

Sunrise Credit Union Limited
Summary Consolidated Financial Statements
For the year ended December 31, 2015

Independent Auditors' Report

To the Members of Sunrise Credit Union Limited:

The accompanying summary consolidated financial statements of Sunrise Credit Union Limited and its subsidiaries, which comprise the summary consolidated statement of financial position as at December 31, 2015, and the summary consolidated income statement, changes in members' equity and cash flows for the year then ended are derived from the audited consolidated financial statements of Sunrise Credit Union Limited for the year ended December 31, 2015. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated March 2, 2016.

Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these summary consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these summary consolidated financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "*Engagements to Report on Summary Financial Statements*."

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these summary consolidated financial statements, derived from the audited consolidated financial statements of Sunrise Credit Union Limited for the year ended December 31, 2015 are a fair summary of those consolidated financial statements.

Brandon, Manitoba

March 2, 2016

MNP LLP

Chartered Professional Accountants

Sunrise Credit Union Limited
Summary Consolidated Statement of Financial Position
For the year ended December 31, 2015

	2015	2014
Assets		
Cash and cash equivalents	37,784,227	32,751,929
Accounts receivable	82,459	55,483
Investments and accrued interest	64,321,246	63,249,757
Members' loans receivable and accrued interest	734,651,744	706,090,642
Income taxes recoverable	42,488	198,614
Prepaid expenses	964,571	1,411,003
Property and equipment	13,433,959	11,303,845
Intangible assets	6,409,080	6,695,725
Deferred tax	113,000	90,000
	857,802,774	821,846,998
Liabilities		
Member deposits and accrued interest	790,134,912	742,585,234
Accounts payable	8,001,822	6,839,569
Term loan payable	-	17,000,000
	798,136,734	766,424,803
Members' equity		
Member shares	13,431,660	12,729,029
Retained earnings	44,511,030	40,969,816
Contributed surplus	1,723,350	1,723,350
	59,666,040	55,422,195
	857,802,774	821,846,998

Approved on behalf of the board

Signed by "Don Zeqhers"
Director

Signed by "Glenn Young"
Director

Sunrise Credit Union Limited
Summary Consolidated Income Statement
For the year ended December 31, 2015

	<i>2015</i>	<i>2014</i>
Financial income		
Member loans	29,053,767	28,616,074
Investments	1,564,066	1,565,968
	30,617,833	30,182,042
Interest expenses		
Deposits	10,689,751	10,649,523
Interest on borrowed money	10,739	1,225
	10,700,490	10,650,748
Gross financial margin	19,917,343	19,531,294
Operating Expenses		
Administration	4,368,669	4,441,620
Amortization	1,264,445	1,232,352
Member security	684,488	730,690
Occupancy	1,719,062	1,412,106
Organizational	507,274	543,662
Personnel	12,348,928	12,013,663
	20,892,866	20,374,093
Net operating expenses	(975,523)	(842,799)
Other income	6,283,677	5,455,009
Income before provision for (recovery of) impaired loans, property held for resale, interest rate swaps and income taxes	5,308,154	4,612,210
Provision for (recovery of)		
Impaired loans	660,296	536,316
Property held for resale	41,652	(9,127)
Income before interest rate swaps and income taxes	4,606,206	4,085,021
Fair value adjustment on interest rate swap	-	(384,195)
Income before income taxes	4,606,206	3,700,826
Income taxes (recovery)		
Current	861,034	770,634
Future	(23,000)	(63,000)
	838,034	707,634
Net income	3,768,172	2,993,192

A full set of audited financial statements is available from the Credit Union

Sunrise Credit Union Limited
Summary Statement of Changes in Members' Equity
For the year ended December 31, 2015

	<i>Member shares</i>	<i>Retained earnings</i>	<i>Contributed surplus</i>	<i>Total equity</i>
Balance December 31, 2013	10,958,544	38,186,169	-	49,144,713
Net income	-	2,993,192	-	2,993,192
Acquired through business combinations	36,589	-	1,723,350	1,759,939
Issuance of member shares	2,196,729	-	-	2,196,729
Redemption of member shares	(462,833)	-	-	(462,833)
Dividend on preference shares, net of tax recovery	-	(209,545)	-	(209,545)
Balance December 31, 2014	12,729,029	40,969,816	1,723,350	55,422,195
Net income	-	3,768,172	-	3,768,172
Issuance of member shares	1,063,863	-	-	1,063,863
Redemption of member shares	(361,232)	-	-	(361,232)
Dividend on preference shares, net of tax recovery	-	(226,958)	-	(226,958)
Balance December 31, 2015	13,431,660	44,511,030	1,723,350	59,666,040

Sunrise Credit Union Limited
Summary Consolidated Statement of Cash Flows
For the year ended December 31, 2015

	2015	2014
Cash provided by (used for) the following activities		
Operating activities		
Interest received from members' loans	28,955,533	28,472,653
Interest and dividends received from investments	1,540,474	1,660,893
Other income received	6,256,701	5,348,628
Cash paid to suppliers and employees	(18,019,736)	(18,795,973)
Interest paid on deposits	(10,239,316)	(11,153,805)
Interest paid on borrowed money	(10,739)	(1,225)
Income taxes paid	(972,109)	(963,656)
	7,510,808	4,567,515
Financing activities		
Net change in member deposits	47,099,243	7,432,159
Proceeds from issuance of member shares	1,063,863	2,233,308
Redemption of member shares	(361,232)	(462,833)
Advance (payment) of term loan payable	(17,000,000)	17,000,000
	30,801,874	26,202,634
Investing activities		
Net change in members' loans receivable	(29,123,162)	(26,826,221)
Purchases of investments and accrued interest	(1,047,897)	(5,028,956)
Purchases of property and equipment	(3,114,208)	(778,878)
Proceeds from disposal of property and equipment	4,883	-
Proceeds from business disposal	-	(1,000,000)
Cash received from business combinations	-	2,506,763
	(33,280,384)	(31,127,292)
Increase (decrease) in cash and cash equivalents	5,032,298	(357,143)
Cash and cash equivalents, beginning of year	32,751,929	33,109,072
Cash and cash equivalents, end of year	37,784,227	32,751,929