VantageOne
CREDIT UNION

2015 Annual Report

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Message from the Board Chair

Well another year has passed and hopefully life has been good to everyone in spite of the challenges in our economy and day to day life. I've been with this credit union since the late 70s and it amazes me the loyalty and support that we get from our members. We also have to remember that there are some pretty phenomenal employees and managers on our team that have earned that loyalty and support. Isn't that what our credit union is all about? It personifies us. We are people — we are our members, our staff, our management, our directors, and our vendors and alliances. When we work together, we can create something truly outstanding. Something we can all be proud of, and for me quite importantly, somewhere where we only have to ask and we will receive. Most of all, we are our community in which we live. If you think about what kind of a person you want to be and it entails being caring, responsible and a contributor to society in general, then you have in effect aligned yourself with what our credit union represents to the communities it serves and supports.

The VantageOne Board of Directors is representative of our membership and strives to ensure that our membership's best interests are first and foremost. We want our organization to be one that members are proud of, support, participate and contribute to being the best that it can be. We are accountable to the membership and we embrace that role wholeheartedly.

VantageOne has so much to offer our members. Are you getting your share? Got a company that needs equipment to lease? Does your family need a mortgage? Do you want to invest for retirement or for your child's future? Do you need to sell or buy a home? Or do you just need someone to help you figure out how to deposit a cheque to your account by taking a picture with your smartphone? This is the kind of organization you belong to. One that truly cares. One that wants to help make your life easier and take the stress out of all these things. In a world full of hustle and bustle it's good to know that some things are just plain easy peasy. That's what we want for our members.

So, we will continue the year — looking forward to keeping our membership happy with the service provided. We want to grow our membership and look for new and innovative technology that would make your financial experience with us that much easier and more convenient. We will continue to be a contributor to the well-being of the communities we live in. At VantageOne, we want to be the purest definition of service where we not only meet your expectations but hopefully surpass them.

Respectfully submitted,

Cheryl Turcotte

Board Chair

Message from the Chief Executive Officer

We are pleased to share with you the 2015 financial results of your credit union and provide you with an update on a few key initiatives. At a time where there is ongoing global economic uncertainty our financial position remains strong. We continue to enhance services to you, our members, with the introduction of flash cards and the ability to offer you electronic voting. In addition, we have updated our strategic direction to include a focus on both technology and personalized service and advice.

With a backdrop of ongoing economic challenges, VantageOne maintains a sound financial position. As you will see in our financial statements included in this package, assets grew over 6%—driven primarily by strong deposit growth over the past year. Our loan portfolio continued to grow, however, at a slower pace than the deposit portfolio. These results translated into growth in loan revenue. With low interest rates, revenue from investments and the cost of deposits were slightly lower which resulted in a 4% growth in financial margin over previous year. We did a good job of maintaining our expenses over the year and were able to achieve a profit before taxes of over $1 million. Our net income was added to our capital base, allowing us to continue a very strong capital position to withstand any economic events.

We look forward to launching improved services to members over the next year. First, the payment landscape is changing quickly and we are in the process of updating our Member Cards to incorporate the Tap and Pay system. Our secure implementation of this technology will allow members to quickly make payments at merchants who accept this form of payment. With no PIN required, these cards actually improve the security of card usage. Second, we are now able to hold an election of directors electronically. In previous years, elections were held in person. Electronic voting will increase your ability to participate in choosing directors for the organization.

With technology continuing to advance at a rapid pace, we remain committed to offering proven solutions and making sure you know how to use them. Our updated strategic direction captures this well as we focus on "providing service and advice with a human touch in a technology driven world". This means we will continue to roll out technology solutions; however, we will always consider how we can add the human touch to enhance your experience. This involves training our staff first so they can provide you the support you need to use the new technologies. Then we will provide opportunities in our branches for you to play with and use the new technology for yourself. Expect to see new tablets and other technologies in our branches in the coming years.

All of our projects cannot happen without the hard work and dedication of our staff. This past year we have made significant changes to flatten our organization structure and implement more teams. Our goal is to leverage the skills and ideas of more of our staff. The results will be better execution of all the projects and services we implement. I would like to thank our leadership team and all staff for their energetic support of the new teams and new technologies we are rolling out inside the organization to improve our effectiveness.

In closing, I would like to thank our members for choosing VantageOne, your continued dedication and support to our organization is what makes us successful. I would like to thank the board for their continued dedicated leadership of the organization. Finally, thank-you to all the staff for your continued energy and enthusiasm in making VantageOne the best employer in Vernon!

Respectfully submitted,

Glenn Benischek

Chief Executive Officer

Grant Thornton

Independent auditors' report

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To the members of VantageOne Credit Union

We have audited the accompanying consolidated financial statements of VantageOne Credit Union ("the Credit Union"), which comprise the consolidated statement of financial position as at December 31, 2015, the consolidated statement of earnings and comprehensive income, consolidated statement of changes in members' equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Credit Union's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Credit Union's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of VantageOne Credit Union as at December 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Grant Thornton LLP

Kelowna, Canada
February 24, 2016

Chartered Professional Accountants

VantageOne Credit Union

Consolidated statement of financial position

December 31	2015	2014
Assets		
Cash and cash equivalents (Note 5)	**$ 17,694,475**	$ 9,234,096
Receivables and other assets	**699,634**	476,973
Income taxes recoverable	**41,490**	85,743
Investments (Note 6)	**21,141,549**	19,845,931
Derivative financial instruments (Note 7)	**2,518,969**	1,894,215
Loans (Note 8 and Note 9)	**240,889,265**	234,613,604
Deferred income tax (Note 14)	**323,000**	239,000
Property and equipment (Note 10)	**6,558,915**	6,594,785
Accrued pension asset (Note 13)	**235,500**	-
Total assets	**$ 290,102,797**	$ 272,984,347
Liabilities		
Deposits (Note 12)	**$ 266,026,085**	$ 250,820,338
Payables and other liabilities	**770,081**	479,073
Accrued pension liability (Note 13)	**-**	34,500
Members' shares (Note 16)	**51,063**	55,039
Total liabilities	**266,847,229**	251,388,950
Members' equity		
Members' shares (Note 16)	**867,458**	915,107
Retained earnings	**20,911,698**	19,808,229
Accumulated other comprehensive income	**1,476,412**	872,061
	23,255,568	21,595,397
	$ 290,102,797	$ 272,984,347

Commitments (Note 23)
Post reporting date events (Note 24)

On behalf of the Board

C. Turcotte Director   Jason Siebert Director

See accompanying notes to the consolidated financial statements

VantageOne Credit Union

Consolidated statement of earnings and comprehensive income

Year ended December 31	2015	2014
Financial income		
Loans	$ 8,914,407	$ 8,660,320
Cash and cash equivalents and investments	1,294,171	1,438,153
	10,208,578	10,098,473
Financial expense		
Deposits	2,667,503	2,695,796
Borrowings	15,709	7,740
Provision for credit losses (Note 9)	198,354	356,737
	2,881,566	3,060,273
Financial margin	7,327,012	7,038,200
Other income (Note 17)	3,516,850	3,575,183
Operating margin	10,843,862	10,613,383
Operating expenses (Note 18)	9,713,084	9,687,469
Earnings before income taxes	1,130,778	925,914
Income taxes (Note 14)		
Current income tax (recovery)	111,309	(69,423)
Deferred income (recovery) tax	(84,000)	108,000
	27,309	38,577
Net earnings	1,103,469	887,337
Other comprehensive income, net of tax		
Change in unrealized gain on cash flow hedges, net of tax of $118,703 (2014 - $100,928)	506,051	430,273
Unrealized actuarial gain (loss) on defined benefit pension plan (Note 13)	98,300	(720,500)
Comprehensive income	$ 1,707,820	$ 597,110

See accompanying notes to the consolidated financial statements

VantageOne Credit Union

Consolidated statement of changes in members' equity

Year ended December 31

	Members' shares	Retained earnings	Accumulated other comprehensive income	Total
Balance on December 31, 2013	**$ 954,756**	**$ 18,920,892**	**$ 1,162,288**	**$ 21,037,936**
Net earnings	-	887,337	-	887,337
Change in members' shares, net	(39,649)	-	-	(39,649)
Other comprehensive income				
Change in unrealized gain on cash flow hedges	-	-	531,201	531,201
Deferred income tax on unrealized gains on cash flow hedges	-	-	(100,928)	(100,928)
Unrealized actuarial loss on defined benefit pension plan	-	-	(720,500)	(720,500)
Balance on December 31, 2014	**$ 915,107**	**$ 19,808,229**	**$ 872,061**	**$ 21,595,397**
Net earnings	-	1,103,469	-	1,103,469
Change in members' shares, net	(47,649)	-	-	(47,649)
Other comprehensive income				
Change in unrealized gain on cash flow hedges	-	-	624,754	624,754
Deferred income tax on unrealized gains on cash flow hedges	-	-	(118,703)	(118,703)
Unrealized actuarial gain on defined benefit pension plan	-	-	98,300	98,300
Balance on December 31, 2015	**$ 867,458**	**$ 20,911,698**	**$ 1,476,412**	**$ 23,255,568**

See accompanying notes to the consolidated financial statements

VantageOne Credit Union

Consolidated statement of cash flows

Year ended December 31	**2015**	2014
Increase (decrease) in cash and cash equivalents		
Operating activities		
Earnings before income taxes	**$ 1,130,778**	$ 925,914
Adjustments for non-cash items		
Provision for credit loss	**198,354**	356,737
Depreciation	**446,538**	590,244
Loss on disposal of property and equipment	**36,131**	4,190
Change in interest accruals	**102,205**	(276,458)
Receivables and other assets	**(222,661)**	103,702
Payables and other liabilities	**163,561**	(308,629)
	1,854,906	1,395,700
Change in member activities		
Change in loans, net of repayments	**(16,155,767)**	(31,628,516)
Change in deposits, net of withdrawals	**17,739,918**	3,218,499
Cash flows related to interest, dividends and income taxes		
Interest received on loans	**9,645,109**	9,177,912
Interest received on investments	**1,328,168**	1,412,770
Interest paid on deposits	**(2,610,681)**	(2,831,602)
Income taxes paid	**(223,040)**	(202,837)
Dividends received on investments	**56,954**	68,627
	11,635,567	(19,389,447)
Financing activities		
Change in members' shares, net	**(47,649)**	(39,649)
Investing activities		
Change in investments	**(2,680,740)**	1,743,110
Purchase of property and equipment	**(446,799)**	(367,034)
	(3,127,539)	1,376,076
Net increase (decrease) in cash and cash equivalents	**8,460,379**	(18,053,020)
Cash and cash equivalents, beginning of year	**9,234,096**	27,287,116
Cash and cash equivalents, end of year	**$ 17,694,475**	$ 9,234,096

See accompanying notes to the consolidated financial statements

1. Governing legislation and operations

The Credit Union is incorporated under the Credit Union Incorporation Act of British Columbia and the operation of the Credit Union is subject to the Financial Institutions Act of British Columbia. The Credit Union serves members principally in the North Okanagan. The products and services offered to its members include personal, commercial and other loans and mortgages; chequing and savings accounts; term, demand and other deposits. The Credit Union's head office is located at 3108 - 33rd Avenue, Vernon BC.

These consolidated financial statements have been approved and authorized for issue by the Board of Directors on February 24, 2016.

2. Basis of presentation and statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements were prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and derivative financial instruments measured at fair value.

The Credit Union and its subsidiaries' functional and presentation currency is the Canadian dollar.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Credit Union's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

3. Summary of significant accounting policies

Basis of consolidation

The Credit Union financial statements consolidate those of the parent company and all of its subsidiaries up to December 31, 2015. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Subsidiaries controlled through 100% ownership include VantageOne Financial Corp., VantageOne Leasing Inc., and VantageOne Realty Inc. All subsidiaries have a reporting date of December 31.

(continued)

3. Summary of significant accounting policies (continued)

Basis of consolidation (continued)

All transactions and balances between the Credit Union and its subsidiaries are eliminated on consolidation. Where unrealized losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Credit Union.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits with banks, other short-term highly liquid investments with original maturities of three months or less, and for the purpose of the statement of cash flows, bank overdrafts that are repayable on demand.

Financial instruments

Financial assets and financial liabilities are recognized when the Credit Union becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are initially measured at fair value plus transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are initially measured at fair value.

Subsequent measurement of financial assets and financial liabilities is as described below.

Financial assets
For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables;
- financial assets at fair value through profit or loss;
- held to maturity investments; and
- available-for-sale financial assets

The category determines subsequent measurement and whether any resulting income and expense is recognized in profit or loss or in other comprehensive income.

(continued)

3. Summary of significant accounting policies (continued)

Financial instruments (continued)

At least at each reporting date, all financial assets except for those at fair value through profit or loss are subject to a review for impairment. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognized in profit or loss are presented within ‘financial income’ or ‘financial expense’.

Loans and receivables
All member loans, cash and cash equivalents and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and have been classified as loans and receivables.

Loans and receivables are initially measured at fair value, net of loan origination fees and inclusive of transaction costs incurred. Loans and receivables are subsequently measured at amortized cost, using the effective interest rate method, less any impairment losses.

Loans to members are reported at their recoverable amount representing the aggregate amount of principal, less any allowance or provision for impaired loans plus accrued interest. Interest for all loans is accounted for on the accrual basis.

If there is objective evidence that an impairment loss on member loans carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the loans carrying amount and the present value of expected cash flows discounted at the loans original effective interest rate. Short-term balances are not discounted.

The Credit Union first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment. The expected future cash outflows for a group of financial assets with similar credit risk characteristics are estimated based on historical loss experience.

(continued)

3. Summary of significant accounting policies (continued)

Financial instruments (continued)

Loans and receivables (continued)
If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in net earnings.

The accounting treatment for loan fees varies depending on the transaction. Significant fees that would result in an adjustment to the overall loan yield are capitalized and amortized using the effective interest method. Mortgage prepayment fees are recognized in other income when received, unless they relate to a minor modification to the terms of the mortgage, in which case the fees are capitalized and amortized over the average remaining term of the original mortgage.

Loans written off
Loans are written off from time to time as determined by management and approved by the Board of Directors when it is reasonable to expect that the recovery of the debt is unlikely. Loans are written off against the provisions for impairment, if a provision for impairment had previously been recognized. If no provision had been recognized, the write offs are recognized as expenses in net earnings.

Financial assets at fair value through profit and loss
Financial assets at fair value through profit and loss include financial assets that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit and loss upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which hedge accounting requirements apply.

Assets in this category are measured at fair value with gains and losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists. The Credit Union currently has no financial assets classified as fair value through profit and loss.

Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables.

Investments are classified as held-to-maturity if the Credit Union has the intention and ability to hold them until maturity. The Credit Union currently holds liquidity term deposits designated into this category.

(continued)

3. Summary of significant accounting policies (continued)

Financial instruments (continued)

Held-to-maturity investments (continued)
Held-to-maturity investments are measured subsequently at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows.

Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Credit Union's investments held with CEDA, Central 1 Credit Union, CUPP Services Ltd., and Stabilization Central Credit Union have been classified as available for sale.

These share investments are measured at cost less any impairment charges, as their fair value cannot currently be estimated reliably. Impairment charges are recognized in net earnings.

Financial liabilities
The Credit Union's financial liabilities include deposits, payables and other liabilities, and members' shares classified as liabilities.

Financial liabilities are measured subsequently at amortized cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through net earnings that are carried subsequently at fair value with gains or losses recognized in net earnings. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in net earnings are included within financial income or financial expense.

Derivative financial instruments
Derivative financial instruments are contracts that are utilized to manage financial risk such as changes in interest rates or other financial indices.

Derivative financial instruments are accounted for at fair value through profit and loss except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet several strict conditions with respect to documentation, probability of occurrence of the hedged transaction and hedge effectiveness.

(continued)

3. Summary of significant accounting policies (continued)

Financial instruments (continued)

Hedges (continued)
The Credit Union, in accordance with its risk management strategies, enters into various derivative financial instruments to protect itself against the risk of fluctuations in interest rates.

The Credit Union manages interest rate risk through interest rate swaps. These derivatives are carried at fair value and are reported as assets where they have a positive fair value and as liabilities where they have a negative fair value, in both cases shown on the statement of financial position.

Hedge accounting is applied to financial assets and financial liabilities only where all of the following criteria are met:

- At the inception of the hedge there is formal designation and documentation of the hedging relationship and the Credit Union's risk management objective and strategy for undertaking the hedge;
- For cash flow hedges, the hedged item in a forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect net earnings;
- The effectiveness of the hedge can be reliably measured; and
- The hedge is expected to be highly effective at inception and remains highly effective on each date it is tested. The Credit Union has chosen to test the effectiveness of its hedges on a quarterly basis.

The swap contracts can be designated as fair value hedge instruments or cash flow hedge instruments. The Credit Union has not entered into any fair value hedges at this time.

Cash flow hedges modify exposure to variability in cash flows for variable rate interest bearing instruments or the forecasted assurance of fixed rate liabilities. The Credit Union's cash flow hedges are primarily hedges of floating rate commercial and personal loans.

For cash flow hedges that meet the hedging documentation criteria, gains and losses resulting from changes in the fair value of the effective portion of the derivative instrument are recorded in other comprehensive income until the hedged item is recognized in net earnings, at which time such change is recognized as interest income. The ineffective portion is recognized immediately in net earnings as cash and cash equivalents and investments income.

If the Credit Union closes out its hedge position early, the cumulative gains and losses recognized in other comprehensive income are frozen and reclassified from the cash flow hedge reserve within other comprehensive income to net earnings using the effective interest method. The ineffective portion of gains and losses on derivatives used to manage cash flow interest rate risk are recognized in net earnings within interest expense or interest revenue.

If a forecast transaction is no longer expected to occur or if the hedging instrument becomes ineffective, any related gain or loss recognized in other comprehensive income is transferred immediately to profit or loss.

(continued)

3. Summary of significant accounting policies (continued)

Property and equipment

Property and equipment is initially recorded at cost and subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, with the exception of land and buildings under construction which are not depreciated. Depreciation is recognized in net earnings and is provided on a straight-line basis over the estimated useful life of the assets as follows:

Buildings, renovations and HVAC system	15 to 40 years
Office equipment	2 and 5 years
Furniture and fixtures	15 years
Leasehold improvements	10 years

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if necessary. Gains or losses arising on the disposal of property and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognized in net earnings.

Impairment of non-financial assets

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly. Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash flows. Impairment charges are included in net earnings, except to the extent they reverse gains previously recognized in other comprehensive income.

Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Current income tax liabilities comprise those obligations to fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

(continued)

3. Summary of significant accounting policies (continued)

Income taxes (continued)

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless it affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Credit Union and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income, based on the forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Credit Union has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

Deposits

All member deposits are initially measured at fair value, net of any transaction costs directly attributable to the issuance of the instrument.

Member deposits are subsequently measured at amortized cost, using the effective interest rate method.

(continued)

3. Summary of significant accounting policies (continued)

Post employment benefit and short-term employee benefits

Post employment benefit
The Credit Union sponsors a defined benefit pension plan which is administered by CUMIS. A defined benefit plan is a pension plan which defines an amount of pension benefit that an employee will receive on retirement in return for their service in the current and prior periods. It is funded through payments to trustee administered funds which are determined by actuarial valuations.

The asset (liability) recognized in the statement of financial position for the defined benefit plan is the present value of the fair value of plan assets at the reporting date less the defined benefit obligation ("DBO"). The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates of government bonds that have terms to maturity approximating to the terms of the related pension liability. The defined benefit obligation is determined using the project unit credit method on an annual basis by an independent actuary. The actuarial valuation of plan obligations is dependent upon a series of assumptions, the key ones being price inflation, earnings growth, mortality and investment returns assumptions. Different assumptions could significantly alter the amount of difference between plan assets and obligations, and the pension cost charged to the statement of earnings and comprehensive income.

Actuarial gains and losses related to the defined benefit pension plan are recorded directly in equity through other comprehensive income as they arise. Post employment benefit expenses are included in 'salaries and benefits'.

Short-term employee benefits
Short-term employee benefits, including holiday entitlement, are current liabilities included in 'payables and other liabilities', measured at the undiscounted amount that the Credit Union expects to pay as a result of the unused entitlement.

Provisions

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Credit Union and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Provisions are not recognized for future operating losses.

(continued)

3. Summary of significant accounting policies (continued)

Provisions (continued)

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Credit Union can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Membership shares

Membership shares are classified as liabilities or as members' equity according to their terms. Where shares are redeemable at the option of the member, either on demand or on withdrawal from membership, the shares are classified as liabilities. Where shares are redeemable at the discretion of the Credit Union board of directors, the shares are classified as equity.

Distributions to members

Patronage rebates and dividends on shares classified as liabilities are charged against earnings, when approved by the Board of Directors.

Revenue recognition

Revenue from the provision of services to members is recognized when earned, specifically when amounts are fixed or can be determined and the ability to collect is reasonably assured.

Leased assets

Amounts due from lessees under finance leases are recorded as loans and receivables at the amount of the Credit Union's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Credit Union's net investment outstanding in respect of the leases.

All leases in which the Credit Union is the lessee are treated as operating leases. Payments on operating lease agreements are recognized as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

(continued)

3. Summary of significant accounting policies (continued)

Foreign currency translation

At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year-end date, unsettled monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at the year-end date and the related translation differences are recognized in net income. Exchange gains and losses arising on the retranslation of monetary available-for-sale financial assets are treated as a separate component of the change in fair value and recognized in net income.

Standards and interpretations not yet effective

Certain new standards, amendments and interpretations have been published that are mandatory for the Credit Union's accounting periods beginning on or after January 1, 2016 or later periods that the Credit Union has decided not to early adopt. The standards, amendments and interpretations that will be relevant to the Credit Union are:

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - (amendments to IFRS 10 and IAS 28)
The IASB issued Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28 to address an acknowledged inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and those in IAS 28 Investments in Associates in dealing with the sale or contribution of a subsidiary.

The Amendments are to be applied prospectively to the sale or contribution of assets. Annual periods beginning on or after January 1, 2016. Earlier application is permitted.

IFRS 9 Financial Instruments
IFRS 9 is part of phase I of the IASB's wider project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 deals with classification and measurement of financial assets. The requirements of this standard represent a significant change from the existing requirements in IAS in respect of financial assets. All financial assets that are currently in the scope of IAS 39 will be classified as either amortized cost or fair value. The available for sale, held-to-maturity, and loans and receivables categories will no longer exist. Classification of financial assets is based on an entity's business model for managing the financial assets and their contractual cash flow characteristics. Reclassifications between the two categories are prohibited unless there is a change in the entity's business model.

Annual periods beginning on or after January 1, 2018.

(continued)

3. Summary of significant accounting policies (continued)

Standards and interpretations not yet effective (continued)

IFRS 15 Revenue from Contracts with Customers
IFRS 15 replaces IAS 18 *Revenue*, IAS 11 *Construction Contracts* and some revenue-related Interpretations; establishes a new control-based revenue recognition model; changes the basis for deciding whether revenue is to be recognized over time or at a point in time; provides new and more detailed guidance on specific topics; and expands and improves disclosures about revenue.

IFRS 15 applies to contracts with customers to provide goods or services, including construction contracts and licensing of intellectual property. It will not apply to certain contracts within the scope of other IFRSs such as lease contracts, insurance contracts, financing arrangements, financial instruments, guarantees other than product warranties, and non-monetary exchanges between entities in the same line of business to facilitate sales to third-party customers.

Annual periods beginning on or after January 1, 2018. Early adoption is permitted.

4. Judgments and estimates

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. Judgments, estimates and assumptions are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these judgments, estimates and assumptions.

Judgments

Recognition of deferred tax assets
The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Credit Union's future taxable income against which the deferred tax assets can be utilized.

Estimates

The effect of a change in an accounting estimate is recognized prospectively by including it in net earnings in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both.

(continued)

4. Judgments and estimates (continued)

Member loan loss provision
In determining whether an impairment loss should be recorded the Credit Union makes estimates on whether objective evidence of impairment exists individually for financial assets that are individually significant. Where this does not exist the Credit Union groups member loans with similar credit risk characteristics to allow a collective assessment of the group to determine any impairment loss.

In determining the collective loan loss provision management uses estimates based on historical loss experience for assets with similar credit risk characteristics and objective evidence of impairment. Further details on the estimates used to determine the allowance for impaired loans collective provision are provided in Note 9.

Useful lives of depreciable assets
Management reviews the useful lives of depreciable assets at each reporting date. At December 31, 2015, management assesses that the useful lives represent the expected utility of the assets to the Credit Union. The carrying amounts are analyzed in Note 10. Actual results, however, may vary due to technical obsolescence, particularly for software and IT equipment.

Fair value of financial instruments
Management uses valuation techniques in measuring the fair value of financial instruments, where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities.

In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

(continued)

4. Judgments and estimates (continued)

Income taxes
The Credit Union periodically assesses its liabilities and contingencies related to income taxes for all years open to audit based on the latest information available. For matters where it is probable that an adjustment will be made, the Credit Union records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in income taxes payable.

Accrued pension asset (liability)
Under the Credit Union's defined benefit plans, the amount of pension benefit that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Credit Union, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund as well as qualifying insurance policies.

Management estimates the defined benefit asset (liability) annually with the assistance of independent actuaries; however, the actual outcome may vary due to estimation uncertainties. The defined benefit asset (liability) is based on standard rates of inflation and mortality. It also takes into account the Credit Union's specific anticipation of future salary increases. Discount factors are determined close to each year-end by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension asset (liability).

5. Cash and cash equivalents

The Credit Union's cash and cash equivalents are held with Central 1. The average yield on the accounts at December 31, 2015 is 0.77% (2014 - 0.93%).

	2015	2014
Cash, current accounts and bank overdraft (Note 15)	**$ 17,490,401**	$ 3,981,471
Callable term deposits and accrued interest	**204,074**	5,252,625
	$ 17,694,475	$ 9,234,096

6. Investments

The following tables provide information on the investments by type of security and issuer. The maximum exposure to credit risk would be the fair value as detailed below.

	2015	2014
Term deposits and accrued interest		
Non-callable or original maturities greater than three months	**$ 19,958,085**	$ 18,696,616
Shares		
CEDA	**10**	10
Central 1 Credit Union	**1,081,721**	1,047,572
CUPP Services Ltd.	**101,475**	101,475
Stabilization Central Credit Union	**258**	258
	$ 21,141,549	$ 19,845,931

Non-callable term deposits are due between one month and five years. The carrying amounts for deposits at approximate fair value due to having similar characteristics as cash and cash equivalents.

The shares in Central 1 are required as a condition of membership and are redeemable upon withdrawal of membership or at the discretion of the Board of Directors of Central 1. In addition, the member credit unions are subject to additional capital calls at the discretion of the Board of Directors.

Central 1 shares are subject to an annual rebalancing mechanism and are issued and redeemable at par value. There is no separately quoted market value for these shares however, fair value is determined to be equivalent to the par value due to the fact transactions occur at par value on a regular and recurring basis.

The Credit Union is not intending to dispose of any Central 1 shares as the services supplied by Central 1 are relevant to the day to day activities of the Credit Union.

Dividends on these shares are at the discretion of the Board of Directors of Central 1.

7. Derivative financial instruments

As at December 31, 2015, the Credit Union had entered into interest rate swap contracts for a total of $95 million of notional principal ($30 million of this being in forward starting agreements). Related to the $65 million of non-forward starting agreements, the Credit Union has agreed to pay at floating interest rates based on Banker's Acceptance rates and receive at fixed interest rates. These pre-existing swaps contracts have fixed interest rates ranging from 1.945% to 3.772% and mature from January 30, 2016 to February 15, 2019. The remaining $30 million of forward starting swaps will replace the pre-existing contracts. These forward swaps have fixed interest rates ranging from 2.120% to 2.880% and mature from January 30, 2017 to February 18, 2020. The agreements are secured by a general security agreement covering all assets of the Credit Union.

8. Loans

	2015	2014
Personal loans		
Residential mortgages	**$ 165,718,959**	$ 157,833,358
Other	**5,480,376**	7,032,154
Commercial loans		
Mortgages	**51,153,830**	49,284,397
Other	**7,776,745**	9,555,504
Leases	**11,047,497**	11,355,946
	241,177,407	235,061,359
Accrued interest receivable	**650,323**	679,993
Deferred loan fees	**(30,954)**	(38,451)
	241,796,776	235,702,901
Allowance for impaired loans (Note 9)	**(907,511)**	(1,089,297)
Net loans to members	**$ 240,889,265**	$ 234,613,604

Terms and conditions

Member loans can have either a variable or fixed rate of interest with a maturity date of up to ten years.

The Credit Union's prime rate at December 31, 2015 was 3.25% (2014 - 3.25%) and is formulated on the Bank of Canada prime rate. Loan rates are based on current Credit Union prime rate with a range based on lending criteria.

The interest rate offered on fixed rate loans being advanced at December 31, 2015 ranges from 0.00% to 15.25% (2014 - 0.00% to 15.25%).

Residential mortgages are loans and lines of credit secured by residential property and are generally repayable monthly with either blended payments of principal and interest or interest only.

Personal loans consist of term loans and lines of credit that are non-real estate secured and have various repayment terms. Some of the personal loans are secured by wage assignments and personal property or investments, and others are secured by wage assignments only.

Commercial loans consist of term loans, operating lines of credit and mortgages to individuals, partnerships and corporations, and have various repayment terms. They are secured by various types of collateral, including mortgages on real property, general security agreements, charges on specific equipment, investments, and personal guarantees.

(continued)

8. **Loans** (continued)

Average yields to maturity

Loans bear interest at both variable and fixed rates with the following average yields at:

	2015		2014	
	Principal	**Yield**	Principal	Yield
Variable rate	**$ 95,073,271**	**3.84 %**	$ 92,422,538	3.87 %
Fixed rate due less than one year	**44,466,717**	**4.20 %**	44,748,633	4.52 %
Fixed rate due between one and five years	**101,637,419**	**3.91 %**	97,890,188	4.12 %
	$ 241,177,407	**3.93 %**	$ 235,061,359	4.10 %

Credit quality of loans

It is not practical to value all collateral as at the balance sheet date due to the variety of assets and conditions. A breakdown of the security held on a portfolio basis is as follows:

	2015	2014
Unsecured loans	**$ 5,202,140**	$ 5,205,235
Loans, secured by real estate or insured by government	**222,427,774**	214,194,222
Loans, otherwise secured	**2,041,366**	3,437,680
Loans, secured by deposit and government securities	**458,630**	868,276
Leases	**11,047,497**	11,355,946
	$ 241,177,407	$ 235,061,359

Fair value

The fair value of member loans and leases at December 31, 2015 was $243,084,000 (2014 - $236,505,000).

The estimated fair value of the variable rate loans is assumed to be equal to book value as the interest rates on these loans re-price to market on a periodic basis. The estimated fair value of fixed rate loans is determined by discounting the expected future cash flows at current market rates for products with similar terms and credit risks.

9. Allowance for impaired loans

	2015	2014
Collective allowance	**$ 112,534**	$ 46,836
Specific allowance	**794,977**	1,042,461
Total allowance	**$ 907,511**	$ 1,089,297

Change in specific allowance and collective allowance for impairment:

	Beginning balance	Provision	(Write-offs net of recoveries)	**2015 Ending balance**	2014 Ending balance
Residential mortgages	$ 54,969	$ 112,994	$ (32,607)	**$ 135,356**	$ 54,969
Commercial mortgages	968,081	10,573	(367,053)	**611,601**	968,081
Leases	66,247	160,554	(66,247)	**160,554**	66,247
	$ 1,089,297	$ 284,121	$ (465,907)	**$ 907,511**	$ 1,089,297

	2015	2014
Percentage of total loans and accrued interest	**0.38%**	0.46%

In addition to the adjustments to the above noted provisions, during the year $30,496 was directly written off to the provision for credit losses and $349,644 (2014 - $nil) was recovered from loans and leases previously written-off.

Impaired loans and related allowances

	Loan and accrued interest balance	Specific allowance	**2015 Carrying amount**	2014 Carrying amount
Residential mortgages	$ 109,681	$ 22,822	**$ 86,859**	$ -
Commercial mortgages	1,722,454	611,601	**1,110,853**	1,206,388
Leases	214,072	160,554	**53,518**	21,146
	$ 2,046,207	$ 794,977	**$ 1,251,230**	$ 1,227,534

Key assumptions in determining the allowance for impaired loans collective provision

A collective provision is established to cover estimated loan losses which have not yet been specifically identified as impaired. In determining the allowance for impaired loans, management considers factors such as the composition and credit quality of the portfolio, current economic conditions and trends and historical loss experience.

For purposes of the collective provision loans are classified into separate groups with similar risk characteristics, based on the type of product and type of security.

10. Property and equipment

	Land	Building and renovations	Leasehold improvement	Office equipment	Furniture and fixtures	**Total**
Cost						
Balance at December 31, 2014	$ 1,395,487	$ 7,889,193	$ 1,447,622	$ 4,696,754	$ 1,023,441	$ 16,452,497
Additions	-	179,674	3,774	239,561	23,783	446,792
Disposals	-	(1,116,828)	(54,583)	(2,921,327)	(541,001)	(4,633,739)
Balance on December 31, 2015	**1,395,487**	**6,952,039**	**1,396,813**	**2,014,988**	**506,223**	**12,265,550**
Accumulated depreciation						
Balance at December 31, 2014	-	4,571,393	527,122	4,021,615	737,582	9,857,712
Depreciation	-	202,380	74,084	294,096	30,600	601,160
Disposals	-	(1,099,771)	(20,469)	(3,086,102)	(545,895)	(4,752,237)
Balance on December 31, 2015	**$ -**	**$ 3,674,002**	**$ 580,737**	**$ 1,229,609**	**$ 222,287**	**$ 5,706,635**
Net book value						
December 31, 2015	**$ 1,395,487**	**$ 3,278,037**	**$ 816,076**	**$ 785,379**	**$ 283,936**	**$ 6,558,915**
December 31, 2014	$ 1,395,487	$ 3,317,800	$ 920,500	$ 675,139	$ 285,859	$ 6,594,785

11. Leases

Operating leases as lessee

The Credit Union's future minimum operating lease payments including sales tax are as follows:

	Minimum lease payments due			
	Within 1 year	1 to 5 years	After 5 years	Total
December 31, 2015	$ 189,633	$ 386,807	$ -	$ 576,440

Lease payments recognized as an expense during the period amount to $205,075 (2014 - $203,250). This amount consists of minimum lease payments. No sublease payments or contingent rent payments were made or received. No sublease income is expected as all assets held under lease agreements are used exclusively by the Credit Union.

The Credit Union's operating lease agreements do not contain any contingent rent clauses. None of the operating lease agreements contain renewal or purchase options or escalation clauses or any restrictions regarding dividends, further leasing or additional debt.

Finance leases as lessor

The Credit Union's future minimum finance lease receivables are as follows:

	Minimum lease payments due					
	Within 1 year	1 to 5 years	After 5 years	Non-performing leases	Unearned finance income	Total
December 31, 2015	$ 4,429,864	$ 7,383,570	$ 137,298	$ -	$(1,119,015)	$10,831,717

The interest rate inherent in the leases is fixed at the contract date for all of the lease term.

Finance lease receivable balances are secured over the equipment leased. The Credit Union is not permitted to sell or repledge the collateral in the absence of default by the lessee.

12. Deposits

	2015	2014
Term	**$ 71,838,590**	$ 65,325,794
Demand	**134,969,522**	132,410,642
Registered savings plans	**58,249,712**	52,188,175
	265,057,824	249,924,611
Accrued interest and dividends	**968,261**	895,727
	$ 266,026,085	$ 250,820,338

Terms and conditions

Term and demand deposits bear fixed rates of interest for terms of up to five years. Interest can be paid annually, semiannually, monthly or upon maturity. The interest rates offered on term deposits and demand deposits issued on December 31, 2015 range from 0.2% to 3.25% (2014 – 0.20% to 4.0%).

The registered retirement savings plans ("RRSP") accounts can be fixed or variable rate. The fixed rate RRSPs have terms and rates similar to the term deposit accounts described above. The variable rate RRSPs bear interest at rates up to 2.1% at December 31, 2015 (2014 – 2.1%).

Registered retirement income funds ("RRIFs") consist of both fixed and variable rate products with terms and conditions similar to those of the RRSPs described above. Members may make withdrawals from a RRIF account on a monthly, semiannual, or annual basis. The regular withdrawal amounts vary according to individual needs and statutory requirements.

The tax-free savings accounts can be fixed or variable rate with terms and conditions similar to those of the RRSPs described above.

Included in demand deposits is an amount of $1,133,955 (2014 - $1,524,714) denominated in US dollars which has been translated to Canadian dollars as per policy at December 31.

(continued)

12. Deposits (continued)

Average yields to maturity

Members' deposits bear interest at fixed rates with the following average yields at:

	2015			2014		
		Principal	**Yield**		Principal	Yield
Fixed rate due less than one year	**$**	**91,497,051**	**1.30%**	$	95,038,279	1.50%
Fixed rate due between one and seven years		**59,441,872**	**1.90%**		44,025,932	1.99%
Non interest sensitive		**114,118,901**	**0.00%**		110,860,400	0.00%
	$	**265,057,824**	**0.99%**	$	249,924,611	1.06%

All member deposits are with members located in and around the North Okanagan region, British Columbia.

Fair value

The fair value of member deposits at December 31, 2015 was $266,523,000 (2014 - $250,751,000).

The estimated fair value of the fixed rate deposits is determined by discounting the expected future cash flows at current market rates for products with similar terms and credit risks.

13. Accrued pension asset (liability)

The Credit Union makes contributions to CUMIS on behalf of their employees which participate in the defined benefit pension plan. CUMIS administers the plan including the payment of the pension benefits on behalf of employers and employees. Contributions are paid into the plan in accordance with the recommendations of an independent actuary. The latest formal actuarial valuation for contribution purposes was carried out as at June 30, 2014.

(continued)

13. Accrued pension asset (liability) (continued)

The DBO was determined using the following actuarial assumptions:

	2015	2014
Discount rate	**4.20%**	4.00%
Expected rate of return on plan assets	**4.20%**	4.00%
Expected rate of salary increases	**2.00%**	2.00%
Inflationary increases	**2.00%**	2.00%

Statement of financial position

The reconciliation of the Credit Union's defined benefit obligation and plan assets to the amounts presented on the statement of financial position for each of the reporting periods are presented below:

	2015	2014
Fair value of plan assets	**$ 4,020,800**	$ 3,736,600
Defined benefit obligation	**3,785,300**	3,771,100
Surplus (deficit)	**$ 235,500**	$ (34,500)

Reconciliation of change in plan assets:

	2015	2014
Fair value of plan assets January 1	**$ 3,736,600**	$ 3,443,000
Expected investment return	**153,200**	171,200
Benefit payments	**(98,200)**	(95,200)
Employer contributions	**257,700**	171,500
Member contributions	**28,600**	25,100
Actuarial (losses) gains	**(57,100)**	21,000
Fair value of plan assets December 31	**$ 4,020,800**	$ 3,736,600

(continued)

13. Accrued pension asset (liability) (continued)

Statement of financial position (continued)

Expected returns on plan assets are based on a weighted average of expected returns of various assets in the plan, and include an analysis of historical returns and predictions about future returns. The actual return on plan assets, net of expenses, was $96,100 (2014 - $192,200).

Plan assets can be broken down into the following major categories of investments:

	2015	2014
Retirement Security Fund	**62.45%**	68.66%
Large Cap Canadian Equity Fund	**4.51%**	nil%
Small Cap Canadian Equity Fund	**16.71%**	nil%
Non North American Equity Fund	**3.61%**	3.33%
US Equity Fund	**12.72%**	1.60%
Canadian Equity Core Fund	**nil%**	11.56%
Global Equity Fund	**nil%**	4.69%
Dividend Income Fund	**nil%**	4.59%
Special Equity Fund	**nil%**	5.57%
Total plan assets	**100%**	100%

Reconciliation of change in defined benefit obligation:

	2015	2014
Defined benefit obligation January 1	**$ 3,771,100**	$ 2,894,300
Interest on liabilities	**153,500**	143,700
Benefit payments	**(98,200)**	(95,200)
Contributions	**28,600**	25,100
Service cost	**85,700**	61,700
Actuarial (gains) losses	**(155,400)**	741,500
Defined benefit obligation December 31	**$ 3,785,300**	$ 3,771,100

(continued)

13. Accrued pension asset (liability) (continued)

Statement of comprehensive income

The charge to the income statement comprises:

		2015		2014
Service cost	**$**	**85,700**	$	61,700
Interest on assets		**(153,200)**		(171,200)
Interest on liabilities		**153,500**		143,700
Expense	**$**	**86,000**	$	34,200

The expense is grouped with salaries and benefits within operating expenses.

Amounts recognized in other comprehensive income:

		2015		2014
Actuarial (loss) gain on plan assets	**$**	**(57,100)**	$	21,000
Actuarial gain (loss) on liabilities		**155,400**		(741,500)
Amount recognized in other comprehensive income	**$**	**98,300**	$	(720,500)

Other defined benefit plan information

Based on historical data, the Credit Union expects contributions of approximately $83,500 to be paid for 2016.

14. Income taxes

The significant components of tax expense included in net earnings are composed of:

		2015		2014
Current tax expense				
Based on current year taxable income	$	**111,309**	$	20,130
CRA adjustment to prior year taxes		**-**		(9,880)
Income tax refund related to 2005 STAB dividend		**-**		(79,673)
		111,309		(69,423)
Deferred tax expense				
Origination and reversal of temporary differences		**(84,000)**		108,000
Income taxes	$	**27,309**	$	38,577

The significant components of the tax effect of the amounts recognized in other comprehensive income are composed of:

		2015		2014
Current tax				
Change in unrealized gain (loss) on derivative instruments	$	**118,703**	$	100,928
Total tax effect of amounts recorded in other comprehensive income	$	**118,703**	$	100,928

Reasons for the difference between tax expense for the year and the expected income taxes based on the statutory tax rate of 26% (2014 – 26%) are as follows:

		2015		2014
Earnings before income taxes	$	**1,130,778**	$	925,914
Expected taxes based on the statutory rate	$	**294,002**	$	240,738
Tax rate reductions		**(82,033)**		(98,834)
Capital cost allowance in excess of depreciation		**(1,298,513)**		(1,414,547)
Lease payments in excess of lease interest		**1,154,015**		1,255,136
Other		**162,541**		49,012
Total income tax expense		**230,012**		31,505
Included in other comprehensive income		**(118,703)**		(100,928)
Current tax (recovery) expense	$	**111,309**	$	(69,423)

(continued)

14. Income taxes (continued)

The movement in 2015 deferred tax assets are:

	Opening balance at January 1, 2015	Recognized in net earnings	**Closing Balance December 31, 2015**
Deferred income tax asset			
Property, equipment, and intangible assets	$ 18,000	$ 53,000	**$ 71,000**
Allowance for loan losses	38,000	8,000	**46,000**
Non-capital losses	181,000	22,000	**203,000**
Prepayment penalty reserve	2,000	1,000	**3,000**
Net deferred income tax asset	$ 239,000	$ 84,000	**$ 323,000**

The Credit Union has consolidated losses carried forward for tax purposes expiring in the following years:

2030	$ 134,544
2031	198,041
2032	158,648
2033	120,754
2034	84,795
2035	82,642
	$ 779,424

The potential tax benefits of the losses carried forward have been recorded in the deferred income taxes asset.

15. Borrowings

The Credit Union has available to it, through the Central 1 Credit Union, an operating line and term facility of $10,000,000 secured by an assignment of loans to members, accounts receivable and a demand debenture in favour of Central 1 Credit Union. At year end, the balance outstanding was $nil (2014 - $1,645,216).

16. Members' shares

The Credit Union may issue two classes of shares designated as membership equity of $1 par value.

- Membership equity shares are a requirement for membership in the Credit Union, are non-transferable and are redeemable on withdrawal from membership.
- Allocation shares are issued by the Credit Union to members through dividends.

Equity shares are not guaranteed by the Credit Union Deposit Insurance Corporation of British Columbia.

17. Other income

	2015	2014
Account service fees	**$ 910,170**	$ 937,767
Foreign exchange	**154,178**	133,888
Insurance commissions, fees and lease revenue	**2,011,918**	1,896,114
Interest income on previous year income tax refund	**-**	26,073
Loan administration fees	**133,682**	132,071
Loss on disposal of property and equipment	**(36,131)**	(4,190)
Rental income	**308,201**	418,814
Safety deposit rentals	**34,832**	34,646
	$ 3,516,850	$ 3,575,183

18. Operating expenses

	2015	2014
Advertising	**$ 175,503**	$ 222,530
Depreciation	**446,538**	590,244
Data processing	**452,568**	456,767
Dues and assessments	**640,490**	581,157
Human resource and administration	**221,760**	240,642
Maintenance, supplies and security	**478,633**	484,573
Member relations	**171,121**	173,394
Premises, occupancy and office	**1,065,975**	1,050,749
Professional fees and insurance	**501,600**	485,300
Salaries and benefits	**5,558,896**	5,402,113
	$ 9,713,084	$ 9,687,469

19. Related party transactions

The Credit Union's related parties include key management, as those persons having authority and responsibility for planning, directing and controlling the activities of the Credit Union, including directors and management, post-employment benefit plans for the Credit Union's employees and others as described below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

The Credit Union entered into the following transactions with key management personnel, which are defined by IAS 24 *Related Party Disclosures.*

	2015	2014
Compensation		
Salaries and other short-term employee benefits	**$ 552,739**	$ 543,039
Total pension and other post-employment benefits	**$ 203,575**	$ 188,649
Loans and leases to key management personnel		
Aggregate value of loans and leases advanced	**$ 2,088,907**	$ 1,585,723
Interest received on loans and leases advanced	**$ 40,354**	$ 36,800
Aggregate value of un-advanced loans and leases	**$ 547,026**	$ 655,862

The Credit Union's policy for lending to key management personnel is that all such loans and leases were granted in accordance with normal lending terms.

	2015	2014
Deposits from key management personnel		
Aggregate value of term and savings deposits	**$ 1,402,706**	$ 1,803,490
Total interest paid on term and saving deposits	**$ 9,224**	$ 12,672

The Credit Union's policy for receiving deposits from key management personnel is that all transactions are approved and deposits accepted in accordance with the same conditions which apply to Members for each type of deposit.

20. Financial instrument classification and fair value

This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified, is determined based on the lowest level of significant input to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of three levels.

The only financial instruments carried at fair value were Level 2 derivative financial instruments.

There were no transfers between Level 1 and 2 for the years ended December 31, 2015 and 2014.

The Credit Union has considered whether its investments have incurred a significant or prolonged decline in their fair market value and it has determined that there is no objective evidence of impairment of its investments.

21. Financial instrument risk management

General objectives, policies and processes

The Board of Directors has overall responsibility for the determination of the Credit Union's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Credit Union's finance function. The Board of Directors receives quarterly reports from the Credit Union's Chief Financial Officer through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

(continued)

21. Financial instrument risk management (continued)

Credit risk

Credit risk is the risk of loss resulting from the failure of a borrower or counter party to honour its financial or contractual obligation to the Credit Union. Credit risk primarily arises from loans receivable. Management and the Board of Directors reviews and updates the credit risk policy annually. The maximum exposure of the Credit Union to credit risk before taking into account any collateral held is the carrying amount of the loans as disclosed on the statement of financial position.

Concentration of credit risk exists if a number of borrowers are engaged in similar economic activities or are located in the same geographic region, and indicate the relative sensitivity of the Credit Union's performance to developments affecting a particular segment of borrowers or geographic region. Geographic risk exists for the Credit Union due to its primary service area being Vernon BC and surrounding areas.

Credit risk rating systems are designed to assess and quantify the risk inherent in credit activities in an accurate and consistent manner. To assess credit risk, the Credit Union takes into consideration the member's character, ability to pay, and value of collateral available to secure the loan.

The Credit Union's credit risk management principles are guided by its overall risk management principles. The Board of Directors ensures that management has a framework, and policies, processes and procedures in place to manage credit risks and that the overall credit risk policies are complied with at the business and transaction level.

The Credit Union's credit risk policies set out the minimum requirements for management of credit risk in a variety of transactional and portfolio management contexts. Its credit risk policies comprise the following:

- General loan policy statements including approval of lending policies, eligibility for loans, exceptions to policy, policy violations, liquidity, and loan administration;
- Loan lending limits including Board of Director limits, schedule of assigned limits and exemptions from aggregate indebtedness;
- Loan collateral security classifications which set loan classifications, advance ratios and amortization periods;
- Procedures outlining loan overdrafts, release or substitution of collateral, temporary suspension of payments and loan renegotiations;
- Loan delinquency controls regarding procedures followed for loans in arrears; and
- Audit procedures and processes are in existence for the Credit Union's lending activities.

(continued)

21. Financial instrument risk management (continued)

Credit risk (continued)

With respect to credit risk, the Board of Directors receives monthly reports summarizing new loans, delinquent loans and overdraft utilization. The Board of Directors also receives an analysis of bad debts and allowance for doubtful loans quarterly.

For the current year, the amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated is $nil (2014 - $nil).

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Liquidity risk

Liquidity risk is the risk that the Credit Union cannot meet a demand for cash or fund its obligations as they come due. The Credit Union's management oversees the Credit Union's liquidity risk to ensure the Credit Union has access to enough readily available funds to cover its financial obligations as they come due. The Credit Union's business requires such capital for operating and regulatory purposes.

The assessment of the Credit Union's liquidity position reflects management's estimates, assumptions and judgments pertaining to current and prospective firm specific and market conditions and the related behaviour of its members and counterparties. The Financial Institutions Act specifies that a minimum liquidity ratio of 8% must be maintained.

The Credit Union manages liquidity risk by:

- Continuously monitoring actual daily cash flows and longer term forecasted cash flows;
- Maintaining adequate reserves, liquidity support facilities and reserve borrowing facilities;
- Monitoring the maturity profiles of financial assets and liabilities; and
- Monitoring the liquidity ratios monthly.

The Board of Directors receives monthly liquidity reports as well as information regarding cash balances in order for it to monitor the Credit Union's liquidity framework. The Credit Union was in compliance with the liquidity requirements throughout the fiscal year.

(continued)

21. Financial instrument risk management (continued)

Liquidity risk (continued)

As at December 31, the position of the Credit Union is as follows:

	2015 Maximum exposure	2014 Maximum exposure
Qualifying liquid assets on hand	**$ 21,635,317**	$ 23,949,241
Total liquidity requirement 8%	**(21,336,924)**	(18,351,672)
Excess liquidity – actual less requirement	**$ 298,393**	$ 5,597,569

	2015	2014
Total cash and cash equivalents	**$ 17,694,475**	$ 9,234,096
Total term deposits and accrued interest	**19,958,085**	18,696,616
Total liquid assets on hand	**37,652,560**	27,930,712
Total liquidity requirement 8%	**(21,336,924)**	(18,351,672)
Excess liquidity (including non-qualifying assets)	**$ 16,315,636**	$ 9,579,040

	2015	2014
Total liquidity ratio (including non-qualifying assets)	**14.1%**	11.1%

The maturities of liabilities are shown below under market risk. The Credit Union has no material commitments for capital expenditures and there is no need for such expenditures in the normal course of business.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. For purposes of this disclosure, the Credit Union segregates market risk into two categories: fair value risk and interest rate risk. The Credit Union is not significantly exposed to currency risk or other price risk.

(continued)

21. Financial instrument risk management (continued)

Market risk (continued)

Interest rate risk
Interest rate risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Credit Union incurs interest rate risk on its loans and other interest bearing financial instruments. At December 31, 2015, the Credit Union had outstanding interest rate swap contracts in the notional principal amount of $95 million, $30 million of this being in forward starting agreements (2014 - $60,000,000) maturing at various times through to 2020 and 2019, respectively. As at December 31, 2015, the interest rate swaps have a fair market value of $2,518,969 (2014 - $1,894,215). Interest rate swaps involve the exchange of interest flows between two parties on a specified notional principal amount for a pre-determined period at agreed upon fixed and floating rates. Principal amounts are not exchanged and are not indicative of a credit exposure. The Credit Union's goal is to manage the interest rate risk of the statement of financial position to a target level. The Credit Union continually monitors the effectiveness of its interest rate mitigation activities.

The Credit Union's position is measured monthly. Measurement of risk is based on rates charged to clients as well as funds transfer pricing rates.

The Credit Union is exposed to interest rate risk as a consequence of the mismatch, or gap between the assets, liabilities and off balance sheet instruments scheduled to re-price on particular dates. The following table details the Credit Union's exposure to interest rate risk.

Maturity dates substantially coincide with interest adjustment dates. Amounts that are not interest sensitive are grouped together, regardless of maturity.

The table below does not incorporate management's expectation of future events where re-pricing or maturity dates of certain loans and deposits differ significantly from the contractual date.

(continued)

21. Financial instrument risk management (continued)

Market risk (continued)

Interest rate risk (continued)

		Interest sensitive balances in $000's				
	Average Rates	Within 3 Months	4 months to 1 year	Over 1 Year	Not interest sensitive	Total
Assets						
Cash and cash equivalents	0.60%	$ 15,795	$ -	$ 200	$ 1,699	$ 17,694
Loans	3.94%	104,982	34,558	101,625	(276)	240,889
Other	0.94%	1,523	5,520	12,774	11,703	31,520
		122,300	40,078	114,599	13,126	290,103
Liabilities						
Deposits	0.98%	51,003	39,843	59,442	115,738	266,026
Other	0.00%	-	-	-	821	821
		51,003	39,843	59,442	116,559	266,847
Balance sheet mismatch		71,297	235	55,157	(103,433)	23,256
Derivatives		(55,000)	10,000	45,000	-	-
Interest sensitivity position 2015		**$ 16,297**	**$ 10,235**	**$ 100,157**	**$ (103,433)**	**$ 23,256**
Interest sensitivity position 2014		$ 33,293	$ (3,552)	$ 92,433	$ (100,579)	$ 21,595

Interest sensitive assets and liabilities cannot normally be perfectly matched by amount and term to maturity. The Credit Union utilizes interest rate swaps to assist in managing this rate gap. One of the roles of a Credit Union is to intermediate between the expectations of borrowers and depositors.

An analysis of the Credit Union's risk due to changes in interest rates determined that an increase in interest rates of 1% could result in a decrease to net earnings of $284,000 while a decrease in interest rates of 1% could result in an increase to net earnings of $448,000.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

(continued)

21. Financial instrument risk management (continued)

Currency risk

Currency risk relates to the Credit Union operating in different currencies and converting non Canadian earnings at different points in time at different foreign exchange levels when adverse changes in foreign currency exchange rates occur.

The Credit Union's foreign exchange risk is related to United States dollar deposits and loans denominated in United States dollars. Foreign currency changes are continually monitored by the investment committee for effectiveness of its foreign exchange mitigation activities and holdings are adjusted when offside of the investment policy.

The Credit Union's position is measured monthly. Measurement of risk is based on rates charged to clients as well as currency purchase costs.

The Credit Union's exposure to changes in currency exchange rates shall be controlled by limiting the unhedged foreign currency exposure to 5% in U.S. funds.

For the year ended December 31, 2015, the Credit Union's exposure to foreign exchange risk is within policy.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Equity risk

The Credit Union's investment policy allows investments in the following categories:

Central1 Credit Union shares and deposits, equity shares, assets/liability hedges, mortgage backed securities, subsidiaries, real property, bonds, bankers' acceptances, and commercial paper. There are no limits to investment to Central1 investments, and hedges; all other investments are limited to 5% of total assets.

Equities are monitored by the Board of Directors and holdings are adjusted following each quarter when the investments are offside of the investment policy.

22. Capital management

The Credit Union requires capital to fund existing and future operations and to meet regulatory capital requirements.

In the management of capital, the Credit Union included retained earnings, accumulated other comprehensive income, and equity shares totaling $23,255,568 (2014 - $21,595,397).

The Credit Union is required under provincial legislation to maintain a minimum capital base equal to 8% of the total risk-weighted value of assets, each asset being assigned a risk factor based on the probability that a loss may be incurred on ultimate realization of that asset.

The Credit Union's current capital base is equal to 17.87% (2014 - 18.14%) of the total value of risk-weighted assets.

The Credit Union employs a Capital Management Plan and a Capital Appreciation Plan that are reviewed by management and the Board of Directors. The Capital Appreciation Plan forecasts the Credit Union's capital position over a five year period.

The Capital Management Plan dictates management's approach to growth, loan mix, credit quality, fixed assets, profitability objectives, dividend/patronage rebate policy and has a significant influence on member service objectives. It also establishes the criteria to maintain a cushion beyond the minimum statutory capital requirements. Management and the Board of Directors ensure the Credit Union's Investment and Lending Policy and credit risk profile reflect loan portfolio composition and levels of risk that are consistent with the Credit Union's Capital Management Plan objectives. There has been no change in the overall capital requirements strategy employed during the year ended December 31, 2015.

Management will continue to develop business plans targeting capital adequacy ratio which exceed the minimum ratio established by legislation or regulations. Capital adequacy ratio is driven by the risk weighting of the Credit Union's assets. Accordingly, capital adequacy objectives must take into account factors such as loan mix, investment quality and the level of fixed assets.

Decisions relating to strategic objectives that impact the risk weighting of the Credit Union's assets are analyzed by management to determine their effect on the Credit Union's capital adequacy ratio.

23. Commitments

Member loans

The Credit Union has the following commitments to its members at the year-end date on account of loans and unused lines of credit:

Unadvanced loans	$ 2,391,215
Unused lines of credit	$ 45,523,549

Contractual obligations

The Credit Union leases land and building for their Armstrong and Okanagan Landing Branches at yearly rentals of $56,700 and $59,535 respectively with no inflation adjustments. The leases expire for Armstrong Branch in 2016 and for Okanagan Landing Branch in 2017.

Off balance sheet

Funds under administration

Off balance sheet funds under administration by the Credit Union is comprised of a loan that has been syndicated and is administered in the capacity as an agent. Off balance sheet funds are not included in the balance sheet and the balance as at year end is as follows:

	2015	2014
Syndicated loans	**$ 3,823,878**	$ 3,303,844

Letters of credit

In the normal course of business, the Credit Union enters into various off balance sheet commitments such as letters of credit. Letters of credit are not reflected on the balance sheet. At December 31, 2015, the Credit Union has outstanding letters of credit on behalf of members in the amount of $588,903 (2014 - $607,867). These letters of credit have various levels of security.

Data processing services

The Credit Union is committed to acquiring online data processing services until December 31, 2020 at an approximate cost of $240,000 per year. Data processing charges are based on the level of equipment and services utilized and on the number of Credit Union members.

24. Post reporting date events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization.

Corporate Governance

Board of Directors

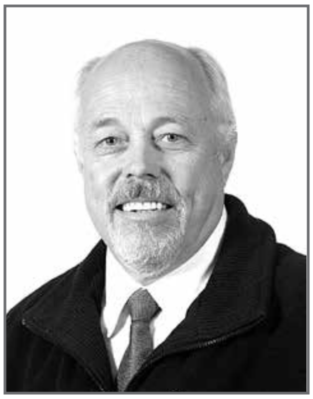
The Board of Directors of VantageOne Credit Union is comprised of 7 elected representatives. All have a professional or business background including financial, accounting, engineering, governance and Enterprise Wide Risk Management that contributes significant expertise at the board table.

All of VantageOne's directors participate in the national system's Credit Union Director Achievement (CUDA) program. In addition, all directors have opportunities to attend conferences, workshops and take courses to enhance the knowledge and expertise in areas of governance.

Terms of Office

Cheryl Turcotte
Chairperson, 2013 – 2016
Director Since 2012

Jason Gilbert
Vice-Chair, 2015 – 2018
Director Since 2012

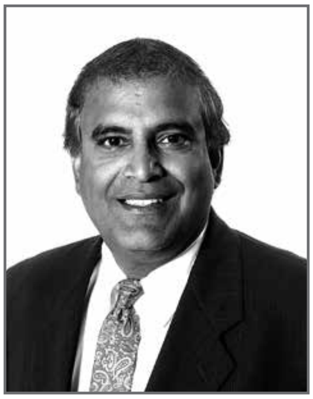


Simo Korpisto
Executive Director, 2014–2017
Director Since 1990

Bruce Acton
Director, 2013 – 2016
Director Since 2013

Millie Barker
Director, 2015 – 2018
Director Since 2006

Dennis Mori
Director, 2013 – 2016
Director Since 2004



Akbal Mund
Director, 2014 – 2017
Director Since 2014

Committees

Each of VantageOne's committees has its own terms of reference and workplan. Committees are run as Committee of the Whole with the exception of the Executive and Nominating committees.

Executive Committee

7 Meetings

Cheryl Turcotte, Chairperson

Jason Gilbert, Vice-Chairperson

Simo Korpisto, Executive Director

The Executive Committee is the delegated authority of the Board of Directors between board meetings and monitor and act on urgent items between board meetings. Their mandate is to oversee the composition of the board, as well as appoint and monitor the performance and compensation of the CEO.

Conduct Review Committee

4 Meetings

Bruce Acton, Chairperson

The Conduct Review Committee is responsible for establishing policies and procedures to address conflict of interest, standards of conduct and to maintain sensitive information confidential.

Nominating & Board Development Committee

5 Meetings

Simo Korpisto, Chairperson

Jason Gilbert, Vice Chairperson

Millie Barker, Director

Akbal Mund, Director

The Nominating Committee oversees the director election process, including ensuring that qualified candidates are nominated for director positions.

Audit Committee

7 Meetings

Cheryl Turcotte, Chairperson

The Audit Committee's responsibilities include oversight of the activities of the external auditor, assessment of accounting policies and the adequacy of internal controls. In addition the oversight of ERM which include ensuring the organization has effective risk management processes in place.

Investment & Lending Committee

5 Meetings

Simo Korpisto, Chairperson

Glenn Benischek, (Management)*

The Investment & Lending Committee is responsible for ensuring there is an appropriate, prudent policy to govern the employment of funds entrusted to the organization and to oversee the employment of those funds.

*The CEO is a Voting Officer Member of the Investment & Lending Committee.

Remuneration

VantageOne Credit Union provides directors with the following compensation:

- Board Meetings - $225/Chairperson, $200/Vice-Chairperson, $175/Executive Director, and $150/Director
- $1,500 Basic Remuneration
- Reimbursement of expenses including travel, accommodation, parking, meals for meetings, training and for expenses related to approved representation of the credit union.
- In 2015 there was a total of 12 board meetings, 27 committee meetings held, as well as the AGM.

By special resolution at the Annual General Meeting held on April 17, 2002 the members in attendance approved that the remuneration for the Board of Directors be $50,000 (note this is for all directors in total, not individually).

For the fiscal year 2015, the total remuneration for VantageOne Credit Union Directors was $37,786. The compensation received for each director is summarized below.

Cheryl Turcotte
Chairperson

Director Remuneration
$5,300

Training & Expense
Reimbursement
$2,686

Jason Gilbert
Vice-Chairperson

Director Remuneration
$4,725

Training & Expense
Reimbursement
$1,887

Simo Korpisto
Executive Director

Director Remuneration
$4,375

Training & Expense
Reimbursement
$615

Bruce Acton
Director

Director Remuneration
$3,450

Training & Expense
Reimbursement
$2,171

Millie Barker
Director

Director Remuneration
$2,800

Training & Expense
Reimbursement
$2,136

Dennis Mori
Director

Director Remuneration
$3,650

Training & Expense
Reimbursement
$1,991

Akbal Mund
Director

Director Remuneration
$2,000

Training & Expense
Reimbursement
$0

Director Attendance (*Attended / Required*)

Directors	Board & AGM Meeting Attendance	Executive Committee	Conduct Review Committee	Investment & Lending Committee	Audit Committee	Nominating & Board Development Committee
Bruce Acton	10/12		4/4	4/4	6/7	2/2
Millie Barker	7/12		2/4	2/4	6/7	2/3
Jason Gilbert	12/12	7/7	4/4	4/4	7/7	3/3
Simo Korpisto	10/12	6/7	4/4	4/4	6/7	4/5
Dennis Mori	9/12		3/4	3/4	7/7	2/2
Akbal Mund	9/12		2/4	2/4	3/7	3/5
Chery Turcotte	12/12	7/7	4/4	4/4	7/7	2/2

Senior Management Compensation

As a part of improved governance reporting and communication to members this section outlines the compensation philosophy for Senior Managers of VantageOne Credit Union and the aggregate direct salaries paid to our senior managers.

Organization Structure

The Board of Directors is responsible for governing the direction of VantageOne Credit Union. A key part of this is the hiring of a CEO who in turn is responsible for hiring the Senior Management Team for the organization. Given the complexity of our organization, our senior management team consists of our Chief Executive Officer, Chief Financial Officer, Commercial & Credit Manager, Retail Operations Manager, Marketing & Customer Experience Manager and Human Resource Manager. Under the direction of the CEO this team is responsible for executing strategy approved by the board of directors and managing the day to day activities of the credit union.

Compensation Philosophy

Our compensation and benefit strategy is to provide competitive, cost effective benefits that will help to attract and retain employees.

VantageOne intends to maintain our employee compensation program in a way that will help us attract the necessary talent we need to grow and further the strategic interests of our business. We will provide a compensation program that will be attractive and provide talented employees with good reason for remaining with VantageOne and continuing in their efforts to improve the value to the organization and the community we serve.

In practical application, our philosophy is to provide direct compensation for senior managers in the mid-range of the market for these positions in the Canadian Credit Union System while also reflecting our local market conditions.

Direct Compensation Disclosure

The total direct compensation (salary and incentives, if any) provided to our six senior managers is $652,786. We report that all Senior Managers are at or below the mid-range of the Canadian Credit Union market for their positions.

Who we are

We are a Credit Union dedicated to the financial well-being of our members, clients, employees and communities. Part of what's extraordinary about VantageOne is that while we offer traditional banking and borrowing solutions, we have also strategically diversified our services in ways to meet our members' expanding financial needs.

At VantageOne you *Experience More!*

What we do

Provide financial ability

How we do it

Our values drive our behaviours: pride, integrity, enthusiasm, service innovation

Why we do it

We truly care about our members

VantageOne CREDIT UNION
250-545-9251 / 1-888-339-8328

Commercial Banking
Consumer Banking

VantageOne LEASING INC.
250-260-4527

Equipment Leasing

VantageOne FINANCIAL CORP.
250-260-4513

Wealth Management

VantageOne REALTY INC.
250-260-4549

Real Estate

Armstrong | Arrow Lake | Okanagan Landing | North Vernon | Vernon Main

Call 250-545-9251 / 1-888-339-8328 **Email** info@vantageone.net

You choose how you bank, we're here for you; in branch, online, mobile, at an ATM, Point of Sale, Member Direct. You can talk to us through email, Live Chat or by phone, we're making it easier for you to keep in touch.

vantageone.net