



January 28, 2013

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

### 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, 2012 and 2011 and the summary statements of net income and comprehensive income, and changes in members' equity for the years ended December 31, 2012 and 2011, are derived from the audited consolidated financial statements of Steinbach Credit Union Limited for the year ended December 31, 2012. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated January 28, 2013.

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 years ended December 31, 2012 and 2011 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**

	December 31 2012	December 31 2011
<b>Assets</b>		
Funds on hand and on deposit	\$ 101,029,764	\$ 78,886,435
Investments	593,016,862	497,319,000
Loans to members	3,215,922,205	2,929,456,283
Other assets	3,209,572	3,103,010
Investments in associates	5,439,857	5,713,168
Property, equipment and intangible asset	42,600,298	40,509,811
Deferred income tax assets	1,305,875	779,875
	<u>\$ 3,962,524,433</u>	<u>\$ 3,555,767,582</u>
<b>Liabilities</b>		
Members' deposits	\$ 3,726,267,293	\$ 3,345,571,698
Accounts payable	12,983,718	11,391,840
Income tax payable	791,106	1,451,753
	<u>\$ 3,740,042,117</u>	<u>\$ 3,358,415,291</u>
<b>Members' Equity</b>		
Members' shares	\$ 388,170	\$ 414,430
Retained surplus	222,094,146	196,937,861
	<u>222,482,316</u>	<u>197,352,291</u>
	<u>\$ 3,962,524,433</u>	<u>\$ 3,555,767,582</u>

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

**Approved by the Board of Directors**

Director

Director

## Summary Consolidated Statements of Net Income and Comprehensive Income

For the years ended December 31

	2012	2011
<b>Income</b>		
Interest from loans to members	\$ 118,351,967	\$ 109,998,704
Investment income	13,868,389	11,283,152
	<u>132,220,356</u>	<u>121,281,856</u>
<b>Cost of funds</b>		
Interest paid to members	73,537,804	66,786,672
	<u>73,537,804</u>	<u>66,786,672</u>
<b>Financial margin</b>	<u>58,682,552</u>	<u>54,495,184</u>
<b>Operating expenses</b>		
Administrative	12,789,514	13,113,194
Member security	3,556,705	3,054,908
Occupancy	3,787,055	3,724,014
Organizational	1,817,440	1,761,235
Personnel	24,284,877	22,224,509
	<u>46,235,591</u>	<u>43,877,860</u>
Less: Other income	17,966,541	17,728,207
	<u>28,269,050</u>	<u>26,149,653</u>
<b>Income before recovery of doubtful loans, patronage refund and income taxes</b>	30,413,502	28,345,531
<b>(Provision for) recovery of doubtful loans</b>	(1,772,217)	1,250,660
<b>Patronage refund</b>	–	(4,117,976)
<b>Income before income taxes</b>	<u>28,641,285</u>	<u>25,478,215</u>
<b>Provision for income taxes</b>	3,485,000	3,183,000
<b>Net income and comprehensive income for the year</b>	<u>\$ 25,156,285</u>	<u>\$ 22,295,215</u>

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

## Summary Consolidated Statement of Changes in Members' Equity

For the years ended December 31

	Members' shares	Retained surplus	Total members' equity
<b>Balance at January 1, 2012</b>	\$ 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)
<b>Balance at December 31, 2012</b>	<b>\$ 388,170</b>	<b>\$ 222,094,146</b>	<b>\$ 222,482,316</b>
<b>Balance at January 1, 2011</b>	\$ 396,445	\$ 174,642,646	\$ 175,039,091
Net income and comprehensive income for the year	–	22,295,215	22,295,215
Common shares issued, net of redemptions	17,985	–	17,985
<b>Balance at December 31, 2011</b>	<b>\$ 414,430</b>	<b>\$ 196,937,861</b>	<b>\$ 197,352,291</b>

A full set of consolidated financial statements is available from Steinbach Credit Union Limited or at [www.scu.mb.ca](http://www.scu.mb.ca).

## Notes to Summary Consolidated Financial Statements

### 1. Basis of the summary consolidated financial statements

Management has prepared the summary consolidated financial statements from December 31, 2012 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 on line at [www.scu.mb.ca](http://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, 2012 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 years ended December 31, 2012 and 2011, which contain the information detailing the calculation.



**SCU STEINBACH**

305 Main Street, Steinbach  
204 326.3495

**SCU LINDEN RIDGE**

2100 McGillivray Blvd, Winnipeg  
204 222.2100

**SCU LAGIMODIERE**

1575 Lagimodiere Blvd, Winnipeg  
204 661.1575

**DRIVE THRU ATMS**

- Clearspring Mall, Steinbach
- 2100 McGillivray Blvd, Winnipeg
- 1575 Lagimodiere Blvd
- 1665 Henderson Hwy
- 997 St. Mary's Rd, Winnipeg

[www.scu.mb.ca](http://www.scu.mb.ca)