

Together, let's do great things.

It's why we're here



COASTAL COMMUNITY
CREDIT UNION

2022 Annual Report

TOGETHER, LET'S DO GREAT THINGS

OUR VISION We will be the leaders in building relationships that improve financial health, enrich people's lives and build healthier communities.

OUR VALUES Accountability | Co-operation | Excellence | Innovation | Integrity | Responsiveness | Social Responsibility

OUR PURPOSE **Member and Client Experience**

We will be the leaders in building strong relationships by being more helpful and caring, and improving financial health.

Community Experience

We will be the leaders in making a visible and meaningful difference in building healthier communities. Our communities are our home.

Employee Experience

We will be the leaders in creating an environment where we say great things, do great things, and where we want to stay.



COASTAL COMMUNITY
CREDIT UNION



COASTAL COMMUNITY
INSURANCE SERVICES



COASTAL COMMUNITY
FINANCIAL MANAGEMENT INC

References to "Coastal Community" in this Annual Report mean "Coastal Community Credit Union."

References to insurance in this Annual Report refer to insurance services provided through Coastal Community Insurance Services (2007) Ltd. (CCIS). CCIS is a subsidiary of 1200089 B.C. Ltd., a company jointly owned by Coastal Community Credit Union and Interior Savings Credit Union, which in turn fully owns Coastal Community Insurance Services (2007) Ltd. and Interior Savings Insurance Services.

References to "wealth management," "financial planning" and "investments" in this Annual Report refer to mutual funds, other securities and securities related financial planning services offered through Credential Securities, a division of Credential Qtrade Securities Inc. Credential Securities is a registered mark owned by Aviso Wealth Inc. Coastal Community Private Wealth Group is a division of Coastal Community Financial Management Inc., which is a wholly owned subsidiary of Coastal Community Credit Union. Coastal Community Financial Management Inc. is a licensed life insurance agency offering financial planning, life insurance and investments.



BOARD CHAIR REPORT



Back in 1945, a group of Islanders gathered around a kitchen table to build a co-operative financial organization that put people first. From that foundation, your Credit Union was born, and we are just as committed today to that vision of improving your holistic financial well-being and serving our communities. You'll read in this report that Coastal Community had a very notable year last year. You'll also learn how we put that success to work for your success, supporting your hopes, dreams and needs through the significant headwinds so many of us faced in 2022.

As the last turbulent years have shown, the key to thriving in today's world is the ability to evolve. Recognizing the increasing complexity of our regulatory environment, the Board split the former Audit & Risk Committee into the Audit Committee and the new Risk Oversight Committee. To help this new committee hit the ground running, we hired an external advisor with significant experience in risk assessment. We also began a broad comprehensive review of Coastal Community's Rules to ensure

they are modern, up to date with recent changes to laws and aligned to the latest common industry practices related to good governance. You were able to exercise your right to vote on these changes in early 2023. Another governance-related highlight is our adoption of a Market Conduct Code, which formalizes our commitment to ethical business practices, fair treatment and fair sales practices, access to banking services, transparency and disclosure, and how we handle complaints. You can read more about governance at Coastal Community in the [Corporate Governance Report](#) on our website.

As a democratic organization, it's important that our members have a say in what matters to them. Director tenure limits was one of the topics to be addressed as part of this Rules review. Late in 2021 we coincidentally received a member-proposed special resolution around director tenure limits, so

we decided to move separately and faster on this important issue. We had some concerns around unintended risks with the member-proposed resolution, so Coastal Community's Board worked hard to develop an alternate resolution with the best possible balance between necessary expertise and experience, and the need for fresh ideas and perspectives. Both proposed resolutions were presented to you for a vote in early 2023.

As a 100% member-owned credit union, we know we are part of a long and cherished co-operative history on these Islands. Whether we are reviewing our Rules, responding to member concerns or setting the course for the future, our goal as directors is to be fair, transparent and responsive, while following all governance and regulatory policies. It's a complex mandate, and I would like to recognize my fellow directors for the dedication, expertise and experience they bring to this organization. The strong skill sets and diverse perspectives we collectively bring around the board table help us create a strategic road map that serves all of the members and clients of Coastal Community. I'm proud to walk that path alongside them.

“

As a 100% member-owned credit union, we know we are part of a long and cherished co-operative history on these Islands.”

I'd also like to recognize our employees for the way they bring our Vision, Purpose and Values to life. They are the ones driving our innovations to make your financial life easier, while providing the advice and support you need to thrive. They are our greatest strength, adapting to constant change without ever losing focus on what's important to us: your financial health.

Thank you for your ongoing trust and support

It's an honour to serve you, helping you create the future you want. The world continues to present challenges, and I want you to know how much we appreciate your vote of confidence.



Susanne Jakobsen
Chair, Board of Directors,
Coastal Community Credit Union



MESSAGE FROM THE PRESIDENT AND CEO

I'm pleased to say that your Credit Union had a very strong year in 2022. That solid financial footing allowed us to continue to evolve our service and offerings to meet your financial needs where and when you want. You – our members – have had a lot to deal with over the last year. Our focus continues to be helping you weather the challenges of the moment so you can build the future you want. Thank you for the trust you give us to help you with your dreams and concerns.

Last year we continued to deliver new capabilities within all our business lines. You can now enjoy the convenience of turning your phone into a Mobile Wallet or getting property insurance quotes online. We were also excited to introduce Qtrade Guided Portfolios at Coastal Community, an innovative digital advice platform for emerging investors. To serve you better, we expanded our insurance services to Chemainus and opened a new, modern, award-winning location in Port Alberni, combining all our business lines under one roof. Our innovations are always guided by our insights on what's important to you. Thank you for helping us understand your needs and priorities when connecting with our team members, or in other ways such as through our quarterly surveys.

We also serve you by helping you make informed decisions about your money. To empower your learning, in 2022 we introduced monthly advice-based emails on important financial topics like inflation. We expanded the reach of our very popular online financial education events and continued to offer informative articles on our website. We're just as invested in empowering our employees through professional development. Last year we continued to grow leadership skills with programs like "Leading Edge" and offered Indigenous cultural competency training across the organization.



I was also thrilled to be able to resume our support of the Women's Mentorship Program, exchanging learning with two Kenyan credit union leaders.

I'm proud of all the accomplishments we achieved in 2022, and I know that the engine of our success is our amazing employee team. They welcome the opportunity to adapt and innovate while supporting all aspects of your financial life, and I'm very grateful for everything they do. I'd like to take this opportunity to share how we grew our Executive team last year by creating a standalone Chief Risk Officer position. We're really pleased to welcome Kent Jesse onboard in this new role. He comes with over twenty-five years of experience in the credit union system.



Meet CCCU's Executive Team:

Bruno Dragani, Chief People & Administration Officer

Kent Jesse, Chief Risk Officer

Rob Grundison, Chief Relationship & Sales Officer

Adrian Legin, President & CEO

Barbara Coe, Chief Financial Officer

Joe Cristiano, Chief Community & Marketing Officer

Looking ahead, we'll continue to be an agile learning organization, whether it's on broader issues like Environment, Social and Governance concerns or new financial capabilities like open banking and payments modernization. And through it all, you can count on us keeping your needs at the forefront, helping you prepare for what the future brings. Thank you once again for your support. It's a privilege to serve you, your family and your community.

Adrian Legin
President and CEO,
Coastal Community Credit Union

A close-up portrait of a woman with blonde hair and blue eyes. She is looking slightly upwards and to her right with a neutral expression. The background is a bright, clear sky.

**For you
and for your
financial health.**

It's why we're here



OUR MEMBER AND CLIENT EXPERIENCE

From rising inflation to global geopolitical tensions, navigating 2022 was challenging for all of us. Our priority was to help you weather these headwinds by giving you the advice, services, tools and financial education you need to make well-informed financial decisions.

IMPROVING SERVICE DELIVERY

It's never been more important to be both proactive to your expected needs and responsive to your concerns. To ensure you can easily manage your financial and protection needs where and when you want, in 2022 we:

- Introduced **Apple Pay** and **Google Pay** so you can safely pay while on the go
- Opened a new **modern location** in Port Alberni, with all our business divisions under one roof
- Launched new **paperless delivery options** for insurance clients
- Offered a new **online property insurance quote tool** and **online insurance payment** capability
- Brought **self-serve appointment booking** to business members
- Developed a **complaints handling process** to ensure your concerns are handled in a fair and consistent manner

PROVIDING INNOVATION, EXPERTISE AND ADVICE TO MEET YOUR NEEDS

We're here to help you thrive through good times and bad. From providing financial education to more investment options, last year we made a meaningful difference in your financial life by:

- Launching **Qtrade Guided Portfolios**, an innovative digital advice platform for emerging investors

"The financial security that Coastal Community Credit Union was able to bring to us has not only brought this building to an operational status, giving our volunteers a home, but it's given us a platform to propel into the future with exponential growth. It's ensured the success of Arrowsmith Search and Rescue."

Nick Rivers, President,
Arrowsmith Search and Rescue

(in partnership with Qtrade, a cooperatively owned, leading online brokerage)

- Hosting **12 Virtual Member Education** events to improve financial health on topics such as "4 Steps to Financial Health" and "10 Steps to Creating a Meaningful Will"
- Helping another **1,000** people (approximately) get a personalized snapshot of their financial health through our **Financial Health Quiz**
- Expanding **insurance services** to Chemainus
- Supporting the growth of island economies through the **local business community**, which resulted in achieving a record year for **commercial loan growth** for your Credit Union

LISTENING TO YOU

We're here because of the trust you place in us, and we listen and act on what you tell us. Through our member and client quarterly surveys, here are some areas you've let us know are stable, some that have improved and some that we can continue to address going forward.

Stable results:

Eight-in-ten continue to rate the Credit Union as "easy to do business with."

Improving results:

Over the past three years, our insurance division has continued to see steady improvement across key metrics, such as in clients giving favorable ratings to our insurance products meeting their needs and feeling they got good value for the premiums paid.

Areas to address:

Despite updates to our app and online banking, our digital scores decreased. We will continue to work on our digital experience going forward, including reducing downtime due to third party partners.

KEEPING YOU INFORMED

We're committed to keeping channels of communication open with our members and clients. Here are some of the ways we kept you updated last year:

- Introduced monthly **financial education-based emails**
- Continued to provide **timely, relevant and easy to find information** on how to improve your financial health on our website
- Provided **educational articles** from our experts on topics like "Recession-proof your finances"
- Provided comprehensive information through our **Notice of Special General Meeting** on the topic of proposed special resolutions for Board of Director tenure limits
- Held a **Virtual AGM** to update you on the accomplishments of your Credit Union

Here are some of the top results from Coastal Community's 2022 Member and Client Experience surveys.

Coastal Community Member Survey

- 92%** of respondents served in branch said we helped them with what they needed
- 88%** of respondents said our Relationship Centre helped them with what they needed

Coastal Community Insurance Services Client Survey

- 91%** of insurance respondents found us easy to use

Coastal Community Private Wealth Client Survey

- 95%** of respondents gave favourable ratings about feeling in good hands with Coastal Community

KEEPING YOUR MONEY AND YOUR INFORMATION SAFE

Coastal Community uses a multi-layered approach to ensure the security of your data and information.

Some of the things we do include:

- Multi-factor authentication, which requires users to provide two or more forms of identification to access their accounts;
- Regular security updates to keep our software and systems up to date to protect against known vulnerabilities;
- Regular employee training on how to identify and prevent security threats—this includes phishing scams, social engineering, and other types of attacks; and
- Security monitoring of our systems and networks for any signs of suspicious activity or potential fraud or security breaches, allowing us to take immediate action if a threat is detected.

Helping our people do their best for you.

It's why we're here





EMPLOYEE EXPERIENCE

At Coastal Community we encourage leadership at every level of our organization. Our entire Coastal team works together to improve your financial health. And we support our employees' hard work and expertise with development opportunities and wellness resources to take care of their holistic well-being.

INVESTING IN LEARNING AND GROWTH OPPORTUNITIES

- **225+** employees took part in Indigenous cultural competency training last year
- **62** participants learned about “Building Relationships in a Digital World” at the 2022 Coastal Young Leaders Network (CYLN) conference
- **28** managers went through our new Management Training program, developed in partnership with Vancouver Island University to grow key people management skills
- **19** employees participated in the **12th** cohort of *Leading Edge*, our Leadership Development program offered across our business lines to all employees at all levels
- **4** employees took advantage of our new Private Wealth Group Career Preparation program to develop their careers in wealth management
- **2** retail banking leaders spent time working in HR through a new job enrichment initiative

ASKING, LISTENING AND INVOLVING

- In 2022, employees participated in the independently reviewed Great Place to Work® survey. Coastal Community was re-certified as a Great Place to Work® for the fourth time. Scores increased in several categories, reflecting our efforts to continue to build an engaging, healthy and inclusive workplace. These

“I really enjoyed the conference and preparation/collaboration process. Hosting this conference was definitely one of the highlights of my career at CCCU. I really appreciate the opportunity that CCCU provides for us to hone our leadership skills and make a difference in this way.”

Petra Rakiea, Assistant Manager,
Relationship Centre and an organizer
of the CYLN conference



efforts also helped us make the Forbes Canada Best Employers 2022 list for the first time!

- CCCU leadership held multiple regional townhall meetings to connect with employees and deepen their understanding of Coastal Community's strategic plan. These gatherings also provided an opportunity for employees to share their valuable insights and perspectives.
- In 2022, an Inclusion, Diversity, Equity and Action policy and strategy were created. In addition, new advocates joined our employee resource group championing Diversity, Equity, Inclusion and Belonging initiatives at Coastal Community.

SHARING OUR WEALTH OF EXPERTISE

- Our experts hosted 12 educational webinars to help over 1,500 participants improve their financial knowledge last year.
- Employees across our business lines continued to showcase their financial expertise as guest columnists with the *Business Examiner*.

SPOTLIGHT

In 2022, we were honoured to host Kenyan credit union leaders Judith Nzioka and Gladys Bichanga from October 13 to 21 through the Women's Mentorship Program, developed by the Co-operative Development Foundation of Canada.

"The Women's Mentorship Program is an absolute gift for us. While we offer advice, guidance and tools for consideration and implementation in mentees' home credit unions, the learning goes both ways. We gain considerable knowledge from the women's rich questions, shared areas of concern and their diverse cultures, family and life experiences."

*Karla Rhode,
Talent Acquisition Manager*

BUILDING AN ENGAGING, FUN & HEALTHY WORKPLACE

- We continued to ensure a high trust working environment through employee-led committees like the Wellness and Culture Committees, while ensuring our staff have access to the extensive resources of our Employee Assistance Program.
- New employees were welcomed to the company in person this year at our fun and informational Capstone onboarding events.



From left: Judith Nzioka, Southgate Community Branch manager Andrew Crosby, and Gladys Bichanga

Putting our values into action.

It's why we're here





OUR COMMUNITY EXPERIENCE

Over 75 years ago, 17 people largely drawn from Nanaimo's fishing community chose to affiliate as a community credit union rather than an occupationally based one, to be more inclusive. That newly minted credit union grew into your Credit Union today, and we've never forgotten that focus on community and inclusion. Last year, we worked to build resilient communities by investing over \$460,000 to make a meaningful difference for people, not-for-profit organizations and local businesses.

We concentrated our efforts on issues like financial literacy, economic development and recovery, and supporting children and youth. You'll read how our scholarship program helped Emmy Lan, a local cycling champion and young leader, organize a one-day free cycling event for young girls. And every year our employees volunteer their time and expertise to organizations close to their hearts, like HeroWork Victoria. We also thank you for all your support as we work together to sustainably strengthen the places we call home.

FINANCIAL LITERACY

We helped build financial skills in the community by:

- Delivering financial literacy workshops in the community through *Each One, Teach One*
- Helping over 1,000 students participate in the *Young Entrepreneurs* program, a real-world business program where elementary school students learn important business, financial, and money management skills

SUPPORTING ECONOMIC DEVELOPMENT AND RECOVERY

We supported the work of a number of community organizations that play a key role in strengthening our Island economies, such as:

- The Vancouver Island Economic Alliance
- The South Island Prosperity Partnership
- Chambers of Commerce
- British Columbia Co-op Association

SUPPORTING CHILDREN AND YOUTH

Coastal Community invests in the future by caring about and empowering our young people across the Islands. Here's how we helped our leaders of tomorrow:

- Raising **\$10,000** for the Children's Health Foundation by bringing back *Sunset Cinema* to local parks
- Awarding **\$25,000** in scholarships to local students for post-secondary study and to implement two of the proposed community betterment projects
- Supporting **toy drives** during the holidays and a **Back to School** campaign to get much needed school supplies to vulnerable local students

SHARING OUR EXPERTISE, TIME AND PASSION

Last year we donated \$10,000 to HeroWork Victoria for their renovation of Victoria Cool Aid Society's Downtown Community Centre. Our almost 600-strong employee team is always looking for ways to offer the gift of their time and expertise to our greater community, while having a lot of fun along the way. So we also organized a team of volunteers to work for a day on the renovation. Victoria Cool Aid Society offers life-changing services to adults who are impacted by poverty, colonization, stigma and homelessness. It's a mission we were proud to support.



Cool Aid volunteer day

COMMUNITY HIGHLIGHTS

Over
\$460,000
given to **hundreds** of community organizations, including:

\$90,000

awarded to grassroots community organizations through the Relief and Resiliency Fund and our Community Investment program

\$10,000

given to HeroWork Victoria to support the renovation of Victoria Cool Aid Society's Downtown Community Centre

\$25,000

given in scholarships to support post-secondary education for local students

Over

\$150,000

given in corporate sponsorships to benefit communities across the islands

Helping over
1,000

students participate in the *Young Entrepreneurs* program to learn business and money management skills

Our employees volunteered
thousands of hours

of time and expertise to causes they care about

Taking action on Environmental, Social and Governance principles.

It's why we're here





ENVIRONMENTAL, SOCIAL, GOVERNANCE HIGHLIGHTS

Promoting and improving the health of our Island communities with sustainable business practices is an important part of how we strengthen the broader community.

As a financial co-operative, Coastal Community is deeply committed to its core value of social responsibility, along with accountability, co-operation, excellence, innovation, integrity and responsiveness. Concern for Environmental, Social and Governance (ESG) issues is baked into our DNA.

You'll read about some of the ways we take action on ESG principles throughout this report. We'll highlight a few examples here, including sustainable construction practices used in the build of our new Port Alberni location. You'll also learn how we moved forward on the path of Reconciliation by bringing Indigenous cultural competency training to our employees in 2022, and that our Board of Directors enhanced governance through a comprehensive review of Coastal Community's Rules.

There are many other ways we contribute to ESG factors, yet we know that there is much more to be done. Along with your growing expectations of us, the landscape of risk, governance requirements, and societal needs continues to evolve. An important priority for us is to continue to develop and formalize our ESG strategy. Following best practices, this past year we began the process of reevaluating and redefining our core societal purpose – who we are and why we are here. We're doing this work with other like-minded organizations through a BC-based Social Purpose Innovators Program. This ongoing work on defining our social purpose will help guide our ESG strategy in the years to come.

We always greatly value your feedback, and that surely applies to ESG. In 2022, we introduced a new question into our quarterly member surveys to better understand your perspective on Coastal Community's performance as a socially and environmentally responsible organization. The survey results reveal that 71% of members rate Coastal Community as "outstanding" or "very good" on being a socially and environmentally responsible organization, which compares very favourably against the BC industry benchmark of 55%*.

When we add members who view Coastal Community as "a bit better than most" to the strongest scores mentioned above, the percentage of members rating us better than average increases to 89%. This leaves 10% who say we're "just average," and only 1% of members who rate us as "below average."

We very much appreciate the positive feedback members have given us in these important areas. Going forward, we will continue to engage with members on our ESG journey and continue to act on our commitment to ESG areas and practices.

*Based on an annual market study conducted with retail customers of all types of financial institutions in BC in 2022 (sample size=1,189)

SPOTLIGHT

Port Alberni



OUR COMMITMENT TO FAIR PRACTICES

At Coastal Community, we are committed to the fair treatment of all those who use our products and services. Last year, to ensure we follow best practices for sales, access to services, transparency and openness, we developed and adopted a Market Conduct Code. We also created a policy and procedures for handling complaints so you know your concerns will be heard and handled in a fair and consistent manner. To that end, we also became members with the Ombudsman for Banking Services and Investments (OBSI). OBSI gives our members a further avenue to escalate complaints that remain unresolved.

MODERNIZING COASTAL COMMUNITY'S RULES

The broader, comprehensive review of CCCU's Rules has been underway for some time. It includes such things as director eligibility, elections, and electronic meetings. The aim is to ensure our Rules are modern, up to date with recent changes to laws and aligned to the latest best practices.

SUSTAINABLE CONSTRUCTION PRACTICES

Coastal Community continues to implement environmentally responsible and resource efficient construction practices, and our Port Alberni build is our most recent example. Here are some of the things we did:

- Designed the space to use as much natural light as possible;
- Replaced inefficient and high energy usage HVAC equipment with new energy efficient systems;

- Used low VOC (volatile organic compounds) paint to reduce carbon emissions;
- Used natural stone tile to reduce our carbon footprint;
- Supported local artisans with the purchase of a live edge table from local wood for the board room;
- Provided an EV charging station; and
- Purchased furniture made from recycled materials such as ocean-bound plastic, allowing us to contribute to a broader initiative that diverts 150 metric tons of plastic from the ecosystem annually.

BUILDING CULTURAL COMPETENCY

Coastal Community continues to have important conversations that challenge us to listen, learn and improve. Last year, we brought cultural competency training to all levels of the organization. The training, delivered by Indigenous Perspectives Society, helped to foster a deeper understanding of Indigenous perspectives and cultural differences. Here's what one of our employees had to say:

"I was very moved by the information, and I felt like I could listen & learn from Rachelle for endless days. She was a very engaging speaker and I also felt safe in learning from her. It's so interesting because I can't remember feeling that way about listening before; like I needed a safe place to do it from."

Giving back to our communities.

It's why we're here





SUPPORTING THE LEADERS OF TOMORROW

At Coastal Community, finding ways to impact the social and economic well-being of our Island communities is important to us. And what better way to do that than by investing in our amazing young people.

A SCHOLARSHIP PROGRAM WITH A DIFFERENCE

Since 2005, we've been awarding \$19,000 in annual scholarships and project implementation funds to local grade 12 students who plan to attend undergraduate college or university, trade school or special interest school. The application comes with a twist: Students apply by submitting a plan for a project to improve their community.

Based on these plans, eight students are chosen for a \$2,000 scholarship, with two selected as overall winners. These overall winners each receive an additional \$500 scholarship and up to \$1,000 to implement their plan. We'd like you to meet one of 2022's overall winners: Emmy Lan, who graduated from Mark R. Isfeld Secondary School in Courtenay.

“Coastal Community’s scholarship program is really unique in that it aligns with our values in giving back to Island communities. Students are invited to apply by developing a project plan that identifies a way that they can give back. In this way, we really believe that the program offers the opportunity for the broadest range of students to apply and get support for their post-secondary education.”

Allyson Prescesky, Senior Manager,
Community and Communications



Emmy Lan, 2022 Enduro World Champion - Under 21

CONNECTING SISTER SHREDDERS!

Champion cyclist Emmy Lan had a vision to create a safe, fun, inclusive place for young girls to come together to share their love of cycling, make connections with other likeminded girls in their community and build their confidence. In 2021 she created and ran a successful event in the Comox Valley called *Connecting Sister Shredders*. Her winning plan for our scholarship program was to use her implementation funds to bring back this free one-day mountain biking event in 2022.

“I think community is a really important thing, growing up, and it really shapes who you are as a person. Having people around you who can inspire you and you can inspire them is an awesome way to grow as a person.”

Emmy Lan



Connecting Sister Shredders

**To remain a strong,
growing and
socially responsible
organization.**

It's why we're here





OUR CORPORATE PERFORMANCE

Last year was marked by inflation, global conflict and tumbling markets, and we know that many of you faced financial challenges. In the midst of this environment, your Credit Union had a very strong year, and that meant we were able to give full focus to helping you with your goals, dreams and challenges.

Last year's exceptional results were driven primarily by your trust and commitment to do business with us, and the work and dedication of our employees. Some of our success was also due to multiple interest rate increases, as the Bank of Canada tried to tame inflation. Rapidly rising rates benefited our financial margin, return on average assets and members' equity. Our strong financial position left us well positioned to help you with your full financial picture, from opening a business to setting yourself up for retirement. We remain the largest financial services organization based on Vancouver Island and the Gulf Islands, and that's a reflection of the trust you place in us.

HOW WE DID

\$4.2 BILLION

in Assets Under Management

0.82% RETURN

on Average Assets

\$222.2 MILLION

in Members' Equity

In an unusual year, Coastal Community Credit Union ended 2022 with almost \$3.3 billion in on-book assets. When we add in \$949 million in off-book assets managed through our wealth subsidiary, Coastal Community Financial Management Inc. (CCFMI), the number increases to over \$4.2 billion in total assets under management.

We're pleased to report that CCFMI, operating under the trade name Coastal Community Private Wealth Group, managed a steady asset portfolio despite a year of turbulent financial markets. This strong financial position

demonstrates the deep trust our clients and members have in our advice and expertise. In 2022, CCFMI launched Qtrade Guided Portfolios*, an innovative digital advice platform for emerging investors (in partnership with Qtrade, a cooperatively owned, leading online brokerage).

A trusted financial partner to over 7,000 members and clients, CCFMI continues to be a leader in Canada, providing a fully integrated holistic approach that includes investment management, life and health insurance, and personal trust and estate services.**

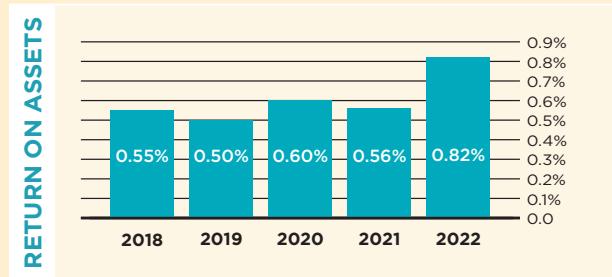
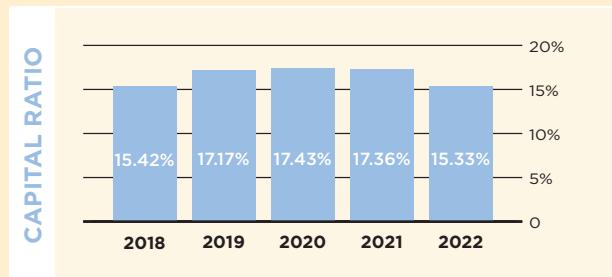
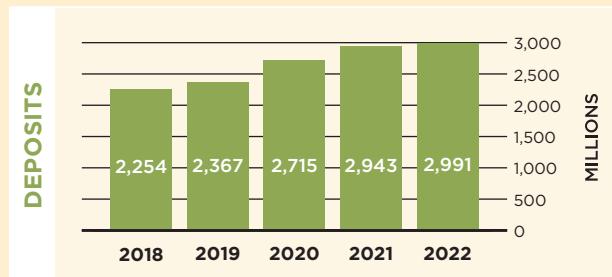
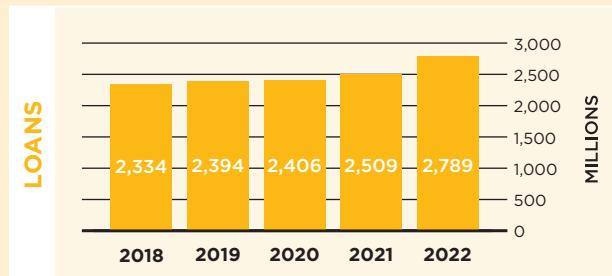
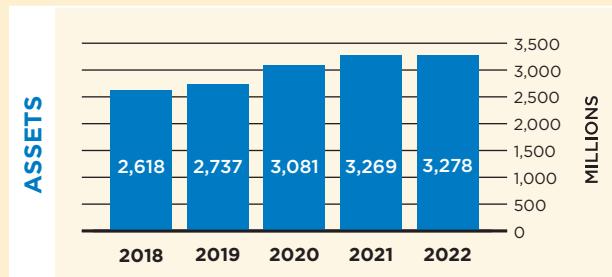
For Coastal Community Insurance Services (2007) Ltd. (CCIS), 2022 was a year focused on helping people protect their financial health in uncertain times. Our insurance team invested in launching new tools and solutions, helping us provide more resources and advice where and when people want them. This continues to support the solid foundation for CCIS to continue to add diversified income to our bottom line into the future. CCIS is a subsidiary of 1200089 B.C. Ltd., a company jointly owned by Coastal Community Credit and Interior Savings Credit Union, which in turn fully owns Coastal Community Insurance Services (2007) Ltd. and Interior Savings Insurance Services. As BC's largest Credit Union owned insurance division, agents in both subsidiaries provide local knowledge and expertise across the province.

Our overall loan portfolio, comprising business, personal and commercial lending products, grew by a robust \$279.2 million, largely driven by a record year of commercial loan growth. Our deposits grew by a smaller \$47.5 million, as our members started to access the savings they had built up during the first two years of the pandemic. Term deposits grew by 19% as our members were able to take advantage of extremely high rates.

Several of our financial markers had a notable increase due to the impact of rising rates last year. In 2022, our Return on Average Assets, a common marker of financial performance in the credit union industry, set a new milestone at 0.82%. Net income ended the year at \$22.5 million, while our financial margin increased substantially to \$81.4 million. Members' equity, or what we like to call Coastal Community's savings account, grew by \$21.4 million to end the year at \$222.2 million. This increase led to an excellent capital adequacy ratio of 15.33%.

ENHANCING SERVICES WHILE BUILDING RESERVES

In a year of strong financial performance, we retain profits in our business so we have the capacity for member service enhancements, capital expansion or other growth opportunities, as well as to build up strong reserves to protect us from potential economic downturns. From providing financial education opportunities to introducing Mobile Wallet and launching Qtrade Guided Portfolios*, we took advantage of our robust balance sheet last year to better meet your needs. Year over year, our Vision does not change: to build relationships to improve your financial health. Thank you again for giving us the opportunity to help you reach your financial goals.



MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

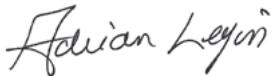
The consolidated financial statements and the accompanying notes are the responsibility of the management of Coastal Community Credit Union (the Credit Union).

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and include, where appropriate, estimates based on the best judgment of management.

As part of its responsibilities, the Credit Union maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate, and that the Credit Union's assets are appropriately accounted for and adequately safeguarded.

The Board of the Credit Union carries out its responsibilities with regard to the consolidated financial statements mainly through its Audit and Finance Committee (the Committee). The Committee reviews the annual consolidated financial statements and recommends them to the Board for approval. The Committee meets periodically with management, internal auditors and the external auditors. Following these meetings, the Committee meets privately with the auditors to ensure free and open discussion of any subject the Committee or the auditors wish to pursue. The Committee also recommends the engagement or reappointment of the external auditors, reviews the scope of the audit and approves the fees of the external auditors for audit and non-audit services.

These consolidated financial statements, audited by KPMG LLP, have been approved by the Board, on the recommendation of the Audit and Finance Committee.



Adrian Legin, MBA, ICD.D
President and Chief Executive Officer



Barbara Coe, CPA, CGA
Chief Financial Officer

REPORT OF THE INDEPENDENT AUDITORS ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the Members of Coastal Community Credit Union

Opinion

The summary consolidated financial statements of Coastal Community Credit Union ("the Credit Union"), which comprise:

- the summary consolidated statement of financial position as at December 31, 2022
- the summary consolidated statement of comprehensive income for the year then ended
- the summary consolidated statement of changes in members' equity for the year then ended
- and related notes

are derived from the audited consolidated financial statements of Coastal Community Credit Union as at and for the year ended December 31, 2022.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the criteria disclosed in Note 1 in the summary consolidated 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 auditors' report thereon, therefore, is not a substitute for reading the Credit Union's audited consolidated financial statements and the auditors' report thereon.

The summary consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

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 in the summary consolidated financial statements.

Auditors' Responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, based on our procedures, which were conducted in accordance with Canadian Auditing Standard 810, Engagements to Report on Summary Financial Statements.



Chartered Professional Accountants
Vancouver, Canada
March 22, 2023

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2022, with comparative figures for 2021

	2022 (\$'000)	2021 (\$'000)
Assets		
Cash and cash equivalents	\$ 143,637	\$ 74,905
Investments	276,280	618,879
Investment in joint venture	29,437	30,153
Loans to members	2,788,532	2,509,308
Premises and equipment	23,330	22,761
Intangible assets	1,510	1,581
Derivative financial instruments	5,088	-
Deferred income tax assets	2,884	2,086
Income taxes receivable	109	-
Other assets	7,535	8,959
	\$ 3,278,342	\$ 3,268,632
Liabilities and Members' Equity		
Member deposits	\$ 2,990,657	\$ 2,943,115
Borrowings	26,839	81,771
Other liabilities	34,909	35,441
Income taxes payable	1,350	1,797
Derivative financial instruments	-	2,325
Members' shares	2,413	3,420
	3,056,168	3,067,869
Members' equity		
Retained earnings	226,924	204,443
Accumulated other comprehensive loss	(4,750)	(3,680)
	222,174	200,763
	\$ 3,278,342	\$ 3,268,632

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended December 31, 2022, with comparative figures for 2021

	2022 (\$'000)	2021 (\$'000)
Interest income	\$ 105,216	\$ 83,338
Interest expense	23,767	22,029
Net interest income	81,449	61,309
Loan impairment expense (recovery)	2,347	(351)
Other income	20,777	23,577
Operating expenses	73,130	67,397
Income before income taxes	26,749	17,840
Provision for income taxes	4,268	2,858
Net income	22,481	14,982
Other comprehensive loss, net of tax	(1,070)	(772)
Comprehensive income	\$ 21,411	\$ 14,210

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' EQUITY

Year ended December 31, 2022, with comparative figures for 2021

(\$'000)	Investments held at FVOCI	Cash flow hedges	Accumulated other comprehensive loss	Retained earnings	Total
Balance at December 31, 2020	\$ -	\$ (2,908)	\$ (2,908)	\$ 189,461	\$ 186,553
Net income	-	-	-	14,982	14,982
Other comprehensive gain (loss)	(1,856)	1,084	(772)	-	(772)
Balance at December 31, 2021	(1,856)	(1,824)	(3,680)	204,443	200,763
Net income	-	-	-	22,481	22,481
Other comprehensive gain (loss)	(3,209)	2,139	(1,070)	-	(1,070)
Balance at December 31, 2022	\$ (5,065)	\$ 315	\$ (4,750)	\$ 226,924	\$ 222,174

NOTE 1 - BASIS OF PRESENTATION:

These summary consolidated financial statements have been prepared in accordance with Section 128(4) of the Financial Institutions Act and are derived from the audited consolidated financial statements, prepared in accordance with International Financial Reporting Standards, as at and for the year ended December 31, 2022. Those audited consolidated financial statements were approved by the Credit Union's Board of Directors on March 22, 2023 and can be obtained at any of our branches.

Approved on behalf of the Board:

Susanne Jakobsen
Chair, Board of Directors

Debra Oakman
Chair, Audit and Finance Committee

In addition to this 2022 Annual Report, the following 2022 annual reporting documents are available to members and clients at cccu.ca:

- Complete audited Consolidated Financial Statements
- Corporate Governance Report
- Management Discussion and Analysis

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