



STEINBACH CREDIT UNION

Summary Consolidated Financial Statements

December 31, 2013



Report of the Independent Auditor on the Summary Consolidated Financial Statements

January 27, 2014

To the Members of Steinbach Credit Union Limited

The accompanying summary consolidated financial statements, which comprise the summary statement of financial position as at December 31, 2013 and the summary statements of net income and comprehensive income, and changes in members' equity for the year then ended, are derived from the audited consolidated financial statements of Steinbach Credit Union Limited for the year ended December 31, 2013. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated January 27, 2014.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of Steinbach Credit Union Limited.

Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of a summary of the audited consolidated financial statements on the basis of the summary consolidated financial statements described in Note 1.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary 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".

Opinion

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of Steinbach Credit Union Limited for the year ended December 31, 2013 are a fair summary of those consolidated financial statements, on the basis of the summary consolidated financial statements described in Note 1.

PricewaterhouseCoopers LLP

Chartered Accountants

Summary Consolidated Statement of Financial Position

As at December 31

	December 31 2013	December 31 2012
Assets		
Funds on hand and on deposit	\$ 4,730,791	\$ 101,029,764
Investments	498,615,245	593,016,862
Loans to members	3,602,119,455	3,215,922,205
Other assets	3,646,914	3,209,572
Investments in associates	5,156,595	5,439,857
Property, equipment and intangible asset	47,908,648	42,600,298
Deferred income tax assets	2,034,875	1,305,875
	<u>\$ 4,164,212,523</u>	<u>\$ 3,962,524,433</u>
Liabilities		
Members' deposits	\$ 3,887,829,040	\$ 3,726,267,293
Line of credit payable	8,272,333	-
Accounts payable	13,586,529	12,983,718
Income tax payable	4,251,532	791,106
	<u>\$ 3,913,939,434</u>	<u>\$ 3,740,042,117</u>
Members' Equity		
Members' shares	\$ 403,500	\$ 388,170
Retained surplus	249,869,589	222,094,146
	<u>\$ 250,273,089</u>	<u>\$ 222,482,316</u>
	<u>\$ 4,164,212,523</u>	<u>\$ 3,962,524,433</u>

A full set of consolidated financial statements is available from Steinbach Credit Union Limited.

Approved by the Board of Directors


Falk.
Director


Doris Martens
Director

Summary Consolidated Statement of Net Income and Comprehensive Income

For the year ended December 31

	2013	2012
Income		
Interest from loans to members	\$ 125,148,470	\$ 118,351,967
Investment income	13,012,870	13,868,389
	<u>\$ 138,161,340</u>	<u>\$ 132,220,356</u>
Cost of funds		
Interest paid to members	\$ 70,458,648	\$ 73,537,804
Interest on line of credit	11,975	-
	<u>\$ 70,470,623</u>	<u>\$ 73,537,804</u>
Financial margin	<u>\$ 67,690,717</u>	<u>\$ 58,682,552</u>
Operating expenses		
Administrative	\$ 13,841,304	\$ 12,789,514
Member security	4,325,051	3,556,705
Occupancy	3,652,010	3,787,055
Organizational	1,902,908	1,817,440
Personnel	25,512,481	24,284,877
	<u>\$ 49,233,754</u>	<u>\$ 46,235,591</u>
Less: Other income	19,218,791	17,966,541
	<u>\$ 30,014,963</u>	<u>\$ 28,269,050</u>
Income before provision for doubtful loans and income taxes	<u>\$ 37,675,754</u>	<u>\$ 30,413,502</u>
Provision for doubtful loans	2,379,311	1,772,217
Income before income taxes	<u>\$ 35,296,443</u>	<u>\$ 28,641,285</u>
Provision for income taxes	7,521,000	3,485,000
Net income and comprehensive income for the year	<u>\$ 27,775,443</u>	<u>\$ 25,156,285</u>

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Summary Consolidated Statement of Changes in Members' Equity

For the year ended December 31

	Members' shares	Retained surplus	Total members' equity
Balance at January 1, 2013	\$ 388,170	\$ 222,094,146	\$ 222,482,316
Net income and comprehensive income for the year	-	27,775,443	27,775,443
Common shares issued, net of redemptions	15,330	-	15,330
Balance at December 31, 2013	\$ 403,500	\$ 249,869,589	\$ 250,273,089
Balance at January 1, 2012	\$ 414,430	\$ 196,937,861	\$ 197,352,291
Net income and comprehensive income for the year	-	25,156,285	25,156,285
Common shares redeemed, net of issuances	(26,260)	-	(26,260)
Balance at December 31, 2012	\$ 388,170	\$ 222,094,146	\$ 222,482,316

A full set of consolidated financial statements is available from Steinbach Credit Union Limited.

Notes to Summary Consolidated Financial Statements

December 31, 2013

1. Basis of the summary consolidated financial statements

Management has prepared the summary consolidated financial statements from the December 31, 2013 audited consolidated financial statements, which are prepared in conformity with International Financial Reporting Standards (IFRS). The audited consolidated financial statements can be obtained at any Steinbach Credit Union branch or online at www.scu.mb.ca. The detailed notes included in the audited consolidated financial statements are not included in these summary consolidated financial statements.

The criteria developed by management for the preparation of the summary consolidated financial statements is as follows: that the information included in the summarized consolidated financial statements is in agreement with the related information in the complete consolidated financial statements, and that the summarized consolidated financial statements contain the information necessary to avoid distorting or obscuring matters disclosed in the related complete consolidated financial statements, including the notes thereto, in all material respects.

2. Compliance with minimum capital and liquidity requirements

The Credit Union is in compliance with the capital and liquidity reserve requirements at December 31, 2013 established by 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, the reader must refer to the audited consolidated financial statements and notes for the year ended December 31, 2013, which contain the information detailing the calculation.