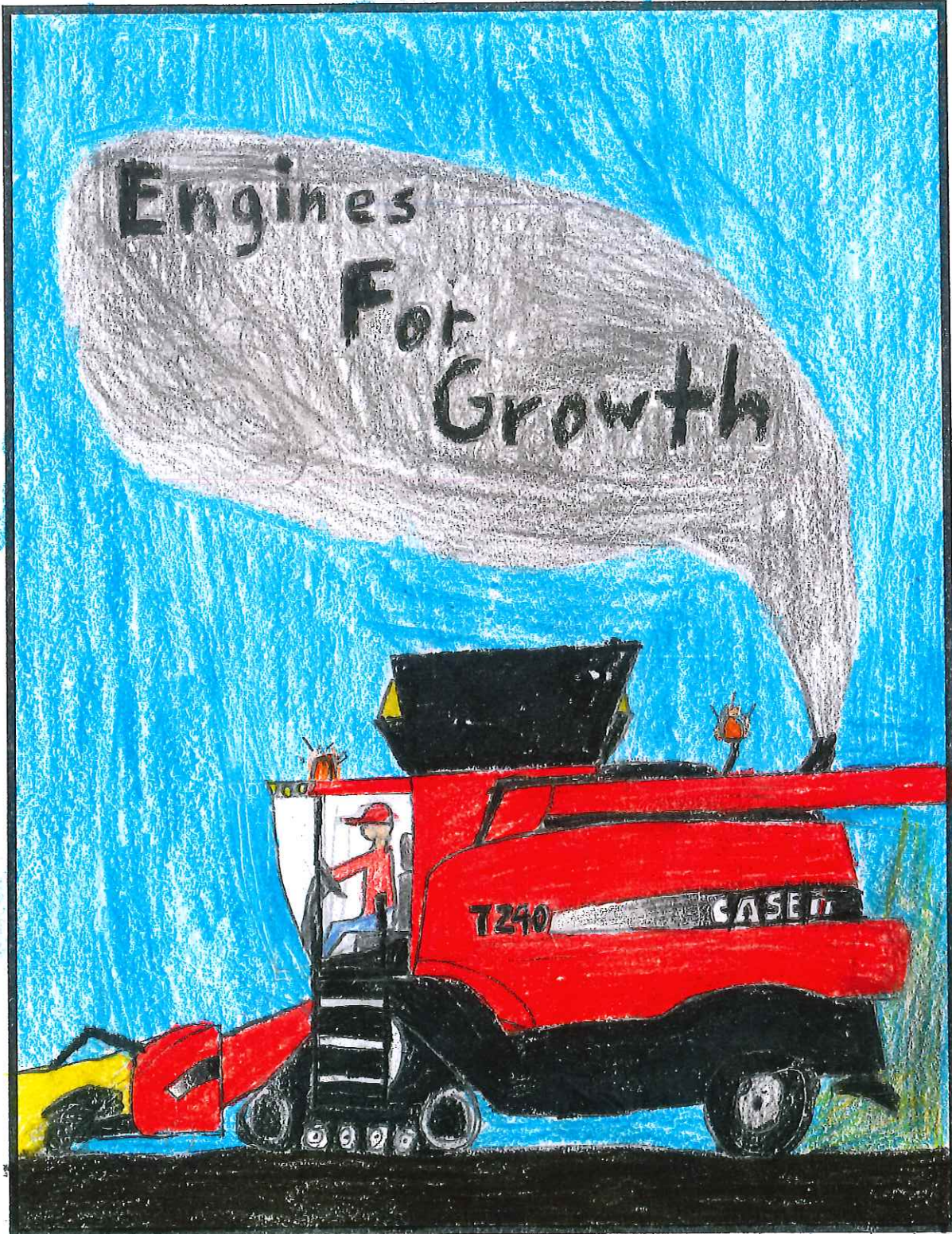


2016 ANNUAL REPORT BRUNO CREDIT UNION



Cover designed by: Jett Marshak

BRUNO SAVINGS AND CREDIT UNION LIMITED

ANNUAL MEETING

AGENDA

Wednesday, April 5, 2017

Bruno Community Hall

6:30 Supper

7:30 Annual Meeting

- 1. Call to Order*
- 2. President's Opening Remarks*
- 3. Confirmation of Quorum*
- 4. Adoption of Agenda*
- 5. Minutes of the 78th Annual Meeting*
- 6. Board of Directors' Report*
- 7. Auditor's Report*
- 8. Appointment of Auditors*
- 9. New or Unfinished Business*
- 10. Door Prizes*
- 11. Adjournment*
- 12. Presentation by*
Jaydn Borstmayer
Kenya Me to We Program

BRUNO SAVINGS AND CREDIT UNION LIMITED
INFORMATION MEETING

AGENDA

*Thursday, April 6, 2017
Silver Age Hall (Prud'homme)*

6:30 Supper

7:30 Information Meeting

- 1. Call to Order*
- 2. Opening Remarks*
- 3. Board of Directors' Report*
- 4. Auditor's Report*
- 5. Question period*
- 6. Door Prizes*
- 7. Adjournment*
- 8. Presentation by
Jaydn Borstmayer
Kenya Me to We Program*

BRUNO SAVINGS AND CREDIT UNION LIMITED
MINUTES OF THE ANNUAL MEMBERSHIP MEETING

April 6, 2016

Minutes of the 78th Annual Meeting as held April 6, 2016 at the Bruno Community Hall. There was a banquet at 6:30 with about 110 people present. Chairman for the meeting was President Mark Kehrig. The meeting was called to order at 7:28.

The chairman confirmed that there were sufficient numbers in attendance to constitute a quorum.

Corrinne Arnold & Elaine Urban that the agenda be adopted as presented.

Victor Granger / Amanda Basset that the minutes of the 77th annual meeting held on March 25, 2015 be approved

Mark presented the Directors' Report.

Kevin Pulvermacher / Lisette Dettillieux that the directors report be approved as presented.

Jeff Mark presented the financial statement as prepared by Meyers Norris Penny. The statement showed total assets of \$ 63,925,076 and a net income of \$ 541,604.

Alain Basset \ Peter Krebs that the financial statement be approved as presented.

Elaine Urban \ Philip Lepage that the audit firm of Meyers Norris Penny be re-appointed as auditors for 2016.

Other Business:

Mark Kehrig presented Cheryl Solar with a 10 year service award and Jeff Mark with a 35 yr service award.

Door prize draws were made.

Mark Kehrig adjourned the meeting at 7:46 PM

Guest speaker: Robin and Arlene Karpan, Parkland Publishing

(President)

(Secretary)



CREDIT UNION DEPOSIT GUARANTEE CORPORATION ANNUAL REPORT MESSAGE 2016

January 2017

Deposits Fully Guaranteed

Credit Union Deposit Guarantee Corporation (the Corporation) is the primary regulator and deposit guarantor for Saskatchewan credit unions. The Corporation is charged through provincial legislation, *The Credit Union Act, 1998*, with the main purpose of guaranteeing the full repayment of deposits held in Saskatchewan credit unions. The Corporation has successfully guaranteed the repayment of deposits held in Saskatchewan credit unions for over 60 years. By guaranteeing deposits and promoting responsible governance, the Corporation contributes to confidence in Saskatchewan credit unions.

Responding to regulatory changes at the international and national levels continued to be a key focus for the Corporation in 2016. Federally, a shift in policy direction assigned regulation of the credit union centrals to the provinces. This resulted in the government of Saskatchewan creating and passing the *Credit Union Central of Saskatchewan Act, 2016* assigning regulatory responsibilities for SaskCentral to the Corporation. In preparation for assuming these responsibilities in 2017, the Corporation developed regulatory policy and supervisory practices.

At the provincial level, work was finalized on the development of liquidity standards and guidance that align with current international standards. As part of this development, the Standards of Sound Business Practice and Capital Standards of Sound Business Practice were reviewed and updated. These documents were provided to credit unions well in advance of coming into effect on January 1, 2017. These efforts will ensure that the Corporation is in a position to continue to protect credit union depositors which, in turn, contributes to the strength and stability of the Saskatchewan credit union system.

In 2017 the Corporation will continue to monitor the potential implications of the changing regulatory environment in addition to carrying forward its preventive efforts to support credit unions as an effective first level of deposit protection. Maintaining constructive relationships with credit unions and investing in programs that reduce risk to the Deposit Guarantee Fund will continue to be a key priority.

For more information about deposit protection, the Corporation's regulatory responsibilities and its role in promoting the strength and stability of Saskatchewan credit unions, talk to a representative at the credit union or visit the Corporation's web site at www.cudgc.sk.ca.



Saskatchewan
Credit Unions

Make it Real

Message from the Board

On behalf of the board and staff I would like to welcome you to our 79th Annual General Meeting.

Mark Kehrig , Chair
On behalf of the
Board of Directors



Bruno Savings and Credit Union Limited

Vision

To be a local, democratically controlled, responsible and viable financial institution that is responsive to the social and economic needs of current and potential members.

Mission

To provide quality financial services beneficial to our members, community and environment in a manner responsible and accountable to all.

Values

People are our strength

Our credit union fosters personal growth and development

Sound fiscal management practices

We are a financially sound organization in order to remain a viable financial institution.

A positive presence in the community

Our decisions have a significant impact on the strength of our community.

We take a leadership role in promoting social and economic community development

Careful investment in technology and innovation

Our credit union is committed to providing a broad range of affordable and competitively priced products and services with consideration for the value that may be realized in return for the investment.

Excellence in everything we do

We recognize the importance of protecting our reputation capital and strive to provide excellent service to those we serve.

Credit Union Market Code

Bruno Savings and Credit Union Limited voluntarily adheres to the Credit Union Market Code. This code has been jointly developed by Saskatchewan credit unions, SaskCentral and Credit Union Deposit Guarantee to ensure the protection of credit union members. The code sets forth guidelines for the following areas:

- Complaint handling, which outlines the process for dealing with all complaints regarding the service, products, fees or charges of Bruno Savings and Credit Union Limited.
- Fair sales by outlining the roles and relationship of staff to all members and in accordance with the financial services agreement.
- Financial planning process to advise members on the risks and benefits associated with financial planning services.
- Privacy to protect the interests of those who do business with Bruno Savings and Credit Union Limited. Privacy is the practice to ensure all member information is kept confidential and used only for the purpose for which it was gathered.
- Professional standards to preserve a positive image of Bruno Savings and Credit Union Limited among our members and communities.
- Capital management to ensure our capital structure aligns with our risk philosophy.
- Financial reporting to adhere to business and industry standards.
- Governance practices to adhere to the intent and stipulation of our corporate bylaws, which are approved by the membership of Bruno Savings and Credit Union Limited.
- Risk management to ensure all risks are measured and managed in an acceptable fashion.

Management Discussion and Analysis

Introduction

Bruno Savings and Credit Union Limited is an independent Saskatchewan credit union owned by our members. Under the current credit union legislation, Bruno Savings and Credit Union Limited is able to provide financial services to members and non-members. As at December 31, 2016 we had 1245 members and 432 non-members. Non-members do not participate in the democratic processes of the credit union nor the patronage program.

Our credit union serves the communities of Bruno and Prud'homme and their surrounding areas through 2 branches, one located in Bruno and one in Prud'homme. In these communities we provide a broad range of financial services including deposit and lending services. The lending is done out of the Bruno office.

Strategy

The mission of Bruno Savings and Credit Union Limited is to provide quality financial services beneficial to our members and communities and environment in a manner responsible and accountable to all.

In order to meet this mission, some of our objectives are:

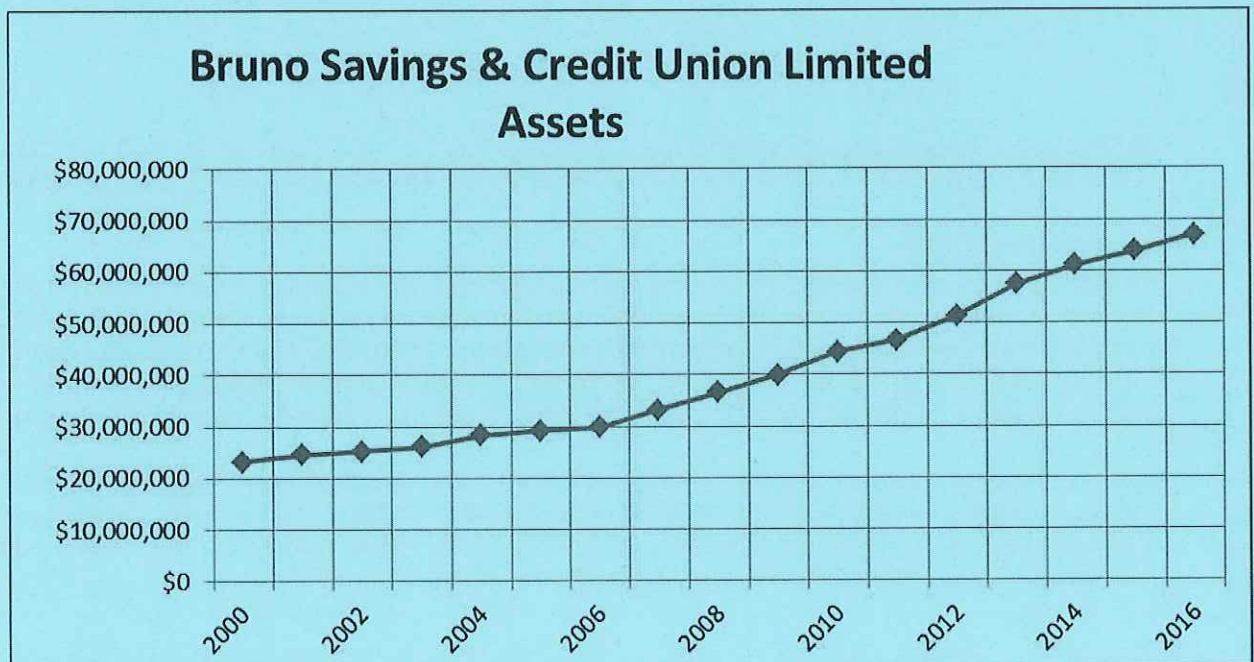
- to have professional, dedicated and motivated management, staff and board of directors that are contributing to the success of the community.
- to have strong governance, management and staff resources through effective succession planning, recruitment strategies and board/employee personal and professional development.
- to have a fully satisfied membership
- to provide access to a broad range of products and services that best meet members' needs
- to attract and retain new members and businesses
- to exceed member expectations
- to be a financially viable organization
- to be compliant with all legislation and regulatory requirements
- to have technology in place to meet our members' needs and the needs of our credit union.

Results

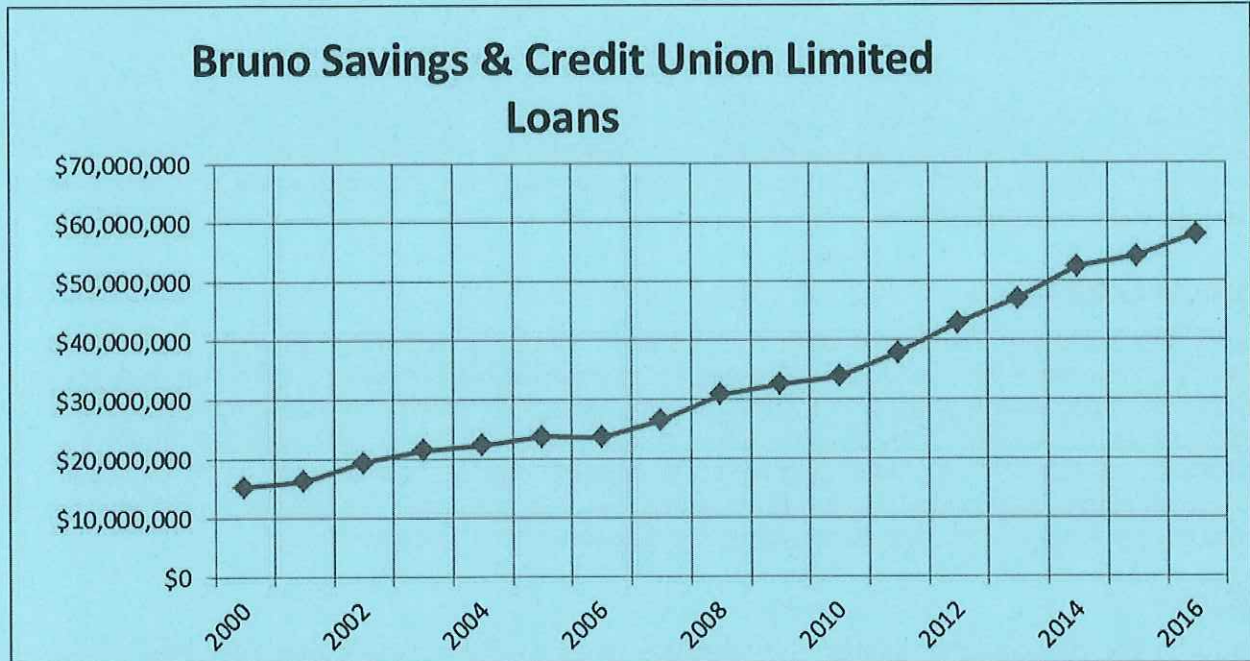
Financial Performance

Following this report is the audited financial statements which give much more detail. The following are some highlights.

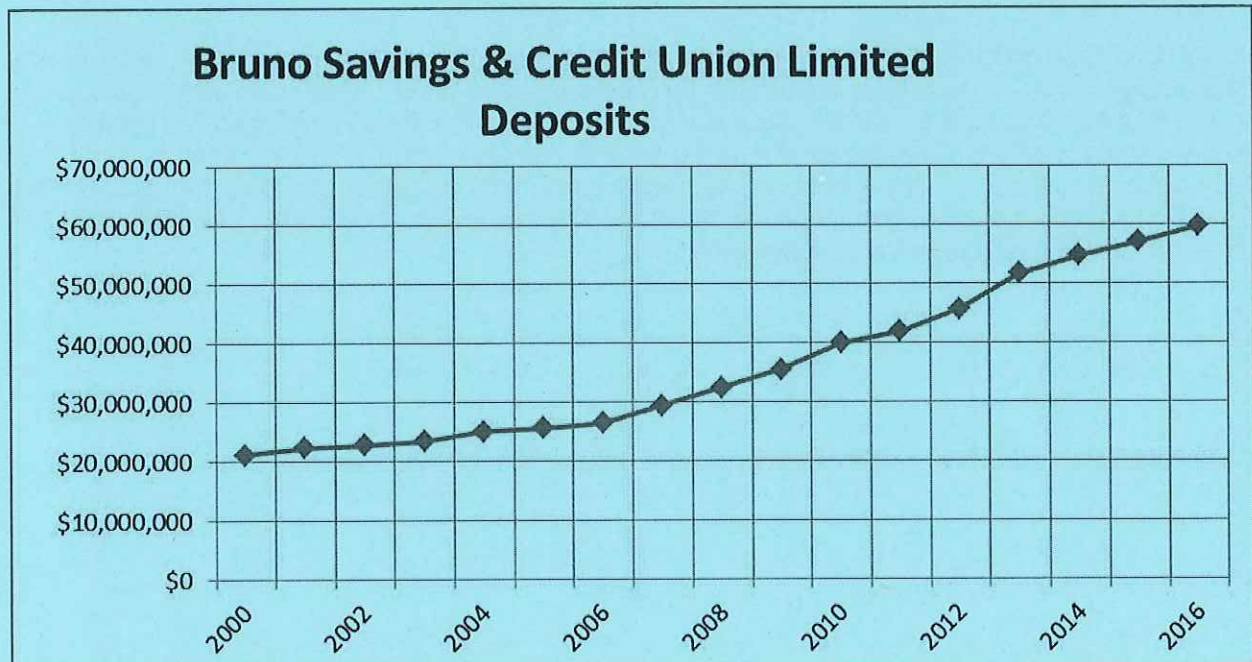
The first is growth: This year we had growth in assets of 4.84% or \$3,095,864.



Loans increased by \$3.69 million or 6.81% and ended the year at 85.98% of assets (last year end loans totalled 84.9% of assets). This ratio is calculated on loans and leases and includes accrued interest on the loans outstanding to these members. The board has a target range of 70 to 85% for loans to assets. Although we were slightly over our target at year end, we were back within it by Jan 3rd of 2017.



Member deposits increased by approximately 4.40% or \$2.52 million.



Credit Risk

Credit risk is the risk of loss arising from a borrower not fulfilling their contractual payment obligations.

The primary type of risk is associated with loans. Two (2) loans and lines of credit were written off in 2016 for a total of \$2,618.97 and no allowances were set up. We ended the year with \$0.00 of impaired loans. (compared to \$0.00 last year). There were \$538,948 of loans that were in arrears over 90 days at Dec 31, 2016. (compared to \$318,530 the prior year end) Our lending staff work with all borrowers, with loan arrears, to make suitable arrangements for repayment. In the rare situations where suitable arrangements can't be made, legal action is taken.

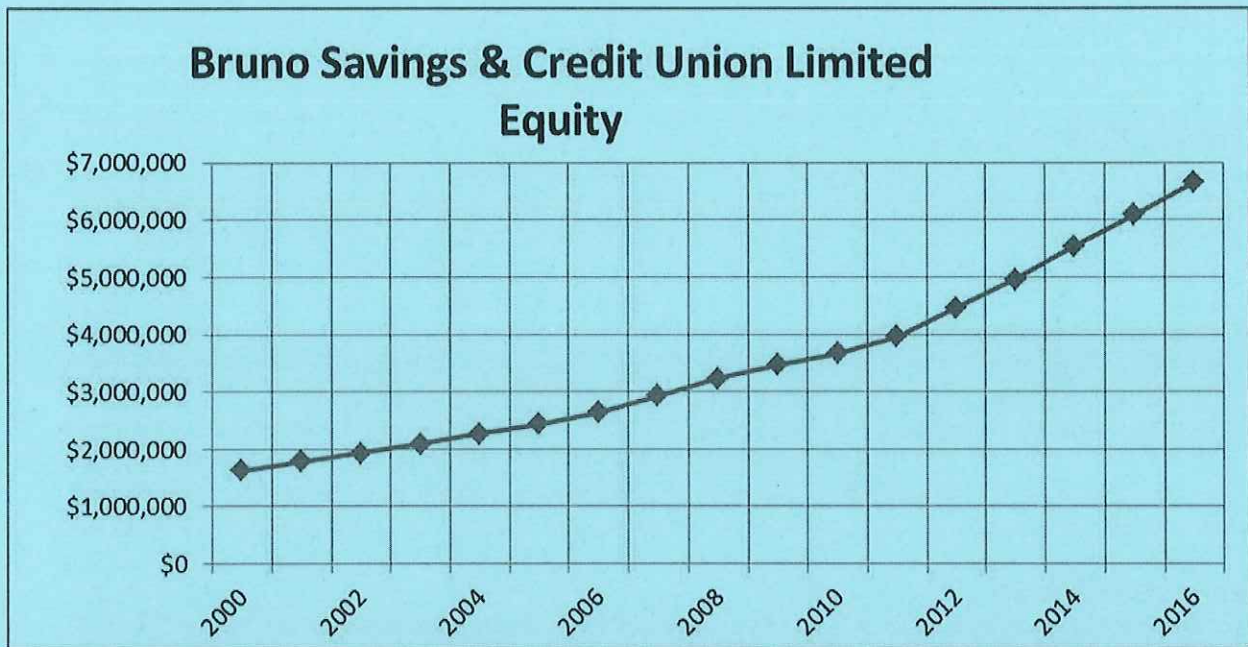
Liquidity Risk

Liquidity is yet another factor which we monitor. Liquidity risk is the potential inability to meet obligations, such as liability maturities, deposit withdrawals, or funding loans without incurring unacceptable losses. Liquidity risk includes the inability to manage unplanned decreases or changes in funding sources. We completed the year in a negative liquidity position: -\$952,882 or 84% of calculated potential outflow. The board has a target of 75% to 150% so we were within this range. We can sell loans or borrow funds from Concentra Financial to help deal with a liquidity shortfall if needed.

Equity

Equity, the difference of assets and liabilities which is the measure of ownership, remained strong this year. Equity can be measured both as a percentage of assets or as a dollar amount. This year we completed the year with \$ 6,650,212 or 9.92% compared to \$6,089,083 or 9.53% last year. There is also an additional \$536,653 or 0.80% in member allocated equity accounts.

CUDGC sets standards for the Credit Unions to follow. Regulatory standards require that the Credit Union maintain a minimum leverage ratio of 5%. This ratio is calculated by dividing eligible capital by total assets less deductions from capital plus specified off-balance sheet exposures. Our leverage ratio is 10.60%. We also rate our total eligible capital to risk-weighted assets. The minimum required amount is 10.50% and we have 13.70% . Another requirement is Tier 1 capital to risk weighted assets of 8.50%. At Dec 31, 2016 we had 12.67% of capital in this category.



A strong equity position comes from good profitability. This year our profitability was up a bit from last year as we earned an interest margin on a higher asset base. Profit after tax was \$561,129 compared to \$541,604 last year.

Enterprise Risk Management

Each year our credit union spends significant resources measuring and assessing risks and ensuring we are adequately prepared to serve our communities now and in the future. This process is called **Enterprise Risk Management** or **ERM** for short, and is a requirement of credit unions in Saskatchewan as laid out by Credit Union Deposit Guarantee Corporation. The Board, Management, and Staff annually review and update a strategic plan and an Annual review of our ERM is completed.

Through this process, the following risks along with **Credit Risk** and **Liquidity Risk** previously listed in the Financial performance section have been identified risks according to their potential impact on the Bruno Savings and Credit Union Limited.

Strategic Risk

Strategic risk is the risk that adverse decisions, ineffective or inappropriate business plans or failure to respond to changes in the competitive environment, customer preferences, product obsolescence or resource allocation will impact our ability to meet our objectives. This risk is a function of the compatibility of an organization's strategic goals, the business strategies developed to achieve these goals, the resources deployed against these goals and the quality of implementation.

Market Risk

Market risk is the exposure to potential loss from changes in market prices or rates. Losses can occur when values of assets and liabilities or revenues are adversely affected by changes in market conditions, such as interest rate or foreign exchange movement.

Legal and Regulatory Risk

Legal and regulatory risk is the risk arising from potential violation of, or nonconformance with laws, rules, regulations, prescribed practices, or ethical standards.

The main legal & regulatory risk identified by Bruno Savings and Credit Union Limited is:

- The risk of potential violations of, or non-conformance with applicable laws, rules, regulations, prescribed practices, or ethical standards.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or external events. Exposures to this risk arise from deficiencies in internal controls, technology failures, human error, employee integrity or natural disasters. Operational risks are looked at by the board regularly throughout the year as they effect the day to day operations. They include risks such as:

- The risk of not being able to offer/ afford all the technology related solutions for internal and / or member needs.
- The risk of not being able to retain key positions in our Credit Union
- The risk of not being profitable
- The risk of not providing certain/ specialized products/ services that members might need and become dissatisfied enough to lose business.
- The risk of losing business because of referring to outside sources

Regulatory

Regulatory matters are an ongoing concern of the Bruno Savings and Credit Union Limited. Presently there are many Regulatory bodies in which the Bruno Savings and Credit Union Limited has to comply with. To mention a few of the more important would include: The Registrar of Credit Unions, The Credit Union Deposit Guarantee Corporation (CUDGC), Office of the Superintendent of Financial Institutions (OSFI), Financial Transactions & Reports Analysis Center of Canada (FINTRAC) and Canada Revenue Agency (CRA).

Corporate Structure and Governance

The governance of the Bruno Savings and Credit Union Limited is anchored in the co-operative principle of democratic member control.

Board Of Directors

Mandate and Responsibilities

The board is responsible for the strategic oversight, business direction and supervision of management of the Bruno Savings and Credit Union Limited. In acting in the best interests of the credit union and its members, the board's actions adhere to the standards set out in *The Credit Union Act 1998*, the *Standards of Sound Business Practice* and other applicable legislation.

Board Composition

The board is composed of 9 individuals elected on a regional basis. Terms are for 3 years. Nominations are made by district . Voting (if needed) is by paper ballot and election results are announced at the Bruno Savings and Credit Union Limited's annual general meeting. As you will note from the list of the Staff and Directors attached, Bentley Carberry, Peter Krebs and Corrine Doetzel , have had their terms of office expire this year. For various reasons, none of these board members left their names stand for re-election.

Nominations were held from Feb 14th, 2017 to March 3rd, 2017. At the time nominations ceased, there were two nominations for the Bruno District. They were Kristina Weiman and Debra Kramer. There was one nomination for Prud'homme District. It was for Wesley Sielski . Since the number of nominations equalled the number of vacancies, elections did not need to take place, and by acclamation the following directors were elected for 3 year terms: Kristina Weiman, Debra Kramer and Wesley Sielski. A big thank you to the past directors for years of service and welcome to the new directors.

Board Compensation

Bruno Savings and Credit Union Limited is fortunate to have competent guidance through the dedication of Management and the Board of Directors.

As in past years the Board of Directors was very busy with regular and committee meetings throughout the year. 10 regular meetings were held as well as other meetings, consisting of a Strategic Planning meeting and a meeting to do the general manager's annual performance review . The audit committee met twice , the conduct review committee met twice and the credit committee met once in 2016.

Directors and committee members are compensated with a per diem for meetings attended. Out of pocket expenses such as mileage and meal costs are also reimbursed to directors for expenses incurred while attending meetings and training. In addition to the regular board and committee meetings, directors attended other meetings and training throughout the year. These included a system meeting , a CUDGC informational meeting and a full day training session on Risk Oversight.

Board Committees

The Board of Directors organizes itself into several committees to ensure that oversight of various aspects of our operations and governance can be dealt with most effectively. The committees of the board are as follows:

> **Executive Committee:** acts on behalf of the board of directors between regular or special board meetings on all board matters except those which the board may not, in compliance with legislative requirements, delegate. The 2016 members of the committee were: Mark Kehrig, President , Elaine Urban , Vice-president and Jeff Mark, General Manager.

The executive committee comprised of the president, vice president and the general manager.

> **Conduct Review Committee:** ensures related party transaction comply with legislation, Standards of Sound Business Practice and with credit union or committee policies and procedures. They also ensure that all proposed related party transactions are fair to the credit union and that the exercise of the best judgment of the credit union has not been compromised as a result of real or perceived conflict of interest. 2016 members of this committee were: Corrine Doetzel, Kurtis Ellis, Bentley Carberry and alternates were Philip Lepage and Elaine Urban.

The conduct review committee is appointed annually at the re-organization meeting.

> **Nominating Committee:** oversees the nomination and election processes for the elections of credit union directors. 2016 members of this committee were Mark Kehrig, Elaine Urban and Philip Lepage .

The nominating committee is appointed annually at the re-organization meeting.

> **Audit Committee:** ensures an independent review of the credit union's operation on areas deemed necessary to maintain the integrity of financial data, adequacy of internal controls and adherence to relevant legislation, regulations and standards. 2016 members of this committee were: Elaine Urban, Ryan Hering, Mark Kehrig and Andre Lafreniere.

The Audit committee is appointed annually at the re-organization meeting.

> **Credit Committee:** To analyze and make decisions on credit applications within the provision of policy and legislation on any loans brought to them for approval. To review loans granted by management that are exceptions to loans policy and monitor if the exceptions are reasonable. 2016 members of this committee were: Philip Lepage; Peter Krebs, Jeff Mark and Joan Manderscheid.

The credit committee is appointed annually at the re-organization meeting.

Andre Lafreniere remains as the Delegate for the Bruno Savings and Credit Union Limited to Sask Central where he meets with other credit union delegates on a regular basis.

Executive Management

The Executive Management consist of the General Manager, Branch Supervisor , Office Supervisor and Loans officer. As you can see by the attached chart the Executive Management team has OVER 80 years of combined Credit union experience. Constant updates and meetings keep the management busy, both attending and reporting back to directors and staff.

Staff\Employees

After over 28 years of serving the members of this Credit Union, Colleen Niebrugge has retired from full time service. We thank her for her years of dedication and wish her the best in her future endeavors.

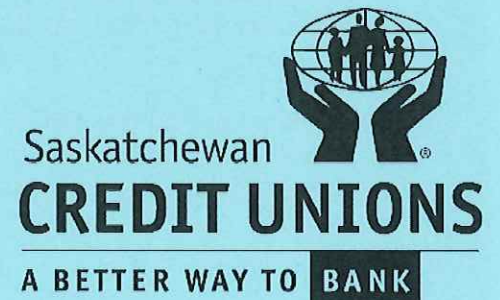
Megan Ollenberg was hired in Feb 2017 as a full time Member Service Rep at the Bruno office. Welcome Megan to our team.

Larissa Tremel worked as our summer student at the Bruno office in 2016.

We are fortunate to have employees who are committed to providing **excellent service to our members.**

Employees take required and optional training on an ongoing basis. Some of the training that is required on an annual basis is Anti-Money Laundering & Terrorist Financing as well as Privacy and Code of Conduct training.

WE WOULD NOT BE WHERE WE ARE TODAY WITHOUT OUR DEDICATED MANAGEMENT & STAFF.



QUICK FACTS

(as of Dec 31, 2016)

- Today there are 46 credit unions in Saskatchewan serving 229 communities through 264 service outlets
- Saskatchewan credit union assets reached \$21.5 billion with revenue of over \$910 million.
- Credit Union lending amounts to \$17.3 billion
- Almost 420 board members are locally elected by members of each credit union to provide strategic direction to their management teams.
- Credit unions are a major contributor to Saskatchewan's economy, employing almost 3500 people.
- As independent financial institutions owned and controlled by their members, credit unions are shaped by community needs. Saskatchewan credit unions range in asset size from \$18 million to more than \$5 billion.
- Funds held on deposit in Saskatchewan Credit Unions are fully guaranteed through the Credit Union Deposit Guarantee Corporation. The full guarantee is made possible through a comprehensive deposit protection regime that is focused on prevention.

Corporate Social Responsibility (CSR)

- The Bruno Saving and Credit Union Limited has always contributed to the well-being of the communities that it serves above and beyond the financial and economic role that financial institutions play.

In 2016 over \$17,000 was spent on local sponsorships. Some of the groups and events that we provided support to were:

- Viscount 4-H Beef Club
- Bruno Golf Course
- Bruno Jr. Axeman Broomball
- Bruno School Grad Award
- Sask Co-operative Youth Program
- Bruno Skating Rink
- Bruno Car Show
- Bruno Play School (set of table and chairs)
- Bruno Fire Department
- Bruno Minor Hockey (treat bags for tournament)
- Bruno Merchants fastball
- Bruno Bowling Alley
- Prud'homme Multicultural Museum
- Prud'homme Fire Department
- Prud'homme Ukrainian Dance Club
- Aberdeen School (towards bleachers)
- Bruno School (towards the Leader in Me Program)
- Vonda School
- Bruno Cherry Sunday

Capital Management

Our Regulator, The Credit Union Deposit Guarantee Corporation has set out minimum Standards for Credit Unions to follow with regards to capital limits. Credit Unions are expected to hold Capital in excess of these minimums and therefore are required to develop an **internal capital adequacy assessment process (ICAAP)**.

The following compares CUDGC regulatory standards to our Credit Union's numbers at year end:

For total eligible capital to risk weighted assets the regulatory standard is 10.5% and we were 13.70%.

For tier 1 capital to risk-weighted assets the regulatory standard is 8.50% and we were 12.67%.

For Common equity tier 1 capital to risk-weighted assets the regulatory standard is 7.00% and we were 12.67%.

The minimum leverage ratio is 5.00% and we were 10.60%.

Equity is a reflection of the past success of your credit union. It also serves as the financial cushion that allows your credit union to expand product lines and develop new services.

Capital management can be very complex and includes 6 areas. These areas are:

- ▶ **Board and Management oversight**
 - Policies are developed
 - i.e. desired capital levels, risk tolerance, capital expenditures
- ▶ **Sound capital assessment and planning**
 - Capital Plans are developed by management and board and reviewed ongoing
- ▶ **Comprehensive assessment of risks**
 - Risks to capital are assessed through processes such as Enterprise Risk Management (ERM)
 - i.e. where is the largest concentration of risk to capital (credit/loans)
- ▶ **Stress Testing**
 - On a quarterly basis capital levels are tested for possible erosion
 - Stress testing programs are used to test the ability of the credit union to absorb losses
 - i.e. How would rising interest rates effect our capital level or a large increase or decrease in deposits
- ▶ **Monitoring and Reporting**
 - Regular reports are prepared for the directors and Credit Union Deposit Guarantee Corporation.
- ▶ **Internal Control Review**
 - Ongoing internal controls and functions along with scheduled internal audits and CUDGC reviews

Management's Responsibility

To the Members of Bruno Savings and Credit Union Limited:

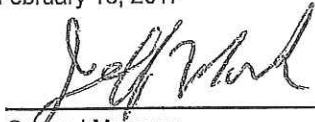
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles 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 and Audit and Risk Committee are composed entirely of Directors who are neither management nor employees of the Credit Union. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Audit and Risk Committee has the responsibility of meeting with management, internal auditors, and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Committee is also responsible for recommending the appointment of the Credit Union's external auditors.

MNP LLP 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 Committee and management to discuss their audit findings.

February 16, 2017



General Manager



Bruno Savings and Credit Union Limited
Summary Financial Statements
December 31, 2016



ACCOUNTING > CONSULTING > TAX
BOX 2590, 2424 WESTWOOD DRIVE, HUMBOLDT SK, S0K 2A0
1.877.500.0789 T: 306.682.2673 F: 306.682.5910 MNP.ca

Report of the Independent Auditors' on the Summary Financial Statements

To the Members of Bruno Savings and Credit Union Limited:

The accompanying summary financial statements, which comprise the summary statement of financial position as at December 31, 2016, and the summary statements of comprehensive income, changes in members' equity and cash flows for the year then ended, are derived from the audited financial statements of Bruno Savings and Credit Union Limited for the year ended December 31, 2016. We expressed an unmodified opinion on those financial statements in our report dated February 16, 2017.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Bruno Savings and 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 in accordance with International Financial Reporting Standards.

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 Bruno Savings and Credit Union Limited for the year ended December 31, 2016 are a fair summary of those financial statements, in accordance with International Financial Reporting Standards.

Humboldt, Saskatchewan

February 16, 2017

MNP LLP
Chartered Professional Accountants

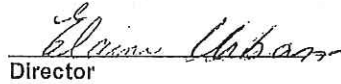
Bruno Savings and Credit Union Limited
Summary Statement of Financial Position

As at December 31, 2016

	2016	2015
Assets		
Cash and cash equivalents	1,848,969	2,681,147
Investments	7,109,431	6,853,317
Member loans receivable	57,968,831	54,272,404
Other assets	6,860	21,436
Property, plant and equipment	86,849	96,772
	67,020,940	63,925,076
Liabilities		
Member deposits	59,752,182	57,232,423
Other liabilities	75,668	43,703
Membership shares	6,225	6,445
Equity accounts	536,653	553,422
	60,370,728	57,835,993
Commitment		
Members' equity		
Retained earnings	6,650,212	6,089,083
	67,020,940	63,925,076

Approved on behalf of the Board

Director 

Director 

Bruno Savings and Credit Union Limited
Summary Statement of Comprehensive Income

For the year ended December 31, 2016

	2016	2015
Interest income		
Member loans	2,173,677	2,141,087
Investments	169,478	141,279
	2,343,155	2,282,366
Interest expense		
Member deposits	583,522	605,660
Borrowed money	938	1,154
	584,460	606,814
Net interest income	1,758,695	1,675,552
Provision for impaired loans	2,580	-
Net interest income before other income	1,756,115	1,675,552
Other income	149,145	160,108
Net interest and other income	1,905,260	1,835,660
Operating Expenses		
Personnel	713,711	677,960
Member security	62,905	60,424
Organizational	42,602	38,739
Occupancy	46,531	34,587
General business	370,814	376,677
	1,236,563	1,188,387
Income before provision for income taxes	668,697	647,273
Provision for income taxes		
Current	107,568	105,669
Comprehensive income	561,129	541,604

Bruno Savings and Credit Union Limited
Summary Statement of Changes in Members' Equity
For the year ended December 31, 2016

	<i>Retained earnings</i>	<i>Total equity</i>
Balance December 31, 2014	5,547,479	5,547,479
Comprehensive income	541,604	541,604
Balance December 31, 2015	6,089,083	6,089,083
Comprehensive income	561,129	561,129
Balance December 31, 2016	6,650,212	6,650,212

Bruno Savings and Credit Union Limited
Summary Statement of Cash Flows
For the year ended December 31, 2016

	2016	2015
Cash provided by (used for) the following activities		
Operating activities		
Interest received from member loans receivable	2,127,903	2,210,748
Interest received from investments	168,594	141,246
Other income received	149,145	160,108
Interest paid on deposits	(577,541)	(593,822)
Cash paid to suppliers and employees	(1,198,419)	(1,206,013)
Interest paid on borrowed money	(938)	(1,154)
Income taxes paid	(85,373)	(163,064)
	583,371	548,049
Financing activities		
Net change in member deposits	2,513,779	2,403,210
Net change in membership shares	(220)	(120)
Reduction of equity accounts	(16,769)	(31,901)
	2,496,790	2,371,189
Investing activities		
Net change in member loans receivable	(3,653,233)	(1,815,237)
Purchases of investments	(255,230)	(904,920)
Purchases of property, plant and equipment	(3,876)	(13,690)
	(3,912,339)	(2,733,847)
Increase (decrease) in cash and cash equivalents	(832,178)	185,391
Cash and cash equivalents, beginning of year	2,681,147	2,495,756
Cash and cash equivalents, end of year	1,848,969	2,681,147