

**Sunrise Credit Union Limited**  
**Summary Consolidated Financial Statements**  
*For the year ended December 31, 2020*

## Report of the Independent Auditor on the Summary Consolidated Financial Statements

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To the Members of Sunrise Credit Union Limited:

### Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at December 31, 2020, and the summary consolidated income statement, summary consolidated statements of changes in equity and cash flows for the year then ended, are derived from the audited consolidated financial statements of Sunrise Credit Union (the "Credit Union") for the year ended December 31, 2020.

In our opinion, the accompanying summary consolidated financial statements are a fair summary of the audited consolidated financial statements of Sunrise Credit Union Limited for the year ended December 31, 2020.

### Report on Other Legal and Regulatory Requirements

As at December 31, 2020 the Credit Union met the capital and liquidity reserve requirements established by Sections 15, 21 and 21(1) of the Regulations to the Credit Unions and Caisses Populaires Act of Manitoba.

Readers of the summary consolidated financial statements are advised that in order to appropriately interpret the Credit Union's capital and liquidity reserve requirements, the reader must refer to the audited financial statements and notes for the year ended December 31, 2020.

### Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

### The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated March 24, 2021.

### Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements in accordance with International Financial Reporting Standards.

### Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are a fair summary of the audited consolidated financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standards (CAS) 810, Engagements to Report on Summary Financial Statements.

Brandon, Manitoba

March 24, 2021



Chartered Professional Accountants

# Sunrise Credit Union Limited

## Summary Consolidated Statement of Financial Position

As at December 31, 2020

	2020	2019
<b>Assets</b>		
Cash and cash equivalents	61,275,685	48,821,575
Accounts receivable	2,122,680	1,399,533
Investments and accrued interest	344,321,464	145,642,178
Members' loans receivable and accrued interest	1,224,760,539	1,104,927,488
Income taxes	737,110	-
Prepaid expenses and deposits	3,958,472	2,398,461
Property and equipment	20,680,374	16,877,081
Intangible assets	1,140,737	2,824,034
Deferred tax	1,786,000	350,000
	<b>1,660,783,061</b>	<b>1,323,240,350</b>
<b>Liabilities</b>		
Member deposits and accrued interest	1,495,095,320	1,193,680,607
Income taxes payable	477,255	777,717
Trade payables and accrued liabilities	35,745,525	7,752,338
Derivative financial liabilities	4,591,373	-
Lease liability	-	5,109,966
Securitized debt	17,223,722	23,818,330
	<b>1,553,133,195</b>	<b>1,231,138,958</b>
<b>Members' equity</b>		
Member shares	18,434,145	14,307,437
Retained earnings	64,375,345	62,169,024
Contributed surplus	24,840,376	15,624,931
	<b>107,649,866</b>	<b>92,101,392</b>
	<b>1,660,783,061</b>	<b>1,323,240,350</b>

**Approved on behalf of the Board**

Signed "Glenn Young"

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Director

Signed "Fred Greig"

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Director

**Sunrise Credit Union Limited**  
**Summary Consolidated Income Statement**  
*For the year ended December 31, 2020*

	2020	2019
<b>Financial income</b>		
Member loans	43,768,096	44,197,714
Investments	5,116,255	4,739,019
	<b>48,884,351</b>	48,936,733
<b>Interest expense</b>		
Deposits	18,928,903	18,264,375
Interest on borrowed money	838	515
	<b>18,929,741</b>	18,264,890
<b>Gross financial margin</b>	<b>29,954,610</b>	30,671,843
<b>Operating Expenses</b>		
Administration	6,262,218	6,119,516
Amortization	2,650,045	1,738,616
Member security	1,155,491	1,016,442
Occupancy	3,463,199	2,779,674
Organizational	718,160	736,576
Personnel	17,258,743	16,007,657
	<b>31,507,856</b>	28,398,481
<b>Net operating income (loss)</b>	<b>(1,553,246)</b>	2,273,362
<b>Other income</b>	<b>8,478,430</b>	6,957,070
<b>Income before provision for impaired loans and property held for resale, losses on derivatives and income taxes</b>	<b>6,925,184</b>	9,230,432
<b>Provision for impaired loans and property held for resale</b>	<b>139,316</b>	1,335,575
<b>Income before losses on derivatives and income taxes</b>	<b>6,785,868</b>	7,894,857
<b>Losses on derivatives</b>	<b>4,591,373</b>	-
<b>Income before income taxes</b>	<b>2,194,495</b>	7,894,857
<b>Income taxes</b>		
Current	1,218,390	2,287,261
Deferred	<b>(1,415,000)</b>	-
	<b>(196,610)</b>	2,287,261
<b>Net income</b>	<b>2,391,105</b>	5,607,596

**Sunrise Credit Union Limited**  
**Summary Consolidated Statement of Changes in Equity**  
*For the year ended December 31, 2020*

	<i>Member shares</i>	<i>Retained earnings</i>	<i>Contributed surplus</i>	<i>Total equity</i>
<b>Balance December 31, 2018</b>	<b>14,807,665</b>	<b>56,785,926</b>	<b>9,522,761</b>	<b>81,116,352</b>
Net income	-	<b>5,607,596</b>	-	<b>5,607,596</b>
Acquired through business combinations	<b>13,390</b>	-	<b>6,102,170</b>	<b>6,115,560</b>
Issuance of member shares	<b>6,360</b>	-	-	<b>6,360</b>
Redemption of member shares	<b>(519,978)</b>	-	-	<b>(519,978)</b>
Dividend on preference shares, net of tax recovery	-	<b>(224,498)</b>	-	<b>(224,498)</b>
<b>Balance December 31, 2019</b>	<b>14,307,437</b>	<b>62,169,024</b>	<b>15,624,931</b>	<b>92,101,392</b>
Net income	-	<b>2,391,105</b>	-	<b>2,391,105</b>
Acquired through business combinations	<b>4,655,691</b>	-	<b>9,215,445</b>	<b>13,871,136</b>
Issuance of member shares	<b>3,650</b>	-	-	<b>3,650</b>
Redemption of member shares	<b>(532,633)</b>	-	-	<b>(532,633)</b>
Dividend on preference shares, net of tax recovery	-	<b>(184,784)</b>	-	<b>(184,784)</b>
<b>Balance December 31, 2020</b>	<b>18,434,145</b>	<b>64,375,345</b>	<b>24,840,376</b>	<b>107,649,866</b>

**Sunrise Credit Union Limited**  
**Summary Consolidated Statement of Cash Flows**  
*For the year ended December 31, 2020*

	2020	2019
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Interest received from members' loans	43,607,744	43,546,193
Interest and dividends received from investments	5,116,255	4,739,019
Other income received	5,989,206	5,848,872
Cash paid to suppliers and employees	(27,836,142)	(27,354,252)
Interest paid on deposits	(18,874,921)	(16,873,834)
Interest paid on borrowed money	(838)	(515)
Income taxes paid	(1,518,852)	(1,712,465)
	<b>6,482,452</b>	<b>8,193,018</b>
<b>Financing activities</b>		
Net change in members' deposits	164,635,157	74,289,140
Proceeds from issuance of member shares	3,650	6,360
Redemption of member shares	(532,633)	(519,978)
Repayments of securitized debt	(6,594,608)	(3,400,231)
	<b>157,511,566</b>	<b>70,375,291</b>
<b>Investing activities</b>		
Net change in members' loans receivable	8,608,294	(44,871,410)
Purchases of investments and accrued interest	(159,919,273)	(32,419,943)
Purchases of property and equipment	(10,926,689)	(710,910)
Proceeds from disposal of property and equipment	488,625	501,074
Cash received from business combinations	10,209,135	18,050,701
	<b>(151,539,908)</b>	<b>(59,450,488)</b>
<b>Increase in cash and cash equivalents</b>	<b>12,454,110</b>	<b>19,117,821</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>48,821,575</b>	<b>29,703,754</b>
<b>Cash and cash equivalents, end of year</b>	<b>61,275,685</b>	<b>48,821,575</b>