

Sunrise Credit Union Limited
Summary Consolidated Financial Statements
For the year ended December 31, 2021

Report of the Independent Auditor on the Summary Consolidated Financial Statements

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, 2021, and the summary consolidated income statement, summary consolidated statements of changes in members' 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, 2021.

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, 2021.

Report on Other Legal and Regulatory Requirements

As at December 31, 2021 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, 2021.

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 23, 2022.

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 23, 2022



Chartered Professional Accountants

Sunrise Credit Union Limited

Summary Consolidated Statement of Financial Position

As at December 31, 2021

	2021	2020
Assets		
Cash and cash equivalents	78,090,544	61,275,685
Accounts receivable	1,958,876	2,122,680
Investments and accrued interest	330,882,793	344,321,464
Members' loans receivable and accrued interest	1,295,725,111	1,224,760,539
Income taxes	58,574	737,110
Prepaid expenses and deposits	4,293,845	3,958,472
Property and equipment	22,351,496	20,680,374
Intangible assets	-	1,140,737
Deferred tax	1,683,000	1,786,000
	1,735,044,239	1,660,783,061
Liabilities		
Member deposits and accrued interest	1,600,404,215	1,495,095,320
Income taxes payable	-	477,255
Trade payables and accrued liabilities	8,283,993	35,745,525
Derivative financial liabilities	1,644,828	4,591,373
Securitized debt	10,569,723	17,223,722
	1,620,902,759	1,553,133,195
Members' equity		
Member shares	17,554,325	18,434,145
Retained earnings	71,746,779	64,375,345
Contributed surplus	24,840,376	24,840,376
	114,141,480	107,649,866
	1,735,044,239	1,660,783,061

Approved on behalf of the Board

Signed "Glenn Young"

Director

Signed "Fred Greig"

Director

Sunrise Credit Union Limited
Summary Consolidated Income Statement
For the year ended December 31, 2021

	2021	2020
Financial income		
Member loans	43,898,701	43,768,096
Investments	5,510,560	5,116,255
	49,409,261	48,884,351
Interest expense		
Deposits	17,685,496	18,928,903
Interest on borrowed money	1,961	838
	17,687,457	18,929,741
Gross financial margin	31,721,804	29,954,610
Operating Expenses		
Administration	6,881,584	6,262,218
Amortization	2,336,525	2,650,045
Member security	1,355,123	1,155,491
Occupancy	2,864,681	3,463,199
Organizational	793,575	718,160
Personnel	17,730,228	17,258,743
	31,961,716	31,507,856
Net operating loss	(239,912)	(1,553,246)
Other income	9,338,773	8,478,430
Income before provision for impaired loans and property held for resale, gains (losses) on derivatives and income taxes	9,098,861	6,925,184
Provision for impaired loans and property held for resale	2,261,270	139,316
Income before gains (losses) on derivatives and income taxes	6,837,591	6,785,868
Gains (losses) on derivatives	2,946,545	(4,591,373)
Income before income taxes	9,784,136	2,194,495
Income taxes		
Current	2,152,530	1,218,390
Deferred	103,000	(1,415,000)
	2,255,530	(196,610)
Net income	7,528,606	2,391,105

Sunrise Credit Union Limited
Summary Consolidated Statement of Changes in Equity
For the year ended December 31, 2021

	<i>Member shares</i>	<i>Retained earnings</i>	<i>Contributed surplus</i>	<i>Total equity</i>
Balance December 31, 2019	14,307,437	62,169,024	15,624,931	92,101,392
Net income	-	2,391,105	-	2,391,105
Acquired through business combinations	4,655,691	-	9,215,445	13,871,136
Issuance of member shares	3,650	-	-	3,650
Redemption of member shares	(532,633)	-	-	(532,633)
Dividend on preference shares, net of tax recovery	-	(184,784)	-	(184,784)
Balance December 31, 2020	18,434,145	64,375,345	24,840,376	107,649,866
Net income	-	7,528,606	-	7,528,606
Issuance of member shares	9,550	-	-	9,550
Redemption of member shares	(889,370)	-	-	(889,370)
Dividend on preference shares, net of tax recovery	-	(157,172)	-	(157,172)
Balance December 31, 2021	17,554,325	71,746,779	24,840,376	114,141,480

Sunrise Credit Union Limited
Summary Consolidated Statement of Cash Flows
For the year ended December 31, 2021

	2021	2020
Cash provided by (used for) the following activities		
Operating activities		
Interest received from members' loans	44,389,806	43,607,744
Interest and dividends received from investments	5,510,560	5,116,255
Other income received	9,338,773	5,989,206
Cash paid to suppliers and employees	(28,924,121)	(27,836,142)
Interest paid on deposits	(19,416,322)	(18,874,921)
Interest paid on borrowed money	(1,961)	(838)
Income taxes paid	(3,308,321)	(1,518,852)
	7,588,414	6,482,452
Financing activities		
Net change in members' deposits	107,037,760	164,635,157
Proceeds from issuance of member shares	9,550	3,650
Redemption of member shares	(889,370)	(532,633)
Repayments of securitized debt	(6,653,999)	(6,594,608)
	99,503,941	157,511,566
Investing activities		
Net change in members' loans receivable	(100,815,615)	8,608,294
Purchases of investments and accrued interest	-	(159,919,273)
Proceeds on disposal investments	13,405,643	-
Purchases of property and equipment	(2,867,524)	(10,926,689)
Proceeds from disposal of property and equipment	-	488,625
Cash received from business combinations	-	10,209,135
	(90,277,496)	(151,539,908)
Increase in cash and cash equivalents	16,814,859	12,454,110
Cash and cash equivalents, beginning of year	61,275,685	48,821,575
Cash and cash equivalents, end of year	78,090,544	61,275,685