



2017
Summarized
Financial
Statements

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Independent Auditors' Report

To the Members of DUCA Financial Services Credit Union Ltd.

The accompanying summary consolidated financial statements of DUCA Financial Services Credit Union Ltd., which comprise the consolidated statement of financial position, the consolidated statement of comprehensive income, and the consolidated statement of changes in equity for the year then ended, and related notes, are derived from the complete audited consolidated financial statements, prepared in accordance with International Financial Reporting Standards, of DUCA Financial Services Credit Union Ltd. as at and for the year ended December 31, 2017.

We expressed an unmodified audit opinion on those complete consolidated financial statements in our auditors' report dated February 28th, 2018.

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

Management's Responsibility for the Summary Consolidated Financial Statements

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

Auditors' Responsibility

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

Opinion

In our opinion, the summary consolidated financial statements derived from the complete audited consolidated financial statements of DUCA Financial Services Credit Union Ltd. as at and for the year ended December 31, 2017 are a fair summary of those complete consolidated financial statements, in accordance with the basis described in Note 1.



Chartered Professional Accountants, Licensed Public Accountants

February 28, 2018
Toronto, Canada

Consolidated Statement of Financial Position

(thousands of Canadian dollars)

	As at December 31,	2017	2016
Assets			
Cash and cash equivalents		86,743	135,222
Investments		247,378	255,458
Member loans		2,425,612	2,064,405
Other assets		2,800	1,362
Property and equipment		11,168	12,437
Deferred tax asset		2,475	5,772
Goodwill		1,678	1,678
Total Assets		2,777,854	2,476,334
Liabilities And Members' Equity			
Liabilities			
Member deposits		2,027,463	1,868,667
Securitization liabilities – mortgage-backed security liabilities		535,709	434,559
Borrowings		34,500	–
Accounts payable and accrued liabilities		8,052	6,756
Income taxes payable		417	1,849
Patronage return and dividend payable		1,179	2,021
Deferred revenue		2,276	3,522
Members' shares		1,222	1,407
Total Liabilities		2,610,818	2,318,781
Equity			
Members' shares		82,023	84,256
Retained earnings		85,013	73,297
Total Equity		167,036	157,553
Total Liabilities and Members' Equity		2,777,854	2,476,334

Consolidated Statement of Comprehensive Income

(thousands of Canadian dollars)

For the year ended December 31,

2017

2016

Interest And Other Income		
Interest income		
Interest on Member loans	89,613	83,757
Other interest	3,978	3,194
Total Interest Income	93,591	86,951
Interest expenses		
Interest on Member deposits	36,745	35,424
Borrowings and securitizations	8,786	7,149
Total Interest Expenses	45,531	42,573
Net Interest Income	48,060	44,378
Other income	8,650	7,386
Net interest and other income	56,710	51,764
Provision (recovery) for credit losses	(417)	2,363
Net interest and other income after provision for credit losses	57,127	49,401
Operating Expenses		
Salaries and benefits	18,150	16,231
Occupancy	2,815	2,817
Depreciation and amortization	1,359	2,694
Deposit insurance	1,755	1,382
Directors and committees	410	391
Loss (gain) on derivative instruments	69	(8)
Zenbanx Canada Inc.	–	4,305
Other operating and administrative expenses	14,338	9,172
Total Operating Expenses	38,896	36,984
Income before patronage return, and income taxes and non-controlling interest	18,231	12,417
Patronage return	1,179	1,164
Income before income taxes and non-controlling interest	17,052	11,253
Income taxes (recovery)	4,079	(815)
Comprehensive Income	12,973	12,068
Net income attributable to non-controlling interest Zenbanx Canada Inc.	–	(1,659)
Net income attributable to Members	12,973	13,727

Consolidated Statement of Changes in Equity

(thousands of Canadian dollars)

	Class A Shares	Class B Shares	Retained Earnings	Non- controlling Interest	Total Equity
Balance, December 31, 2015	44,850	41,337	60,427	(2,669)	143,945
Comprehensive income	–	–	13,727	(1,659)	12,068
Dividends to Members	–	–	(857)	–	(857)
Issue of shares	1,743	–	–	–	1,743
Redemption of shares	(3,600)	(74)	–	–	(3,674)
Capital contributed	–	–	–	4,328	4,328
Balance, December 31, 2016	42,993	41,263	73,297	–	157,553
Comprehensive income	–	–	12,973	–	12,973
Dividends to Members	–	–	(1,257)	–	(1,257)
Issue of shares	1,712	–	–	–	1,712
Redemption of shares	(3,347)	(598)	–	–	(3,945)
Balance, December 31, 2017	41,358	40,665	85,013	–	167,036

Approved by the Board



Tom Vandelloo, Director



Marijke Kanters, Director

Note 1

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

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

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

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

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

The summarized financial statements should be read in conjunction with the audited consolidated financial statements, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The audited financial statements can be found at www.duca.com/about-us/governance/corporate-reports.



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