

# Prospera Credit Union's Condensed Consolidated Financial Statements as of December 31, 2018 with comparative figures for 2017\*



## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DEC 31, 2018      DEC 31, 2017  
(expressed in thousands of dollars)

<b>ASSETS</b>		
Cash and cash equivalents	48,156	7,630
Interest bearing deposits with financial institutions	386,159	402,830
Loans to members	3,183,760	2,974,914
Derivative financial instruments	465	67
Investments	159,713	140,957
Property, premises, equipment and intangibles	9,184	9,634
Other assets	10,779	12,930
<b>Total Assets</b>	<b>3,798,216</b>	<b>3,548,962</b>
<b>LIABILITIES</b>		
Borrowings	581,505	482,774
Member deposits	3,060,649	2,904,463
Derivative financial instruments	3,778	5,027
Accounts payable and accrued liabilities	13,872	20,782
<b>Total Liabilities</b>	<b>3,659,804</b>	<b>3,413,046</b>
<b>MEMBERS' EQUITY</b>		
Members' equity shares	3,059	3,213
Retained earnings and other reserves	135,353	132,703
<b>Total Members' Equity</b>	<b>138,412</b>	<b>135,916</b>
<b>Total Liabilities and Members' Equity</b>	<b>3,798,216</b>	<b>3,548,962</b>

### APPROVED BY THE BOARD OF DIRECTORS

  
Angela Kaiser

  
Eric Nadin

## CONDENSED CONSOLIDATED STATEMENTS OF INCOME & COMPREHENSIVE INCOME, RETAINED EARNINGS & OTHER RESERVES

DEC 31, 2018      DEC 31, 2017  
(expressed in thousands of dollars)

Interest income	122,528	102,971
Interest expense	55,475	40,296
Net interest income	67,053	62,675
Credit impairment losses	150	7,649
Net interest income after credit impairment losses	66,903	55,026
Other income	(1,171)	14,830
<b>Net interest income and other income</b>	<b>65,732</b>	<b>69,856</b>
Salaries and employee benefits	32,654	33,745
Other non-interest expenses	31,067	27,463
<b>Non-interest expenses</b>	<b>63,721</b>	<b>61,208</b>
<b>Income before dividends on member shares</b>	<b>2,011</b>	<b>8,648</b>
Dividends on member deposit shares	74	47
<b>Income before income taxes</b>	<b>1,937</b>	<b>8,601</b>
Income tax expense	445	1,805
Net income	1,492	6,796
Other comprehensive income	2,382	(2,232)
<b>Comprehensive income</b>	<b>3,874</b>	<b>4,564</b>
Beginning of the year - retained earnings and other reserves	132,703	128,228
IFRS 9 transition January 1, 2018	(1,130)	-
Net income and other comprehensive income	3,874	4,564
Dividends on members' equity shares, net of tax	(94)	(89)
<b>End of the year - retained earnings and other reserves</b>	<b>135,353</b>	<b>132,703</b>

#### NOTE 1 - MESSAGE TO MEMBERS

The management of Prospera Credit Union is responsible for the integrity and fair presentation of the condensed consolidated financial statements and other information in the Annual Report. The complete consolidated financial statements are prepared in accordance with International Financial Reporting Standards, including amounts based on estimates and judgements. Financial information and operating data presented elsewhere in this Annual Report are consistent with that in the complete consolidated financial statements. \*To meet regulatory requirements.

The accompanying condensed consolidated financial statements have been prepared, in accordance with Section 128 (4) of the Financial Institutions Act, from the consolidated balance sheet of Prospera Credit Union as at December 31, 2018, and the consolidated statements of income, comprehensive income and changes in members' equity for the year then ended. Readers are cautioned that these condensed consolidated financial statements do not include all the disclosures necessary for complete and fair presentation. Complete audited consolidated financial statements for the year ended December 31, 2018, together with the auditors' report, are available from the Credit Union at prospera.ca or in branch and will be presented at the annual general meeting of members.