



MEDIA RELEASE

SEPTEMBER 13, 2017

Khalsa Credit Union Welcome Province's Decision To Restore Credit Union Tax Benefits

For Immediate Release

Khalsa Credit Union (KCU) is pleased by the Government of British Columbia's decision to reinstate the credit union tax treatment, which was announced in the September 11 B.C. budget update.

Previously, the lower tax rate was implemented in recognition of the fact that B.C. credit unions are in a unique position to reinvest capital back into the provincial economy.

A competitive tax environment enables credit unions to reinvest in a diverse provincial economy by creating quality, head-office jobs across the province, providing more financial support for community projects, and making more local lending decisions to help small businesses and individuals thrive.

The province had planned to phase out the small business tax rate on credit unions and increase it incrementally over the next four years. In January 2017, the government deferred this decision, pending further consultation. Without the restoration of the credit union tax treatment, B.C. credit unions faced a tax increase of over \$26 million annually.

"We're thrilled by this decision," said Dalbir Singh Mehta, CEO of KCU. "With this permanent tax change, we'll have more money to lend to our members and support local businesses. Ultimately, this decision enables us to continue to make important investments in our community and support local economic development."

In communities where credit unions are the sole financial services provider, the tax change is likely to have an even bigger impact.

"We are very pleased the government recognizes the value of this tax change and we look forward to working with the province to develop legislation and regulations that enable us to grow and support our communities," concluded Mr. Mehta.

About KCU

With over \$447 million in assets, KCU is a full service financial institution serving 15,000 members of the Sikh faith through six branches located in Abbotsford, Surrey (3), Vancouver and Victoria. Through our affiliation with The Exchange network, members can access thousands of surcharge/ding free ATMs across Canada. KCU returns 10% of its net income to support community endeavours such as scholarships, bursaries, community service awards, food banks, homeless shelters and donation to schools. These initiatives align well with KCU's vision and mission.

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