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CONDENSED CONSOLIDATED
ANNUAL REPORT 2016



Kootenay Savings

Condensed Consolidated Statement of Financial Position

AS AT DECEMBER 31, 2016 (000s CANADIAN DOLLARS)	2016	2015
Assets		
Cash and deposits	142,963	153,853
Loans, net of allowance for impairment	867,217	836,977
Property, plant, equipment, intangible assets & investment property	25,886	26,408
Other assets	28,455	29,522
	<u>\$1,064,521</u>	<u>\$1,046,760</u>
Liabilities & Members' Equity		
Deposits from members		
- Demand	502,882	451,461
- Term	290,433	328,383
- Registered plans	183,539	177,750
- Shares	3,952	4,218
	<u>980,806</u>	<u>961,812</u>
Other liabilities	11,885	13,786
Patronage payable	426	479
Income taxes payable	324	-
Deferred tax liabilities	1,047	1,203
Member equity shares	16,689	17,757
Retained earnings	52,786	51,165
Accumulated other comprehensive income	558	558
	<u>\$1,064,521</u>	<u>\$1,046,760</u>

APPROVED BY THE DIRECTORS



Forrest Drinnan



Mike Konkin

NOTE: Readers are cautioned that these condensed consolidated financial statements do not include all the disclosures required for complete and fair presentation. The Kootenay Savings 2016 Annual Report, complete with full financial statements and auditors' report, can be obtained at ksco.com and at any Kootenay Savings branch.

Condensed Consolidated Statements of Comprehensive Income and Changes in Members' Equity

YEAR ENDED DECEMBER 31, 2016 (000s CANADIAN DOLLARS)	2016	2015
Interest income	35,887	35,775
Interest expense	12,197	13,206
Net interest income	<u>23,690</u>	<u>22,569</u>
Securitized loan income	923	1,731
Other income	8,644	8,191
	<u>33,257</u>	<u>32,491</u>
Provision for credit losses	1,617	793
Net interest and other income, after provision	<u>31,640</u>	<u>31,698</u>
Operating expenses		
- Personnel	18,306	18,839
- Other	10,322	10,179
	<u>28,628</u>	<u>29,018</u>
Net income before other items	<u>3,012</u>	<u>2,680</u>
Patronage and dividends		
Patronage dividends		
- 1.00% (2015 - 1.00%)	208	246
Dividends		
Membership equity shares		
- 1.00% (2015 - 1.00%)	1	2
Patronage shares		
- 1.00% (2015 - 1.00%)	37	40
	<u>246</u>	<u>288</u>
Loss on assets	648	3
Net income before taxes	<u>2,118</u>	<u>2,389</u>
Current taxes	527	(77)
Deferred taxes	(156)	389
Net income	<u>1,747</u>	<u>2,077</u>
Other comprehensive income, net of tax	-	290
Total comprehensive income	<u>\$ 1,747</u>	<u>\$ 2,367</u>
Members' equity, beginning of year	69,480	68,714
Net income	1,747	2,077
Patronage	(137)	(147)
Refundable dividend taxes recovered	11	-
Net redemption of member shares	(1,068)	(1,454)
Unrealized gains	-	290
Members' equity, end of year	<u>\$70,033</u>	<u>\$69,480</u>

At Kootenay Savings, we and our members have been making the Kootenays better together for nearly 50 years. Come join us at our AGM and hear about all the exciting things we did in 2016.

annual general meeting

April 17, 2017
7:30 pm
Cominco Gym
Trail, BC