/11	6/6	\$6,050	Niagara Falls
Rick Tabaka	9/11	6/6	\$4,800	Niagara Falls
David Tsang	10/11	6/6	\$5,550	Welland
Bernie Villamil	10/11	5/6	\$4,800	Niagara Falls
Chris Walsh	11/11	6/6	\$4,800	Niagara Falls
Darryl Clemens (Term Expired April 2017)	2/3	1/1	\$2,400	Fort Erie



2017 Summarized Financial Statements



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Report of the Independent Auditor on the Summarized Financial Statements

To the Members of PenFinancial Credit Union Limited

The accompanying summarized financial statements, which comprise the summarized statement of financial position as at December 31, 2017, and the summarized statement of comprehensive income and summarized statement of changes in members' equity for the year then ended, are derived from the audited financial statements of PenFinancial 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 22, 2018.

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

Management's Responsibility for the Summarized Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements in accordance with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the summarized 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 summarized financial statements derived from the audited financial statements of PenFinancial Credit Union Limited for the year ended December 31, 2017 are a fair summary of those financial statements, in accordance with International Financial Reporting Standards.

Chartered Professional Accountants
Licensed Public Accountants
February 22, 2018

Summarized Statement of Comprehensive Income

Year ended December 31, 2017
(in Canadian dollars)

	2017	2016
	\$	\$
Interest income	18,048,131	16,592,812
Investment income	1,334,638	411,521
	19,382,769	17,004,333
Interest expense	6,078,218	5,869,075
Other interest expense	843,485	596,654
	6,921,703	6,465,729
Net interest income	12,461,066	10,538,604
Provision for impaired loans	(341,589)	(127,975)
Net interest margin	12,119,477	10,410,629
Net gain from other financial instruments carried at fair value through profit or loss	4,006	28,476
(Loss) gain on sale of property and equipment	(24,298)	435,500
Other income	2,671,834	2,584,086
Total operating income	14,771,019	13,458,691
Deposit insurance premium	344,422	322,964
General and administrative	3,909,759	3,882,310
Occupancy	1,466,878	1,356,628
Personnel	7,206,826	6,573,567
Total operating expenses	12,927,885	12,135,469
Amalgamation expenses	10,341	298,213
Dividends on Class B special shares	58,922	53,143
	69,263	351,356
Income before income taxes	1,773,871	971,866
Income tax expense	231,206	189,800
Net income	1,542,665	782,066
Other comprehensive (loss) income, net of income taxes	(533,508)	21,411
Total comprehensive income	1,009,157	803,477

Summarized Statement of Changes in Members' Equity

Year ended December 31, 2017 (in Canadian dollars)

	Class B Special Shares	Membership Shares	Retained Earnings	Accumulated Other Comprehensive Income	Total
	\$	\$	\$	\$	\$
As at January 1, 2016	15,311,237	213,535	16,248,210	775,822	32,548,804
Total comprehensive income	–	–	782,066	21,411	803,477
Business combination	–	–	1,841,784	–	1,841,784
Total dividends declared on Class B special shares	–	–	(531,431)	–	(531,431)
Dividends declared on Class B special shares qualifying as liabilities reclassified to expense	–	–	53,143	–	53,143
Dividends reinvested in Class B special shares	531,431	–	–	–	531,431
Net shares issued	41,889	69,906	–	–	111,795
Class B special shares reclassified to liabilities	(57,333)	–	–	–	(57,333)
As at December 31, 2016	15,827,224	283,441	18,393,772	797,233	35,301,670
Total comprehensive income (loss)	–	–	1,542,665	(533,508)	1,009,157
Total dividends declared on Class B special shares	–	–	(660,627)	–	(660,627)
Dividends declared on Class B special shares qualifying as liabilities reclassified to expense	–	–	58,922	–	58,922
Dividends reinvested in Class B special shares	589,216	–	–	–	589,216
Net shares issued	4,992,966	–	–	–	4,992,966
Net shares redeemed	–	(58,679)	–	–	(58,679)
Class B special shares reclassified from liabilities	20,204	–	–	–	20,204
As at December 31, 2017	21,429,610	224,762	19,334,732	263,725	41,252,829

Summarized Statement of Financial Position

As at December 31, 2017 (in Canadian dollars)

	2017 \$	2016 \$
Assets		
Cash	3,012,416	21,422,561
Investments	44,098,036	42,253,144
Loans to members	521,577,047	463,117,335
Other Assets	683,519	635,835
Investment in joint venture	77,487	77,487
Property and Equipment	9,451,262	8,669,434
Intangible Assets	355,838	485,671
	579,255,605	536,661,467
Liabilities		
Deposits from members	466,443,217	458,183,870
Borrowings	18,500,000	–
Other liabilities	7,891,782	1,793,342
Mortgage securitization liability	43,135,862	39,148,803
Current income tax liability	145,585	142,014
Deferred income tax liability	147,952	333,186
Class B special shares	1,738,378	1,758,582
	538,002,776	501,359,797
Members' equity		
Membership shares	224,762	283,441
Class B special shares	21,429,610	15,827,224
Retained Earnings	19,334,732	18,393,772
Accumulated other comprehensive income	263,725	797,233
	41,252,829	35,301,670
Total	579,255,605	536,661,467



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