



COMTECH CREDIT UNION

ANNUAL REPORT 2015



BUILDING A SOLID FOUNDATION IN OUR COMMUNITIES

OUR CORE VALUES

HONESTY & INTEGRITY

Honesty and integrity guide everything we do.

We earn and maintain the trust of our members, employees, communities and business partners throughout every interaction.

We offer our members products and services which fit their needs and enhance their lives.

RESPECT

We ensure that every human interaction is respectful, courteous and genuine.

We value and respect diversity of background, religion, lifestyle and thought.

ENERGETIC, DYNAMIC & MOTIVATED

We are never satisfied with the status quo and strive to continually improve our company and ourselves.

We communicate openly and embrace member interaction.

We continuously drive member intimacy to innovate our products and services.

INNOVATIVE & ENTREPRENEURIAL

We are committed to excellence and the achievement of long-lasting relationships through our members' life cycles.

We aim high and hold ourselves to those standards.

We look to find creative solutions to fulfill expectations of our members, employees, communities and business partners.

We will celebrate our successes and learn from our failures.



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MESSAGE FROM THE CEO

As we close off 2015, it is invigorating to know that the relationship-driven neighbourhood Credit Union our members have come to know and love is as strong today as ever before because of our focus on what's important.

We go out of our way to foster connections and relationships with our members. These relationships flourish because we care. Each and every one of us from our front line staff to our management to our board of directors is committed to delivering our members a better, more intimate banking experience.

Certainly we continue to offer a vast array of products and services, but at our Credit Union there is a little extra something that you just won't find anywhere else... COMMUNITY. While it may not seem like much to an outsider, we know better. To us and to our members it is so much more. Genuine care and concern for our members and our communities is the glue that ties our relationship-based model together.

Our cooperative banking approach is all about community. There is our physical community: our small businesses, our members, their families, friends and coworkers, as well as our staff that is made up of individuals who live and work in the communities we serve and who are members themselves. There is also the community we've created. This is made up of like-minded individuals sharing a collective vision to help one another on the road to financial health and happiness. We understand that life is not a straight line, things happen. In our community, Comtech stands behind and supports our members through their ups and their downs. That's the deepest part of our community commitment.

As well, we pay attention to our bottom line because we know that financial viability is essential. This commitment to financial strength does not take away from doing the right thing and behaving as a responsible corporate citizen. After all, it's about our members; our neighbours; our friends and their financial health. And like any good neighbour, we have your best interest at heart. One way we show this is by putting our profits back into our members pockets through better rates, enhanced services, and by investing directly into our communities. Those commitments are at the heart of our intimacy model.

It was over 75 years ago that we first set down roots in our communities with the goal of providing financial support to our members, and we have been building on this foundation of trust, integrity and respect ever since.



WHAT WE'VE DONE IN 2015

This past year we saw our system conversion enter its final phase and we are pleased to say that the upgrade is complete. It has been a major undertaking these last few years to bring our banking platform to its highest level. We are confident it has made a significant impact on how our backend functions and how we interact with our members and how our members are able to meet their everyday banking needs.

Changes like these are an integral part of our growing success as a Credit Union. It is through continued investment into our people and processes that we can ensure our Credit Union remains at the forefront of the financial industry. With our conversion now complete, members will benefit from a number of upgrades as well as the addition of some valuable new products and services.

- LIF products
- Escalator GICs
- Bill payments by teller
- Member one view and house-holding
- Improved management of RIF and TFSA accounts
- Improvements to ATM card processing (flexibility on holds on ATM deposits)

We also completed the modernization of our home banking system with the finalization of our conversion to Member Direct this past year. The upgrade took place over three phases, all designed to improve the way members conduct their day-to-day banking.

One of the biggest enhancements for our members was the launch of our Mobile App for iOS and Android users. Banking has never been more accessible and easier to do from anywhere at anytime. This enhanced technology brought a new level of banking to our members with the addition of features including Interac® e-Transfer and Deposit Anywhere™ cheque capture technology.

Our MasterCard program has now been active for just over a year with its original launch in September of 2014. We feel this product was a successful addition to our line of lending products and are continuing to see growth with this program.

You may also have noticed that our web site was completely redesigned in 2015. This upgrade corresponded to the roll out of our new web banking system. The new look and feel has created a more inviting environment that provides easier and simpler navigation for members.



GROWING OUR BRANCH NETWORK WITHIN THE COMMUNITIES WE SERVE IS ALWAYS HIGH ON OUR AGENDA.

OUR BRANCHES

Growing our branch network within the communities we serve to ensure our members have quick and convenient access to our knowledgeable and helpful support staff is always high on our agenda. This past year we opened the doors to our newest branch on King Street in Toronto. Modeled after our Bank Street Branch in Ottawa, which opened a year earlier, these new branches are designed with community top of mind. The state of the art facilities feature an open concept floor plan that provides members with an inviting environment to interact and gather. We are pleased to see a steady flow of new members coming through our doors since opening.



GIVING BACK

As an active contributor to the growth and stability of our communities, our team continues to donate time, resources and support to a variety of events, fundraisers and initiatives year after year. This past year we supported the following causes:

- St. Paul's Breakfast Program
- Holy Name Kind Program
- CEP Golf Tournament
- London Pioneers Golf Tournament
- Camp BUCKO
- Daily Food Bank
- Christmas Family Sponsorship
- Marcel Vincent Baseball Tournament
- Bell Hockey Tournament
- Scott Jamieson Scholarship Program
- St. Paul's Community BBQ
- CDF support
- Opportunity International Comtech Annual Golf Tournament
- Kids Come 1st Golf Tournament to support Autism Ottawa

Giving back to the communities we serve is such a big part of who we are as a cooperative credit union. While we focus a great deal on lending our support locally, we also stretch our mission beyond our own neighbourhoods whenever possible to lend a hand on a global level. We began a journey several years ago to contribute to the establishment of two financial institutions in Ghana, Africa through our partner Opportunity International. In 2015, we hosted our 2nd annual golf tournament, raising over \$20,000 for the cause. We are very appreciative to our members, sponsors and supporters for helping us achieve this goal.

In August we hosted a community BBQ for both our Toronto and Ottawa members to celebrate our 75th Anniversary and to show our appreciation to our members and our team for their support and service year after year.

The Bell Pensioners Group is an important part of our history and our future. They represent a significant member group within our membership and annually we extend our commitment to strengthening our partnership with them. In 2015 we participated in 5 Bell Pension meetings.



OUR FINANCIAL REVIEW

Once again, the strength and stability of our Credit Union continued to be proven throughout the year. In 2015, we achieved significant growth on our balance sheet, enhanced our profitability and capital, and provided competitive rates of return to our members, all while ensuring that safety and soundness within our operating environment was our primary focus.

Our assets increased by a record \$38 million or 16% and contributed to our year-end balance sheet totalling \$271 million as of December 31, 2015.

As always the focus of our loan portfolio is on writing quality loans, working together with our members to find solutions, while being mindful of protecting the assets of the Credit Union. We also focused our commercial loan growth entirely on secured mortgages of commercial and residential properties. Overall, loan growth in 2015 totalled \$40 million or 19%. The loan portfolio ended the

year at \$245 million. The largest component of loan growth was in the secured commercial loan portfolio, which rose from \$84 million to \$119 million. Residential mortgages also grew almost \$7 million to \$110 million. Overall, at the end of the year, assets on which the Credit Union holds secured title, totalled 94% of our loan portfolio.

Another key area of growth at Comtech was our deposit base. We are pleased to report total deposits of \$250 million representing growth of 18% or \$38 million over the prior year. Registered savings plans grew by 9% and non-registered term deposits increased by 26%. At the end of the year, term and registered term products accounted for 85% of Comtech's deposit portfolio. Overall, we continue to see a large portion of our membership taking advantage of our competitive fixed-rate term deposits.

**IN 2015 OUR ASSETS
INCREASED BY A RECORD
\$38 MILLION CONTRIBUTING
TO OUR YEAR-END TOTAL
OF \$271 MILLION.**



Our share capital remained relatively stable in 2015 at just under \$13 million. At year-end, our capital ratio decreased from 6.84% to 5.99%, which is due to the significant growth realized on the balance sheet. Despite the drop, we continue to exceed all regulatory requirements. Comtech also paid Class B, series 1 dividends to participating members in 2015 at the rate of 3.50% for ten months and 3.00% for two months; series 2 dividends were paid at the rate of 3.50% for seven months and 3.00% for five months; series 3 dividends were paid at 4.44% for the entire year; and series 4 dividends were paid at 3.50% for the entire year. The Board of Directors also declared a dividend on Loyalty Shares of 2.00%, which will be paid in February 2016.

**THE BOARD
OF DIRECTORS
HAS DECLARED A
2.00% DIVIDEND ON
LOYALTY SHARES,
WHICH WILL BE PAID
IN FEBRUARY 2016.**

Despite the continuation of low interest rates experienced in 2015, which included two Bank of Canada prime rate drops in the first half of the year, Comtech was able to exceed operating profit by 4% from the prior year. In 2015, we continued to focus growth in key product areas, specifically on fully secured residential and commercial mortgages. This resulted in a decrease of our unsecured loan portfolio revenue, while our fully secured loan portfolio revenue increased.

Investment income increased from the previous year despite record low interest rates available on safe and secure investments. Comtech continues to invest in lower-yielding, but highly secured investments. Investment income at year-end was \$374,315 compared to \$328,394 in 2014. At year-end our portfolio consisted only of cash, bonds and our mandatory Central 1 Credit Union membership shares and liquidity reserve deposit. We continue to take the position that safety of your deposits outweighs the opportunity for higher yields.

Ancillary revenues in automated teller machines, insurance premiums and other administration increased 15% from the prior year with a combined total of \$1,147,006. An increase in life insurance profit share on loans as well as an increase in commercial mortgage fee revenue and mutual fund revenue is the main reasons for the overall increase in 2015.



Operating expenses increased year-over-year by 7% which is mainly a result of an increase in costs related to insuring your deposits, increases in depreciation related to the new banking system, increased ATM expenses and marketing efforts, and a 3.5% increase in personnel expenses.

Overall, with the increase in operating profit, despite the continuation of low interest rates, and the increase of operating expenses, the Credit Union reported a net profit for the year of \$450,545.

Lastly, with the introduction of International Financial Reporting Standards (IFRS) in 2011, annual pension gains and losses are now recorded on the statement of profit or loss and other comprehensive income (loss). In 2015, the discount rate used for estimating the defined benefit obligation increased 15 basis points from the 2014 year-end rate. As a result, the plan experienced actuarial gains during 2015. This entry does not relate to the core operating results of Comtech and will move up or down each year based on the discount rate projections for any given year. Other Comprehensive Income reported from the pension plan in 2015 is income, net of taxes, of \$388,998. As a result of the pension income, total comprehensive income for the year was \$839,543

Our results for 2015 were strong and exceeded our projections. We are extremely pleased with the continued strength of our core business lines and look forward to a stronger 2016.

**OUR RESULTS FOR
2015 WERE STRONG
AND EXCEEDED
OUR PROJECTIONS.
WE ARE EXTREMELY
PLEASED WITH
THE CONTINUED
STRENGTH OF OUR
CORE BUSINESS LINES
AND LOOK FORWARD
TO A STRONGER 2016.**



WHAT WE'RE LOOKING FORWARD TO IN 2016

Growing our cooperative community is an important part of our strategy and we are always open to exploring new alliances that will help us strengthen our membership. This past year we opened a conversation with Fire Services Credit Union to establish a common dialogue about a potential merger. We have a long-standing relationship with Fire Services Credit Union that dates back to 1984 where we acted as founding members of the Association of Credit Unions.

As the financial industry evolves, scale is becoming more critical and quite frankly necessary to survive. With scale we can provide better pricing, more branch

locations, enhanced technology, better training and support and a deeper intimacy with our members. A merger with Fire Services would not only provide scale, but would align our two credit unions culturally. More will follow on this exciting dialogue.

**WE ARE ALWAYS OPEN TO EXPLORING
NEW ALLIANCES THAT WILL HELP US
STRENGTHEN OUR MEMBERSHIP.**

We have been extremely busy over the past few years to ensure that our systems, branches and people were ready to meet the needs of our membership. 2016 will be the year that we take a breath on building and start to reach deeper into our communities. The infrastructure that we have spent so much time building will now be leveraged to grow our base into the future.

We are excited to be able to deploy our teams into our communities to grow our personal, small business and commercial groups. Insomuch, our relationships will deepen and our commitments will grow.

While our teams are reaching out to our communities, we will also be carrying on our discussion with Fire Services Credit Union to explore a potential merger. This would certainly provide new opportunities for both of our membership groups.

While things are a little quiet on the new product frontier, we are preparing a new marketing plan to launch our small business electronic banking platform. This new product will allow



us to seamlessly connect with our small business group, while providing real time banking to business members. It's just another way we will connect with community.

In the coming year, we plan to deepen our commitments to community involvement in both Ottawa and Toronto. We will continue to support and grow our sponsorships through causes that are important to those cities and our members who make those cities their home or workplace. We remain committed to our longstanding sponsorships with: St. Paul's Breakfast Club; Holy Name Kind Program; Kids Come First; Opportunity International and a great number of community focused events and fundraisers.

Aligning our Credit Union with causes and initiatives that shine a spotlight on financial education, stimulation and growth for our members and our local and global communities is what cooperative banking is all about. We have an incredible network of individuals both in our staff and in our members that are united in their desire to contribute to the greater good. It all comes down to community and at Comtech we embody this today more than ever.

ACKNOWLEDGEMENTS

As a financial cooperative we're committed to bringing financial freedom to our more than 11,000 members, and we believe that the profits we make should benefit the people we are here to serve. By supporting the communities where we work and live and by contributing to its growth and success, we all win.

As we look down the road, we are excited by the opportunities that lie in front of us. With a solid grasp on where we've been and a clear vision of what lies ahead we eagerly anticipate the coming year as one of great potential and growth.

As CEO, I would like to thank our staff and Board for their dedication to our members' financial health and happiness. It is through your care and commitment to providing a better banking experience that our cooperative banking community will continue to thrive.

To our valued members, I am grateful for your continued trust in us to help you reach your financial goals and dreams. Through you we have a unique opportunity to be so much more than your average financial institution. We are a community that shares a collective vision of working together to create a financial future with promise.



John Mach
Chief Executive Officer



BOARD OF DIRECTORS

Mrs. H. Cooper

Retired – Nortel Networks
Gatineau, Quebec
Board service – 12 years
Term Expires 2016

Mr. T. Wright

Chartered Professional Accountant, CMA
Kanata, ON
Board service – 6 years
Term Expires 2016

Mr. P. Harris

Chartered Professional Accountant, CGA
Oakville, Ontario
Board service – 4 years
Term Expires 2017

Mr. S. McDermott

SJM Consulting
Ottawa, Ontario
Board service – 4 years
Term Expires 2017

Mr. T. Power

ACS-Corp Canada
Mississauga, Ontario
Board service – 12 years
Term Expires 2017

Mr. S. Longeway

Retired – Bell Canada
Wheatley, Ontario
Board service – 31 years
Term Expires 2018

Mr. P. Nadeau

Lawyer
Gatineau, Quebec
Board service – 10 years
Term Expires 2018

Mr. J. Stubbs

Chartered Professional Accountant, CA
Stouffville, Ontario
Board service – 18 years
Term Expires 2018

AUDIT COMMITTEE

Mr. J. Stubbs, Chair

Ms. H. Cooper

Mr. P. Harris

EXECUTIVE COMMITTEE

Mr. P. Nadeau, Chair

Mr. T. Power, Secretary

Mr. T. Wright, Vice Chair



BOARD OF DIRECTORS:

H. COOPER,
T. WRIGHT,
P. HARRIS,
S. McDERMOTT



T. POWER,
S. LONGEWAY,
P. NADEAU,
J. STUBBS



NOMINATING COMMITTEE REPORT

The by-laws of Communication Technologies Credit Union Limited require the Nominating Committee to present a slate of suitable candidates for election at the annual meeting. Each year a number of vacancies occur. The terms of office are organized in such a manner that 1/3 (one third) of all elected positions are open for consideration each year. The Board of Directors, therefore, recommends the following slate of candidates for election at the annual meeting on March 1, 2016.

CANDIDATES FOR THE BOARD OF DIRECTORS

Mrs. H. Cooper

Retired – Nortel Networks
Gatineau, Quebec
Board service – 12 years
Incumbent

Mr. T. Wright

Chartered Professional Accountant, CMA
Kanata, ON
Board service – 6 years
Incumbent



CREDIT REPORTS

COLLECTION REPORT

	DECEMBER 31, 2015			DECEMBER 31, 2014		
	NO. OF LOANS	PRINCIPAL \$	TOTAL \$ OWING	NO. OF LOANS	PRINCIPAL \$	TOTAL \$ OWING
Repayment lapse 90 to 179 days	5	26,718	26,722	8	23,378	23,386
Repayment lapse 180 to 364 days	10	265,498	266,270	9	74,920	75,062
Repayment lapse 365 days and greater	20	209,068	230,607	36	309,790	341,173
Bankruptcies	1	16,103	16,103	3	295,418	295,418
Impaired – current	1	816,628	816,628	1	691,081	691,081
Impaired – 30 days delinquent	-	-	-	1	44,865	45,177
Total of loans in collection related to the Allowance for Impaired Loans	37	1,334,015	1,356,330	58	1,439,452	1,471,297

LOAN REPORTS

Balance as of December 31

	2015	2014
	\$	\$
Variable Rate Loans	1,361,687	1,274,741
Lines of Credit and Overdrafts	14,154,336	16,082,179
Fixed Personal Loans	198,436	324,624
Fixed Commercial Loans	22,914	-
Residential Equity Lines of Credit	25,027,490	24,330,488
Commercial Equity Lines of Credit	12,126,187	7,386,352
Residential Mortgages	85,358,261	79,442,737
Commercial Mortgages	107,386,727	77,057,187
Total Value of Loans Outstanding	245,636,038	205,898,308
Total Value of Loans Outstanding (less allowance)	245,300,476	205,464,760

Loans granted during the year – number of loans and value

	2015		2014	
	NO.	\$	NO.	\$
Variable Rate Loans	70	930,743	61	610,563
Lines of Credit	24	400,775	18	250,500
Chequing Overdrafts	2	1,700	3	600
Fixed Personal Loans	3	71,522	4	87,324
Fixed Commercial Loans	1	24,397	-	-
Residential Equity Lines of Credit	29	8,062,000	26	3,667,450
Commercial Equity Lines of Credit	4	9,415,913	2	2,778,000
Residential Mortgages	109	33,777,207	46	13,518,869
Commercial Mortgages	30	46,826,758	19	25,922,000
Number of Loan Applications Received	400		232	
Number of Loan Applications Declined	56		8	



AUDIT COMMITTEE REPORT

The Audit Committee of Communication Technologies Credit Union Limited is appointed by the Board and all members are active Directors of the Credit Union. The Committee meets regularly with management to discuss operational and accounting practices, and internal controls over the financial reporting issues in order to be satisfied that each party is properly discharging its responsibilities and to review the annual report, the financial statements and the external auditor's report. The Committee reports its findings to the Board for consideration when approving the financial statements for issuance to the Credit Union membership. The Committee also considers for review by the Board and approval by all members, the engagement or reappointment of the external auditors.

In 2015, the firm of Deloitte LLP performed the statutory audit. The results of external and internal audits have been very good, indicating that the accounting systems and internal controls are adequate. The response of the members to the statement audit conducted in 2015 and each preceding year has shown a consistently low level of discrepancy and a high level of membership acceptance to our standards of care in handling members' money.

The Audit Committee and the auditors co-operate and perform reviews together. Our duties included the examination of new loans, members' account balances, and term deposits on a test basis, in addition to all officer and staff loans. Additional duties included auditing a sampling of office policies and procedures which incorporate Board policy, cash verification, verification of the monthly financial report and verification of the bank reconciliation insofar as is necessary to ensure that internal controls are adequate. In 2015, the Audit Committee held five meetings during the year and it has conducted its affairs in accordance with the Credit Union Act and the regulations.

It is our opinion that the financial affairs of Communication Technologies Credit Union Limited are being conducted in the best interests of the membership.



Jeff Stubbs
Chair, Audit Committee



AUDIT COMMITTEE:

J. STUBBS
H. COOPER
P. HARRIS



MANAGEMENT'S REPORT

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING



J. MACH
J. WOehl

The financial statements of Communication Technologies Credit Union Limited and all information in this annual report are the responsibility of management and have been approved by the Board of Directors.

The financial statements have been prepared by management in accordance with International Financial Reporting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects. Management has prepared the financial information presented elsewhere in the annual report and has ensured that it is consistent with that in the financial statements.

Communication Technologies Credit Union Limited maintains systems of internal accounting and administrative controls of high quality and consistent with reasonable cost. Such systems are designed to provide reasonable assurances that the financial information is relevant, reliable and accurate, and that the Credit Union's assets are properly accounted for and safeguarded. Also, the Credit Union has established an appropriate Code of Business Ethics, Conflict of Interest Policy, Confidential Information Policy, and Disclosure Statements for all officers.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee.

The financial statements have been audited by Deloitte LLP, the external auditors, in accordance with Canadian generally accepted auditing standards on behalf of the Credit Union membership.

John Mach
Chief Executive Officer

Judy Woehl
Chief Financial Officer



AUDITOR'S REPORT

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARIZED FINANCIAL STATEMENTS

To the Members of Communication Technologies Credit Union Limited

The accompanying summarized financial statements, which comprise the summarized statement of financial position as at December 31, 2015 and the summarized statement of profit or loss and other comprehensive income (loss), the summarized statement of changes in members' equity, and the summarized schedule of administrative expenses for the year then ended, are derived from the audited financial statements of Communication Technologies Credit Union Limited for the year ended December 31, 2015. We expressed an unmodified audit opinion on those financial statements in our report dated January 28, 2016.

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 Communication Technologies 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 Communication Technologies Credit Union Limited for the year ended December 31, 2015 are a fair summary of those financial statements, in accordance with International Financial Reporting Standards.

Deloitte LLP.

Chartered Professional Accountants
Licensed Public Accountants
January 28, 2016



FINANCIAL STATEMENTS

SUMMARIZED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (LOSS)

Year ended December 31, 2015

CDN DOLLARS	2015	2014
	\$	\$
Interest on loans to members		
Personal loans	1,659,704	1,886,957
Residential mortgages	3,540,331	3,761,741
Commercial mortgages	4,326,958	3,069,419
Investment income	374,315	328,394
	9,901,308	9,046,511
Interest expense		
Dividends on savings dividend account	12,052	10,696
Interest on daily savings and chequing accounts	75,698	87,527
Interest on term deposits	3,291,030	2,550,624
Interest on registered products	1,195,084	1,151,445
	4,573,864	3,800,292
Net interest income	5,327,444	5,246,219
Provision for impaired loans	75,616	80,779
Net interest margin	5,251,828	5,165,440
Other operating income (net)	1,147,006	994,540
Total operating profit	6,398,834	6,159,980
Personnel expenses	2,612,525	2,523,211
Administrative expenses (schedule)	1,331,341	1,233,712
Occupancy	381,395	415,983
Data processing	401,938	405,500
Pension expense	317,965	290,485
Promotion, marketing and publicity	337,652	251,313
Depreciation	270,024	219,200
Deposit insurance premium	234,323	176,719
Total operating expenses	5,887,163	5,516,123
Dividends on investment shares	33,334	20,005
Profit before income taxes	478,337	623,852
Income tax expense	27,792	44,500
Profit for the year	450,545	579,352
Other comprehensive income (loss), net of income taxes		
Items that will not be reclassified subsequently to profit or loss	388,998	(777,016)
Total comprehensive income (loss) for the year	839,543	(197,664)

FINANCIAL STATEMENTS

SUMMARIZED STATEMENT OF CHANGES IN MEMBERS' EQUITY

Year ended December 31, 2015

CDN DOLLARS	MEMBER SHARES	RETAINED EARNINGS	TOTAL
	\$	\$	\$
As at January 1, 2014	13,394,471	2,573,240	15,967,711
Profit for the year	-	579,352	579,352
Other comprehensive loss	-	(777,016)	(777,016)
Dividends on investment shares	-	(419,179)	(419,179)
Net decrease in membership shares	(140,589)	-	(140,589)
As at December 31, 2014	13,253,882	1,956,397	15,210,279
Profit for the year	-	450,545	450,545
Other comprehensive income	-	388,998	388,998
Dividends on investment shares	-	(391,692)	(391,692)
Reclassification of Class B investment shares, series 3	(350,000)	-	(350,000)
Net decrease in membership shares	(140,989)	-	(140,989)
As at December 31, 2015	12,762,893	2,404,248	15,167,141

FINANCIAL STATEMENTS

SUMMARIZED STATEMENT OF FINANCIAL POSITION

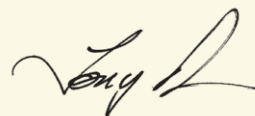
As at December 31, 2015

CDN DOLLARS	2015	2014
	\$	\$
Assets		
Cash and cash equivalents	3,884,275	9,951,681
Investments	17,536,021	14,282,757
Loans to members	245,300,476	205,464,760
Accounts receivable	125,075	91,995
Accrued interest on members' loans	376,289	317,478
Deferred income tax asset	154,046	287,475
Property and equipment	2,743,727	1,315,853
Current tax assets	25,093	38,178
Other assets	707,980	838,189
	270,852,982	232,588,366
Liabilities		
Deposits from members		
Savings dividend accounts	26,590,129	26,768,684
Daily savings and chequing accounts	12,094,316	10,485,470
Term deposits	151,538,007	120,031,590
Registered savings plans	59,987,758	55,103,810
	250,210,210	212,389,554
Accrued dividends on savings dividend accounts and Class B investment shares	134,126	141,592
Accrued interest on members' accounts	1,982,828	1,612,687
Accounts payable and other liabilities	1,338,426	1,031,660
Defined benefit obligation	1,040,860	1,563,286
Members' shares	979,391	639,308
	255,685,841	217,378,087
Members' equity		
Members' shares	12,762,893	13,253,882
Retained earnings	2,404,248	1,956,397
	15,167,141	15,210,279
	270,852,982	232,588,366

On behalf of the Board



Peter Nadeau, Chair



Tony Power, Secretary

FINANCIAL STATEMENTS

SUMMARIZED SCHEDULE OF ADMINISTRATIVE EXPENSES

Year ended December 31, 2015

CDN DOLLARS	2015	2014
	\$	\$
Automated teller machines	244,181	209,641
Directors meetings and honoraria	180,549	168,692
Legal and professional fees	149,352	153,300
Postage and mailing	103,098	101,018
Lending and collection costs	84,791	60,747
Travel and seminar	69,773	65,456
Bank charges and interest	69,141	49,066
Telephone	63,493	55,547
Bonding insurance	62,744	63,703
Share and loan insurance	60,223	56,999
Sundry	55,904	56,000
Community involvement and donations	38,645	42,031
Central 1 member fees	36,110	35,449
Stationery and printing	33,843	34,269
Annual meeting	31,395	36,698
Staff training and consulting	25,776	14,224
Mutual fund fees	22,323	30,872
	1,331,341	1,233,712

COMTECH CREDIT UNION

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