PI Financial (US) Corp.

Statement of Financial Condition

September 30, 2016

Unaudited (Prepared by Management)

(U.S. Dollars)

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Assets		
Current		
Cash	**$**	**1,968,405**
Due from clients		**-**
Accounts receivable (Note 5)		**16,406**
Prepaid expenses		**572**
Income taxes receivable		**9,441**
	$	**1,994,824**
Liabilities		
Current		
Due to brokers and dealer	**$**	**-**
Accounts payable and accrued liabilities		**13,318**
Income taxes payable		**14,525**
		27,843
Shareholders' equity		
Capital stock (Note 4)		**1,225,100**
Retained earnings		741,881
		1,966,981
	$	**1,994,824**

See accompanying notes to the statement of financial condition.

1. Nature of operations

PI Financial (US) Corp. (the "company") (formerly Pacific International Securities (U.S.) Inc.) is a broker/dealer registered under the Securities Exchange Act of 1934 and incorporated under the laws of the Province of British Columbia, Canada on January 13, 2003.

The company became a registrant with the Financial Industry Regulatory Authority (the “FINRA”) (formerly National Association of Securities Dealers, Inc.) on December 2, 2003.

2. Summary of significant accounting policies

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the year. Actual results may differ from those estimates.

Revenue recognition

Institutional sales revenue consists of revenue generated through commission-based brokerage services provided to institutional clients, recognized on a settlement date basis.

Private placements revenue consists of commissions earned on private placements of securities. Commissions earned on private placements of securities are recorded when the underlying transaction is substantially completed under the engagement terms and the related revenue is reasonably determinable.

Interest revenue consists of amounts earned paid on cash deposited in bank accounts. The interest is recognized as it is earned.

Other revenue consists primarily of foreign exchange gains from the conversion of monetary asset holdings to United States dollars.

Foreign currency translation

Monetary asset and liability accounts denominated in foreign currencies are translated into United States dollars at the exchange rate in effect at the balance sheet date. Revenues and expenses denominated in foreign currencies are translated at the exchange rate in effect at the transaction date. Gains and losses from currency translations are included in the determination of earnings for the year.

Marketable securities transactions

Marketable securities transactions processed on behalf of the company's clients and the related revenues and expenses are recorded on a settlement date basis.

3. Financial instruments

In the normal course of business the company is exposed to credit risk, market risk, interest rate risk and foreign exchange risk. These risks are managed in the following manner:

(a) Credit risk

The company's exposure to credit risk arises from the possibility that a counterparty to a transaction might fail to perform under its contractual commitment, resulting in a financial loss to the company. To minimize its exposure, the company trades only for institutional investors, requires settlement of securities transactions on a delivery against payment basis, monitors credit exposures, and limits the total value of transactions with specific counterparties.

(b) Market risk

Market risk is the risk that a change in market prices, interest rate levels, indices, liquidity and other market factors will result in losses.

The company is exposed to market risk as a result of its dealing in equity securities. The company mitigates its market risk exposure through controls to limit the concentration levels and capital usage within its accounts.

(c) Foreign exchange risk

Foreign exchange risk arises from the possibility that changes in the price of foreign currencies will result in losses. The company hedges its exposure to U.S. dollar foreign exchange risk but does not hedge its exposure to Canadian dollar foreign exchange risk.

(d) Fair value of financial assets and liabilities

The company's financial instruments consist of cash, due from (to) clients, due from (to) broker and dealer, accounts receivable, accounts payable and accrued liabilities and income taxes payable. The fair value of these financial instruments approximates their carrying values. It is management's opinion that the company is not exposed to significant interest or credit risks arising from these financial instruments.

4. Capital Stock

Authorized:
100,000,000 common shares without par value

Issued:

1,225,100 common shares	**$1,225,100**

5. Related party transactions

At September 30, 2016, accounts receivable include $16,406 due from PI Financial Corp.

6. Net capital requirements

The company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule, which requires the maintenance of minimum net capital.

PI Financial (US) Corp. follows the primary (aggregate indebtedness) method under rule 15c3-1 with the K(2)(i) exemption which requires it to maintain minimum net capital equal to the greater of $100,000 and one-fifteenth of aggregate indebtedness. The company had net capital at September 30, 2016 of $1,735,505 representing an excess of $1,635,505 over the required minimum of $100,000.

7. Income tax

Under the International Financial Activity Act of the province of British Columbia certain operations of the company qualify as prescribed activities for provincial tax relief thereby reducing the applicable statutory rate.