

The Year in Review

2019 was a year of many accomplishments for our membership and community. At SASCU we have two areas of strategic focus: First, we strive to put the member at the centre of everything we do. Second, we are focused on making continuous improvements to our many processes that serve the membership.

What does this look like? We work on improving our member service regardless of how a member chooses to do business with us. We work hard to make it an easy experience — whether it is in-branch, online, or mobile — and we work hard to provide advice that is valued by the families we serve.

Since members' needs are always changing, standing still is not an option! Some of the initiatives that I am proud were completed in 2019 include the following:

- Open Anywhere — this is new functionality on our website where non-members can open accounts online without coming into the branches.
- Contact Centre — In addition to being open 8 a.m. to 8 p.m., Monday to Friday and 8 a.m. to 4 p.m. on Saturday, our team has additional tools and training to help more members without having to transfer the phone calls.
- Innovation Centre — Powered by SASCU. This is a new community partnership to give our members greater access to the Makerspace and other value-based programs.

- Wealth Management Seminars. Our team hosted four well-attended seminars on a variety of relevant investment topics for our clients.
- Digitization of more member facing processes. This includes online processes for stop-payments, mortgage renewals and electronic funds transfers. The result is that for these processes, a branch visit is no longer required.
- Youth Council — this is a young group of staff that provides advice and input to SASCU on new products and initiatives from a youth perspective. We consider youth to be anyone under the age of 30 years.

2020 – A LOOK FORWARD

We continue to focus on the service our members receive and we ask ourselves, how can we do better? One area in which we can do better is digital. Here are some plans for 2020:

- Expand our online capability to better serve our important small business members.
- Expand our online banking services to provide members with multiple views of their joint accounts with only one login required.
- Expand our e-Transfer capability to offer international transfers online.
- Redesign our website to make it more intuitive and user friendly.

SOME CHOICES MATTER

Everyone has a choice and more than half of our community chooses to bank with a financial institution that has their head office in Salmon Arm. Because of that support, SASCU is able to employ 150 people, use numerous local suppliers and vendors, and give back more than \$225,000 each year to the community. We are focused on three main areas to make a positive impact: first, community prosperity; second, community gathering; and third, youth, sports and art.

Every member is sincerely valued and is welcome to ask questions or provide comments to me directly.

My direct telephone number is 250.833.1310 and my direct email address is barrydelaney@sascu.com. I would be happy to speak with you.

Sincerely,

Barry Delaney
Chief Executive Officer
SASCU Financial Group

NEW TIME

SAVE THE DATE FOR SASCU'S 2020 ANNUAL GENERAL MEETING

Tuesday May 5, 2020 | LUNCH | 11:30 a.m. to 1:00 p.m.

**PRESTIGE INN HARBOURFRONT RESORT • MEET YOUR BOARD OF DIRECTORS
Presentations • Question Period • Business and Door Prizes!**

RSVP

RSVP is required by April 24 for lunch reservation. No RSVP needed to attend AGM meeting. Please contact Julia Payne at juliapayne@sascu.com or 250.833.1343 to RSVP.

SASCU Board Announces New Director



THE SASCU BOARD OF DIRECTORS

Left to Right: Director Frank Popien, Board Chair Barry Johnson, Director Constance Ladell, Director Trent Sismey, Secretary John Schlosar, Director Joan Ragsdale, Board Vice Chair Dave King, Director David Witt. Missing: Director Darlene McBain

SASCU Financial Group's 2020/21 Board of Directors brings strong experience plus fresh insights. Two incumbents, Dave King and David Witt, were the sole applicants during the nomination period November 1 to December 17, 2019 and will be formally acclaimed to their new terms at the Annual General Meeting (AGM) luncheon on May 5. Director Trent Sismey chose not to run for a second term.

To fulfill the remaining vacancy, the SASCU Board is pleased to announce the appointment of Kelly Bennett, Chief Financial Officer of the District of Sicamous. Her role will be formalized at the AGM along with King and Witt.

"We thank Trent for his hard work on behalf of SASCU during his three years of service and welcome Kelly as a new director to the Board," said Barry Johnson, Board Chair of SASCU Financial Group. "Serving on the SASCU Board and committees and attaining the required Credit Union Director Association levels for accreditation is a significant time commitment. We appreciate Kelly's willingness to step up on behalf of SASCU and represent our members.

"Dave King and David Witt bring highly valued history and proficiency to the table and we are very thankful to have them join us for another three years."

Learn more about the SASCU Board at sascul.com/MeetOurBoard.

DAVE KING Board Vice Chair

Director Dave King was first elected to the SASCU Board in 2014 and will be serving his third term.

DAVID WITT Director

Director David Witt was first elected to the SASCU Board in 2017 and will be serving his second term.

KELLY BENNETT Director



Kelly comes to SASCU with more than 20 years of experience as a Chartered Accountant. Formerly of BDO Dunwoody in Salmon Arm, Kelly has served the District of Sicamous for over six years and also serves as a director for the District of Sicamous Development Corporation.

NEW VIEW COMING TO ONLINE BANKING

Soon you will see all your SASCU accounts with one login!

We have heard from many of you who do not like having to sign in to each account you have, whether it's an individual account or joint. So we are changing it! A few weeks from now you will have a single login for all your personal banking. It will be a Member Number and Personal Access Code specific to you.

"... you will have a single login for all your personal banking."

This means you will only need to remember one Personal Access Code. This upgrade also enhances privacy, as each member will now have an individual login rather than sharing one on joint accounts. Letters are going out to all members who do not currently have their own Member Number and Personal Access Code. Watch for these communications in April.

This change will also allow you to improve your online banking security with a strong Personal Access Code, using letters, numbers and special characters.

Have questions?

Call our Contact Centre at 250.832.8011

or go to sascul.com/NewView

**Salmon Arm Savings and Credit Union
Summary Consolidated Financial Statements**

Statement of Consolidated Balance Sheet

	December 31, 2019	December 31, 2018
Assets		
Cash	\$ 13,149,012	\$ 11,808,850
Investments	65,713,281	108,650,403
Derivative financial assets	873,306	387,594
Loans to members	705,751,311	632,219,616
Property, plant and equipment	14,366,924	14,829,671
Goodwill and intangibles	5,297,405	5,047,679
Investment property	522,272	540,614
Other assets	2,199,330	1,067,378
	\$ 807,872,841	\$ 774,551,805
Liabilities and Members' Equity		
Accounts payable and accrued liabilities	\$ 3,997,635	\$ 3,231,364
Member deposits	748,704,091	731,117,385
Derivative financial liabilities	873,306	387,594
Short-term debt	11,000,776	-
Member shares	739,801	748,270
Members' equity	42,557,232	39,067,192
	\$ 807,872,841	\$ 774,551,805

Statement of Consolidated Comprehensive Income and Members' Equity

	December 31, 2019	December 31, 2018
Financial income	\$ 26,110,831	\$ 23,460,905
Financial expense	11,034,164	8,232,155
Financial margin	15,076,667	15,228,750
Other income	6,967,727	5,808,399
	22,044,394	21,037,149
Operating expenses		
Distributions to members	14,199	36,537
Employee salaries and benefits	10,458,158	9,541,549
Other	7,389,771	7,316,841
	17,862,128	16,894,927
Income before income taxes	4,182,266	4,142,222
Income taxes	692,226	745,160
Comprehensive income for the year	3,490,040	3,397,062
Members' equity, beginning of year	39,067,192	35,670,130
Members' equity, end of year	\$ 42,557,232	\$ 39,067,192

Statement of Consolidated Cash Flows

	December 31, 2019	December 31, 2018
Cash flows from operating activities	\$ (51,698,877)	\$ 40,328,282
Cash flows from investing activities	42,236,166	(38,380,481)
Cash flows from financing activities	10,802,873	(23,351)
Net increase in cash	1,340,162	1,924,450
Cash at beginning of year	11,808,850	9,884,400
Cash at end of year	\$ 13,149,012	\$ 11,808,850



Chair of the Board



Chair of the Audit Committee

Report of the Independent Auditor on the Summary Consolidated Financial Statements

Opinion

The summary consolidated financial statements, which comprise the summary consolidated balance sheet at December 31, 2019, and the summary consolidated statements of comprehensive income and members' equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Salmon Arm Savings and Credit Union ["the "Credit Union"] for the year ended December 31, 2019.

In our opinion, the accompanying summary consolidated financial statements are a fair summary of the consolidated financial statements, in accordance with the criteria disclosed in Note 1 to the summary financial statements.

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 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 for the year ended December 31, 2019 in our report dated March 10, 2020.

Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements in accordance with the criteria disclosed in Note 1 to the summary consolidated financial statements.

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 Standard (CAS) 810, Engagements to Report on Summary Financial Statements.

BDO Canada LLP

Chartered Professional Accountants

Salmon Arm, British Columbia
March 10, 2020

Salmon Arm Savings and Credit Union Note to Summary Consolidated Financial Statements

December 31, 2019

1. Summary Consolidated Financial Statements

The summary consolidated financial statements are derived from the complete audited consolidated financial statements, prepared in accordance with international financial reporting standards as at December 31, 2019.

The preparation of these summary consolidated financial statements requires management to determine the information that needs to be reflected so that they are consistent in all material respects with, or represent a fair summary of, the audited consolidated financial statements.

Management prepared these summary consolidated financial statements using the following criteria:

- (a) the summary consolidated financial statements include the statement of consolidated balance sheet, statement of consolidated comprehensive income and members' equity and the statement of consolidated cash flows;
- (b) information in the summary consolidated financial statements agrees with the related information in the complete audited consolidated financial statements including comparative information and all major subtotals and totals; and
- (c) in all material respects, the summary consolidated financial statements contain the information necessary to avoid distorting or obscuring matters disclosed in the related complete audited consolidated financial statements, including significant accounting policies and the notes thereto.

The complete audited consolidated financial statements of Salmon Arm Savings and Credit Union are available upon request by contacting the management of Salmon Arm Savings and Credit Union.

SASCU Credit Union

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