



Sunshine Coast
CREDIT UNION

2021 Annual Report



Sunshine Coast
CREDIT UNION

EMPOWERING

A BETTER TOMORROW

INTRODUCTION

- Letter from the CEO & Chair
- 2021 Board and Management
- Vision and Business Model

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- Improving Member Access and Support During the Pandemic
- Powered by People
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About Sunshine Coast
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2021 marked our 80th year of being part of your community, working together to empower better tomorrows.

Over the decades we have constantly evolved the financial services that members count on to make their lives easier while providing support to the community.

This year was no exception. Fires, floods and the pandemic impacted our community profoundly, yet we made it through together, just as we have for 80 years.

Our plans for ongoing growth and improved member services will ensure we continue to enrich lives and community where our members live and work.



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ABOUT THIS REPORT

This report provides a summary of our strategy, performance and impact in 2021.

We publish supplementary documents, available at sunshineccu.com/Annual-Report:

- Governance Report—meet your Board of Directors & Leadership Team
- Management Discussion & Analysis Report—learn more about SCCU's financial position
- Consolidated Financial Statements

Throughout this report, 'SCCU' or 'we' refers to Sunshine Coast Credit Union and its active subsidiary, SunCu Financial Inc. This report contains forward-looking statements or information, which reflects the current view of SCCU with respect to future events and financial performance. All forward-looking statements are based on the opinions and estimates of management as of the date

they are made, represent management's best judgment based on facts and assumptions they consider reasonable, and are subject to risks and uncertainties that could cause actual results to differ materially.

This annual report has the following interactive feature:

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Letter from the CEO & Chairperson, Board of Directors

2021 marked the 80th year our credit union has served our members and contributed to their financial health. This milestone provides us with an excellent opportunity to reflect on how we have grown as a financial institution both in membership and breadth of products, services, and tools we offer while continuing to deliver strong financial performance, support members' wellbeing and empowering impact.

As we navigated the second year of the pandemic, we were inspired by the spirit and grace of our members and our employees. As always, we are grateful to our more than 17,000 members for valuing and being part of our purpose-driven financial organization. We would also like to recognize our employees who step up every day to provide knowledgeable service and advice to our members in-person and virtually.

We are pleased to share that 2021 was a successful year for SCCU. Loan growth in 2021 was \$22.9 million, reflecting the very active retail real estate market on the Sunshine Coast. Commercial lending slowed in 2021 as commercial real estate projects supported by SCCU in 2020 moved on to the next phases of their development. Deposits grew by \$42.7 million or 5.71% as members built their savings and continued to reduce their discretionary spending from pre-pandemic levels. SCCU has maintained a strong, stable capital position and a solid foundation of financial health going into 2022.

SCCU also expanded our digital banking toolset with the launch of our online account opening solution that onboards new members, safely and securely, wherever they are. The application can verify ID, open a new account, and offers a seamless service experience. Consumers want flexibility in how they manage their finances and delivering on those expectations and providing choice to our members is important to us. We continue to look for new ways to offer innovative digital experiences to help our members bank the way they want.

Members continue to rate SCCU highly, with 81% of members saying their overall impression of SCCU is outstanding or very good*. Our Member Service Centre also delivered a strong performance in 2021 with 80% excellent and very good ratings overall*. We are grateful to our members for taking the time to tell us how we are doing. Your feedback is an essential part of measuring our performance and understanding how we can improve to meet your needs.

To help our business community adapt and thrive in this changing business environment, SCCU, in collaboration with Spring Activator, continues to provide free access to the Business Resilience Program to all Sunshine Coast businesses and non-profit organizations. The online learning platform helps participants gain new knowledge and develop a tailored plan to grow their business. From new start-ups to family businesses open for generations, we offer expert support and encouragement to entrepreneurs, and we applaud the strength of the business community during this unusual time.

As a co-operative financial institution, we have a long history of positively impacting the communities we serve. Last year was no exception, as we advanced our goal of promoting financial literacy by reaching more than 300 participants through our Each One Teach One financial workshops. Financial literacy is vital to financial health, equipping people with the knowledge and skills to manage money effectively and make informed financial decisions. We also provided more than \$210,000 in community investments to local non-profits, contributing to the vibrancy, well-being, and sustainability of our communities.

Looking ahead, we are reimagining what it means to be a purpose-driven organization in today's world. Our ESG (Environmental, Social and Governance) activities have always been a part of who we are at SCCU. In 2021, we embarked on a journey to develop a deeper understanding of



how we might expand on our commitment to making an impact through the Sustainable Development Goals (SDG) framework.

We extend our thanks to the nine members who serve on SCCU's board of directors for their strategic leadership and financial oversight. We benefit from their diverse experience, knowledge, and dedication representing our members and our aspirations to create a positive impact through purpose.

We look forward to the year ahead. As we have shown over our 80 years, we will continue to stand firmly on our three pillars—Member-Centricity, Financial Health and Social Impact—investing in initiatives that enrich lives in communities where members live and work. The resilience and strength of our membership, combined with the plans we have for the future, will empower a better tomorrow. And we thank you, our members, for empowering SCCU to do that every day.

Thank you,
SHELLEY McDADE
CEO, Sunshine Coast Credit Union

JOHN WISEMAN
Chairperson, Board of Directors

* Sunshine Coast Credit Union 2021 Member Voice Survey – Retail and Business



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2021 Board and Management

■ The Role of the Board of Directors

The Sunshine Coast Credit Union Board of Directors represent and are accountable to membership. Sitting independently from management, the Board sets and supports the strategic direction of the organization. Made up of nine directors serving a three-year term, directors are stewards dedicated to safeguarding the credit union. Their commitment in doing so means adhering to the highest standards of governance, financial management, professionalism, and continuing education.

For information on Board responsibilities and activities, please refer to the 2021 Sunshine Coast Credit Union Governance Report which can be found on our website, sunshineccu.com/Annual-Report

Board of Directors

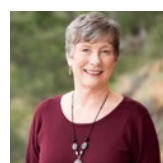
"We extend our thanks to the nine members who serve on SCCU's board of directors for their strategic leadership and financial oversight. We benefit from their diverse experience, knowledge, and dedication representing our members and our aspirations to create a positive impact through purpose."



JOHN WISEMAN
Chairperson
SunCu Board of Directors
Representative
Director since 2010



RICHARD WILSON*
1st Vice Chairperson
Director since 2010



SUE ANNE LINDE, MBA
2nd Vice Chairperson
Director since 2015



MANJIT KANG*
Member at Large
Director since 2014



BETTY BAXTER
Director Since 2017



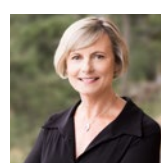
ALAYA BOISVERT*
Director since 2021



GEOFF GORNALL*
Director since 2021



ALISON JAMES*
Director since 2021



CHERYL MCNICOL
Director since 2018

* Terms expire at the
2022 Annual General Meeting

■ Senior Management

Our senior management team works with the Board of Directors to position the credit union's strategic direction and develop the annual business plan. They monitor each aspect of the plan to ensure progress is being maintained and the organization is on track. They are responsible for a team of managers, and are committed to ongoing personal and professional development.

Shelley McDade
Chief Executive Officer

Rick Cooney
Chief Risk Officer

Dawn Bezaire
Chief Financial Officer

Ana Vu
Chief Operations Officer

September Dixon
Chief Member
Experience Officer

Laurie Wilson
Chief Information Officer

Jodi Fichtner
Chief Impact and
Marketing Officer

James Richmond
Vice President,
Service Delivery

Telse Fontaine
Vice President, Enterprise
Project Management

Barbara Lambert
Vice President, Human
Resources

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Vision and Business Model

Sunshine Coast Credit Union and our members work together to grow a healthy, strong, vibrant community for our families and our future. With local leadership, decision making and expertise, we are fully invested in our community. We have no shareholders other than our members, and we use the insights we receive from you to help us meet your needs. SCCU is a financial co-operative that operates within the traditional lands of the Sechelt and Squamish First Nations. We are a member-owned, community-based, full-service financial institution with physical branches and digital access.

Vision

We enrich lives & community where our members live and work.

Mission

We create value for members through:

- Strong financial performance
- Supporting member financial wellness
- Engaged, innovative employees
- Collaborative & co-operative principles
- Unparalleled eco-systems that support members, employees, and community

Values

Integrity: We are authentic, fair, honest, accountable, and respectful.

Passion: Dedicated to creating value for our stakeholders

Member-Centric: Our actions always reflect the best interests and needs of our members.

Mantra

Together, we enrich lives.

Our Vision, Mission & Values are supported and strengthened by three strategic pillars:

MEMBER-CENTRICITY

Prioritizing member needs and providing personalized solutions.

FINANCIAL HEALTH

Optimizing the financial health and well-being of our members.

SOCIAL IMPACT

Putting our members' investments to work in meaningful ways.



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17,339

MEMBERS

2021
Highlights

92

STAFF MEMBERS

3

BRANCHES

\$898,050,573

ASSETS UNDER ADMINISTRATION

WHATEVER YOUR GOALS

WE'LL HELP YOU GET THERE.

A financial wellness assessment from SCCU is a simple step that could help you improve your credit rating, manage debt, own your home sooner, grow your portfolio, retire early, leave a legacy for your loved ones...and so much more.

Take care of yourself, and your finances. Complete a [financial wellness assessment](#) today.



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EMPOWERING

A HEALTHIER TOMORROW



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Improving Member Access and Support During the Pandemic

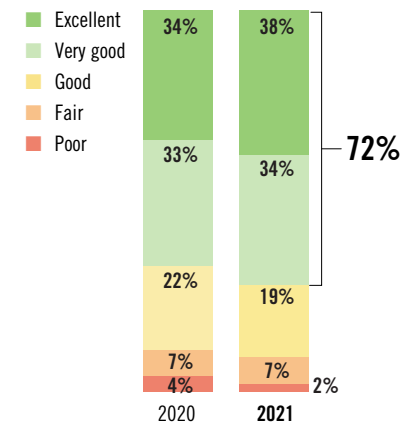
2021 marked the second year of COVID-19, and the changes we introduced at the beginning of the pandemic continued to make life easier for members. The pandemic has altered the way in which consumers interact with their financial institutions, with an overall shift to digital. While this was a continuation of a trend we have been following for years, the past two years was dramatic. Investments in technology in 2020 played a pivotal role in meeting our members' needs during the pandemic.

We followed the SCCU COVID-19 safety plan in place, as well as government recommendations and directives related to COVID-19. Our branches have remained open and operational with effective precautionary measures, while maintaining the ability of 70% of our workforce to work remotely.



Seven-in-ten (72%) members give the credit union excellent or very good ratings for meeting their needs during the pandemic, up five points from last year. Members are particularly impressed by the helpful branch staff and how they have been able to continue with their banking without problems or disruptions.

MEETING MEMBERS' NEEDS DURING COVID-19



*2021 Sentis Member Voice Survey - Retail Members

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Powered by People

Growing a financially healthy community takes a team of talented and knowledgeable employees to make it happen. Ensuring SCCU's workforce is engaged and supported is a vital part of our current and future success. In 2021, SCCU implemented several initiatives to promote and strengthen employee engagement and well-being. During the year, we:

- Designed, developed and rolled out a Diversity and Inclusion (D&I) program for all SCCU team members to proactively raise awareness of D&I issues and best practices.

- Launched "CheckingIn," a confidential health and wellness app as a resource for employees to maintain and improve physical and mental health.
- Implemented a Learning Management System for employees to access learning and development programs to help them achieve their career aspirations.
- Improved onboarding and training programs for new member-facing employees and provided training to all employees to enhance focus on Member-Centricity and Financial Health.

- Introduced a rewards and recognition program to highlight and celebrate employee accomplishments and recognize innovation, collaboration and stellar service.
- Delivered a learning program on Truth & Reconciliation Day (Sept. 30) to deepen understanding of the tragic and painful history and ongoing impacts of residential schools and provide an opportunity for reflection.

**SCCU team members are at the centre of providing an excellent member experience.
We are grateful to our employees for their continued hard work
and commitment to our credit union's success in 2021**

Member Well-being & Service Experience

Contributing to our members' financial wellness and providing an exceptional member experience is central to our mission. In 2021, we continued to adapt our service model to meet your needs.

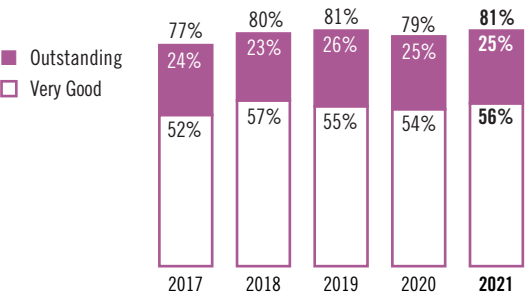
Our branches continued to operate as a vital service to our communities, while our Member Service Centre served members electronically, and over the phone. SCCU team members' personal and knowledgeable service maintained a constant in 2021, as can be seen by 81% of members rating SCCU as outstanding or very good overall.

The SCCU Member Service Centre maintained expanded hours and saw increased activity in 2021 during the pandemic. Members assessed the Member Service Centre's performance with 80% stating that the service given was Excellent/Very good¹ overall.

In 2021, 84% of members said our range of products and services either completely or mostly meets their needs¹. SCCU's performance on meeting members' needs remains stable and in line with the benchmark. Of note, top box ratings continue to inch up year over year from a low of 33% in 2017 to 41% this year.

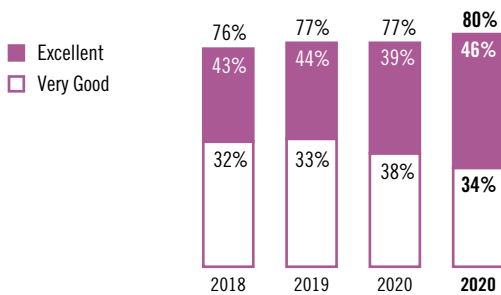
Continuous improvement and innovation are essential to evolving and strengthening our member experience. We measure our success through member feedback and overlaying our processes with data to understand how and where we have improved and where we can do better. Thank you for participating in our surveys throughout the year.

OVERALL IMPRESSIONS (% Outstanding/Very Good)



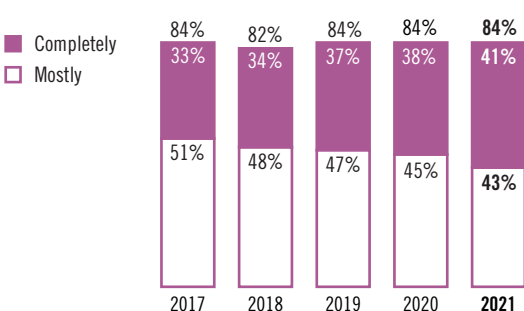
Overall impressions of SCCU are stable.

OVERALL MEMBER SERVICE CENTRE (Among Past Year Users)



Member Service Centre (MSC) performance remains strong at 80% Excellent or Very Good ratings overall.

MEETS YOUR NEEDS (% Completely/Mostly)



84% say that SCCU's range of products and services either Completely or Mostly meets their needs, unchanged from a year ago.

¹ Sunshine Coast Credit Union 2021 Member Voice Survey – Retail and Business

* Sentis Retail Banking Benchmark Study includes retail customers of all types of BC financial institutions

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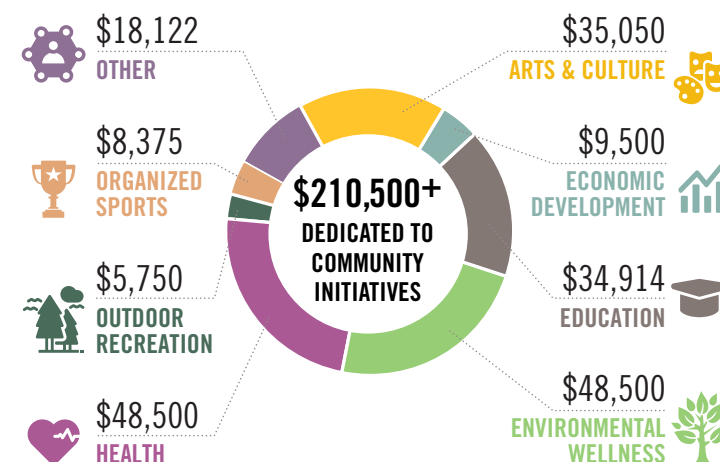
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\$210,500+
DEDICATED TO COMMUNITY INITIATIVES

Investing in What Matters, Together

Our reason for being isn't driven by delivering quarterly profits to a select group of shareholders. As a co-operative, our business model is built on a foundation of creating impact. Together, we're investing in what matters—our members and the communities we share.



2021 Impact Highlights



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PROJECT WATER BOX

Stage 4 water restrictions affected the Sunshine Coast last year, threatening crops raised by commercial farmers and those with home food gardens. SCCU answered the call, donating funds to One Straw Society for water vessels and trucking. We are grateful to One Straw, Persephone, other local breweries and cideries and well-owners for coming together to get water where it was needed most.

- 120,000 liters of water delivered resulting in 60 waterboxes
- Delivered to 87 different farms and homes



EACH ONE
TEACH ONE
Financial
Literacy
brought to

300
INDIVIDUALS

THE COAST-WIDE FOOD BANK ENDOWMENT FUND

The Coast-wide Food Bank Endowment: established in 2021, as a part of the Coast-wide Food Bank Campaign that ran last summer. The campaign generated more than \$110,000 in contributions, including the \$10,000 from the credit union. Most of those donations were distributed directly to the four local food banks. Per an agreement between the food banks, the Sunshine Coast Foundation retained 10% of all gifts in to a new endowment fund to provide sustainable financial support to the food banks for years to come.



ARROWHEAD CLUBHOUSE

, a Sunshine Coast Community Services program, is a place where those living with mental illness can learn skills, get support and build relationships in a safe, stigma-free environment.

- SCCU was one of the sponsors of District of Sechelt's drive-in movie nights last September. Tickets were by donation with 100% of the funds raised (over \$2000) going towards Arrowhead Clubhouse.
- SCCU donated \$4,000 to support those vulnerable through the cold winter weather.

\$5,000
STUDENT
BURSARIES

Proudly supporting continuing education through \$5,000 in annual high school bursaries, in addition to the Credit Unions of BC Bursary program.

THE SUNSHINE COAST CREDIT UNION ENDOWMENT FUND...

has a current balance of \$187,677. Each year, the Foundation uses a portion of the earnings on this endowment to make grants to local charities. Since being established in 2018, 11 grants were awarded to local charities.



\$2,000
DONATION

\$2,000 Donation
to Indian Residential
School Survivors Society

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Architectural rendering of new building

Building Together

With long-term visions aligned to support a healthy and vibrant community, Sunshine Coast Community Services Society (SCCSS) and SCCU share a rich history of partnering together for local social impact. In 2021 we announced a collaboration that will build financial wellness, while at the same time, support the building of local affordable housing.

Building Together will create a community hub where nearly all community services will be under one roof while offering 34 affordable housing units specifically created for women and children in the community. The development will create more than just housing, it will create its own sense of community; allowing a judgement free space for those who have struggled with such traumas as homelessness, poverty, and abuse, to feel safe and secure.

SCCU was one of the first contributors to the Building Together capital campaign, stepping up with an initial \$50,000 donation on behalf of our members.

Plus, we have committed to donating even more through a shared value project with Community Services. Take our 5 minute Financial Wellness Assessment, answering questions related to spending, savings, borrowing, and planning. You will receive valuable advice immediately including tips and resources to enhance your financial wellness over time. Then, when you opt into a no-cost,

no-strings financial wellness conversation with an SCCU advisor, your top money questions will be answered and you'll activate a \$50 donation from SCCU on your behalf to Building Together. It's a win win!

To learn more visit
buildingtogether-sccss.ca/supporters

TAKE OUR FINANCIAL
WELLNESS ASSESSMENT
AND ACTIVATE
\$50
DONATION



Embarking on an impact journey



Sunshine Coast
CREDIT UNION



Sunshine Coast Credit Union supports the Sustainable Development Goals

Sunshine Coast Credit Union's vision is: *Together, we enrich lives & community where our members live and work.* Consumers, including SCCU members, are more conscious of the importance of this commitment since the recent pandemic and global warming impacts such as BC's flood and fires.

In 2021, we took a deeper look at SCCU's commitment to Environmental, Social, and Governance (ESG) activities. The past two years have reminded us just how interconnected we are and how the health of a community—local and global—impacts us as individuals and generations to follow.

Understanding SCCU's role as a co-operative financial institution and how we can empower positive social and environmental outcomes is what we set out to do. Businesses and communities cannot thrive unless people and the planet are thriving.

Our purpose of enriching lives and the co-operative principle of Concern for Community has propelled SCCU

to align our ESG commitment to the Sustainable Development Goals (SDGs), 17 interlinked goals designed to meet the urgent need for improving life globally by 2030. Initially, we have identified six SDGs we will be focusing on as an organization: Good Health and Well-Being, Quality Education, Decent Work and Economic Growth, Reduced Inequalities, Sustainable Cities and Communities, and Climate Action.

Improving quality of life is what credit unions do, and we are energized to take action as an organization and through collaboration with employees, members, the credit union system, partners, government, and the community at large to empower positive change that is meaningful and measurable. In 2022, we will be integrating our support of these SDG goals into our operations and seek ways to empower others to positively contribute to making the world a better place for everyone by 2030.

CLIMATE SMART is an award-winning program providing businesses with data and training to profitably reduce their carbon footprint. Sunshine Coast Credit Union is proud to achieve certification as a 2021 Climate Smart business—we are enroute to being a sustainability leader by finding ways to reduce our carbon emissions.

Part of becoming a Climate Smart business means joining industry-leading companies making environmental stewardship and economic prosperity not only possible, but their new reality.



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60+

Community Enrichment

Financial and In-Kind Investments

2021 Festival of the Written Arts | \$1,500

Hybrid Festival

Bursaries SD46 | \$4,889

Bursaries for Grade 12

Capilano University | \$10,000

New Centre for Childhood Studies

Coast Cultural Alliance | \$2,500

Art Crawl

Coast Gravity Park | \$1,000

BC Cup

Coast Longboarding | \$1,000

Attack at Danger Bay Event

Coast Rogue Arts Society | \$3,000

Rogue Arts Festival - Summer Series

Community First Foundation | \$5,000

Backpack Buddies Sunshine Coast

District of Sechelt | \$4,100

Drive-In Movie for Arrowhead Clubhouse

Egmont Community Club | \$5,000

Kitchen Renovation

Farmgate Market | \$3,500

Market Tents

FibreWorks Studio & Gallery Society | \$5,000

Slow Sundays Program

G&F Credit Union | \$875

Golf Tournament in support of The Centre For Child Development

Gibsons Public Art Gallery | \$3,750

Black History Month Art Series

Gibsons Public Market | \$5,000

Gala 2021

Indian Residential School Survivors | \$2,000

Funding for Support for Survivors

Kitchensink Farm | \$4,000

Animal Sanctuary- New Barn Kickoff

Mushroomania Festival Society | \$500

Mushroom Festival Gibsons

Nicholas Sonntag Marine Education Centre | \$4,000

Summer Tidepool Education Program

One Straw Society | \$4,000

Ocean Vegetables Community Garden

One Straw Society | \$5,000

Project Water Box

One Straw Society | \$10,000

Projects in 2022

Pender Harbour Golf Club Society | \$500

Golf Course Improvement

Pender Harbour Health Centre | \$5,000

Office Equipment for New Physician

Pender Harbour Music Society | \$500

Concert Series

Pender Harbour Reading Centre | \$1,000

Reinvention of PHRC membership fees

Pender Harbour Reading Centre | \$1,000

Reconciliation from the Margins

Raincity Housing | \$4,000

Gibsons Cold Weather Shelter

Restorative Justice Program Sunshine Coast | \$1,500

Long Term Sustainability Plan

Rotary Club of Pender Harbour | \$5,000

Pender Harbour School Building

Rotary Club of the Sunshine Coast | \$1,500

Volunteer Fair 2022

Rotary Gibsons | \$1,000

Golf Tournament in support of High School Scholarship program

S.C Festival of Performing Arts | \$1,500

Virtual Festival 2021

Sunshine Coast Community Services Society | \$4,000

Arrowhead Cold Weather Support

School District 46 | \$4,000

High School Bursaries

Sechelt and District Chamber of Commerce | \$3,000

Coast Choice Awards

Sechelt Arts Festival | \$3,000

Unity 2021 Virtual Festival

Sechelt Hospital Foundation | \$8,500

Medtalks 2021

Sechelt Legion | \$750

Picnic Table for Physical Distancing

Sechelt Volunteer Firefighters | \$500

Sponsored two SCCU Firefighters in Fundraiser

SPCA | \$1,000

Paws for the Cause Fundraiser

SPCA | \$3,000

Support Animal Shelter

Sunshine Coast Clean Air Society | \$5,000

Air Quality Network

Sunshine Coast Community Foundation | \$10,000

Food Bank Fund

Sunshine Coast Community Services Society | \$1,022

Yew Transition House

Sunshine Coast Community Solar Association | \$5,000

SPCA Walk Fundraiser- Solar Panels

Sunshine Coast Elder College | \$975

Clifford Smith Memorial Lecture

Sunshine Coast Equestrian Club | \$5,000

Upgrades to the arena

Sunshine Coast Hospice Society | \$5,000

Coast Hospice Legacy Giving Program

Sunshine Coast Jazz Society | \$2,000

Jazz Fest

Sunshine Coast Minor Hockey | \$2,000

All-Female Tournament 2022

Sunshine Coast Minor Hockey | \$3,000

Rink dividers and new nets

Sunshine Coast Writers & Editors Society | \$3,000

50th Beachcomber Literary Prize

Sunshine Coast Youth Dance Academy | \$3,000

Gibsons Nutcracker

The Canadian Red Cross Society | \$15,000

Response for victims of BC Floods

The Coast Recital Society | \$5,000

2022 Winter Spring Concert

The Halfmoon Bay Childcare Centre | \$3,000

Upgrades to outside children's area

The Youth Excellence Society | \$1,050

Virtual Camp Sponsorships

Transportation Choices | \$1,000

Car Free Week

United Canadian Métis Nation | \$1,300

Indigenous Peoples Day 2022

Wheatberries Fundraiser | \$1,500

Coffee as Thank-You for Medical Professionals

Other or Under \$500 donations | \$1,800



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ANYWHERE, ANYTIME SCHEDULING

We make it easy to **book time** with an expert. Use our appointment booking tool to find a branch and time that works for you.



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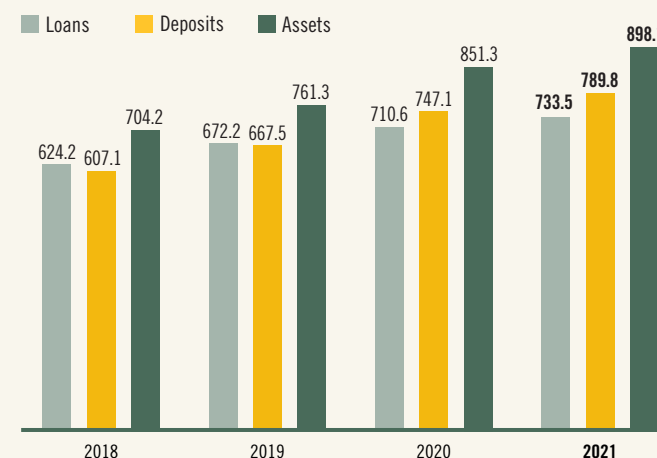
Management Discussion and Analysis Summary Report

The Management Discussion and Analysis report provides a general overview of the credit union's performance and is intended to be read with the 2021 Annual Report and full financial statements. Please review the full Management Discussion and Analysis and financial statements at sunshineccu.com/Annual-Report.

■ Assets, Loans and Deposits

When planning for 2021, SCCU was hopeful that the economy would return to more 'normal' operations, and we forecasted an increased level of lending while planning for smaller deposit growth as our members returned some of their savings over the pandemic to the economy. On the lending side in 2021, the retail real estate economy was again very active, and the continued low interest rates combined with lifestyle changes meant the Sunshine Coast saw a very active market for buying and selling homes. Secured borrowing of \$48.9 million remained at the same level as the previous year (2020 \$47.8 million). The pandemic environment continued to keep members from moving their savings into the economy to the degree predicted. Overall, deposits grew \$42.7 million, or 5.71%. Due to lower loan growth and strong deposit growth, SCCU's liquidity ratio grew further to 18.50% at the end of 2021. SCCU is forecasting that once the economy begins to open up and discretionary spending increases, liquidity levels will return to more normal levels (13-14%) in 2022.

ASSETS, LOANS AND DEPOSITS (\$ in Millions)



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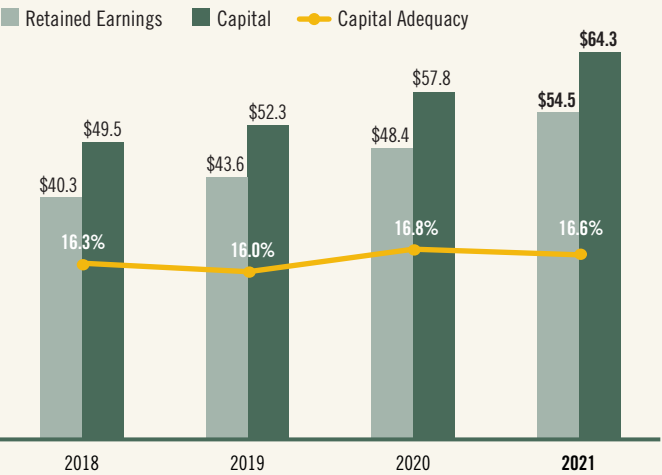
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■ Retained Earnings, Capital, Capital Adequacy

SCCU’s operating margin increased to \$23.9 million in 2021 compared to \$21.2 million in 2020. A one-time gain on the transfer of statutory liquidity investments from a deposit portfolio to a securities portfolio and lower provisions for credit losses pushed SCCU’s operating margin higher. SCCU also saw a modest increase in operating expenses, as salaries and benefits were increased to meet future strategic investments in people and technology. Given the increased operating margin and slight expense increase, earnings from operations increased to \$7.1 million in 2021 compared to \$6.0 million in 2020. SCCU’s capital ratio remained steady at 16.6% (2020 16.8%), remaining well above the statutory requirement of 8%. Total capital, the majority of which includes retained earnings, shares, and a portion

RETAINED EARNINGS, CAPITAL, CAPITAL ADEQUACY
(\$ in Millions)

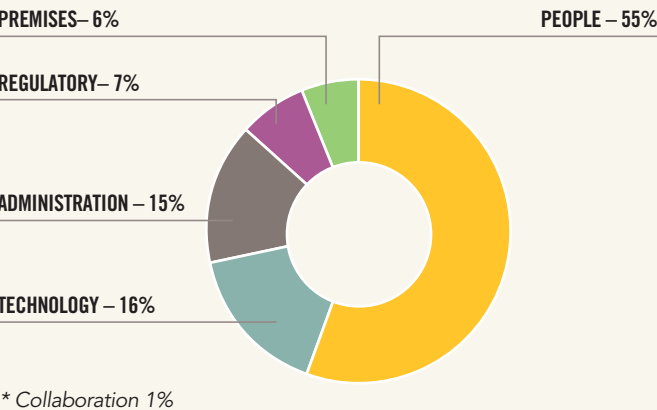


of system retained earnings grew to \$64.3 million from \$57.8 million in 2020. As we head into another volatile interest rate environment, SCCU will continue to use hedging transactions to ensure its interest rate risk exposure remains within its risk tolerance levels.

■ Operating Expenses

In 2021, operating expenses were \$16.8 million compared to \$15.1 million in 2020. SCCU’s commitment to building an experience that our members expect today and tomorrow requires continued investment in our people, technology, processes and channels. SCCU manages internal expenses by leveraging our extensive partnerships throughout the credit union system and investing in collaborative innovations and initiatives to ensure our members benefit from best-in-class products and services at an accessible cost.

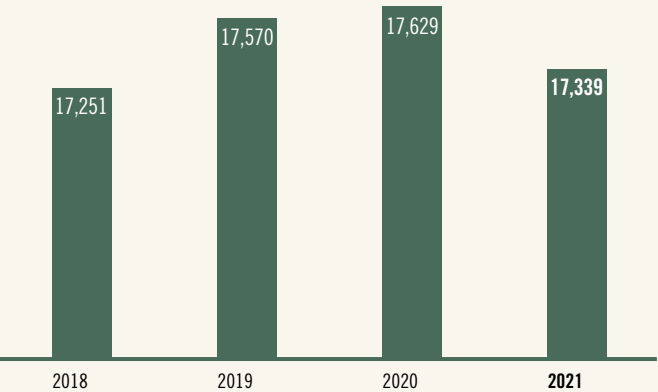
OPERATING EXPENSES (%)



■ Membership

Our members are why we exist, and we are privileged to be their choice as a financial partner. Growing and retaining our membership is an important part of delivering on our vision of enriching lives and community. It also serves as a key measure of SCCU’s member engagement strategy. In 2021 SCCU made the decision to close dormant and inactive members and their associated share accounts (the “Share Accounts”) from our banking system, while complying with our Rules and any applicable regulatory provisions to support accurate reporting. Due to the share account closures, SCCU ended the year with 17,339 members, a decrease of 290.

MEMBER GROWTH



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■ Risk Management

In 2021, SCCU changed the role of Chief Credit and Risk Officer to Chief Risk Officer to create an independent role overseeing risk in the organization. SCCU also created a Risk Department that also includes a Manager, Risk and Compliance, who is also the Chief Anti Money Laundering Officer. The Risk Department is accountable for monitoring and addressing all current and emerging risks relevant to financial institutions and providing this information to the Board and senior management through regular monthly and quarterly reporting.

■ Technology

Cybersecurity remains a top priority for SCCU, with the Technology team continuously enhancing and strengthening the credit union’s layers from evolving cyber threats. In 2021, SCCU upgraded our cybersecurity tools to enhance our capability to identify and prevent potential threats. SCCU also upgraded the credit union’s digital banking platform to enable 2-step verification. This security measure will provide increased protection from cyber threats for our members and SCCU.

SCCU expanded our digital banking toolset in 2021, launching an easy-to-use digital account opening application to onboard new members and create a foundation for personalized member service. SCCU also completed enhancements to our virtual collaboration tools and added extra capabilities to our customer relationship management software to simplify collaboration, improve the efficiency of back-office processes and provide a better member experience.

■ Future Performance

We are grateful to our members for choosing SCCU as their financial partner and continuing to empower our credit union to make tomorrow better than today. SCCU will do that by continuing to create value for our members through our strong financial performance, supporting our members’ financial wellness, and enabling opportunities for our members to create positive social impacts.

Recent events have reminded us just how interconnected we all are, and that the health of a community impacts us all. Guided by our co-operative values and vision to enrich lives and community, we are reimagining what it means to be a purpose-driven organization in today’s world. Building on our 80-year history of creating a positive impact in the community, we are aligning our business with our commitments to Environmental, Social and Governance (ESG) goals so we can empower change. We are looking to answer the question of how what we do as a credit union can help achieve both financial wellness for our members and social impact in the world around us? We know we can make a measurable difference around issues that matter to our members: housing security, climate, action, diversity and inclusion, and mental health, to name a few. Over the coming year, we are re-evaluating our practices and implementing strategies to reach our goals.

Our success relies on putting our members at the center of everything we do and ensuring they are prepared and confident with their financial situation. An important part of that is SCCU’s ability to serve members through

channels that are convenient, timely, and valuable. We are committed to implementing and improving our digital tools so members can do their banking in the ways they want to, safely and securely. As technology options evolve, we will continue to identify and roll out innovative solutions that our members’ financial health and create efficiencies for SCCU team members.

Please see the full Management, Discussion & Analysis Report, and full financial statements at sunshineccu.com/Annual-Report



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Auditor's Report

Report of the Independent Auditor on the Summary Consolidated Financial Statements

To the Members of Sunshine Coast Credit Union,

■ Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at December 31, 2021, the summary consolidated statements of earnings and comprehensive income and the summary consolidated statement of changes in members' equity for the year then ended, are derived from the audited consolidated financial statements of Sunshine Coast Credit Union (the "Credit Union") as at December 31, 2021.

In our opinion, the accompanying summary consolidated financial statements are a fair summary of the consolidated financial statement, in accordance with Article 128 of the Financial Institutions Act of BC.

■ 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 Credit Union's audited consolidated financial statements and the auditor's 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 financial statements.

■ The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on those consolidated financial statements in our report dated February 23, 2022.

■ Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements in accordance with Article 128 of the Financial Institutions Act of BC.

■ 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 810, *Engagements to Report on Summary Financial Statements*.

Vancouver, Canada
February 23, 2022

Grant Thornton LLP
Chartered Professional Accountants
Audit • Tax • Advisory
Grant Thornton LLP,
A Canadian Member of Grant Thornton
International Ltd.

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SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
December 31	2021	2020
Assets		
Cash and cash equivalents	\$ 63,038,443	\$ 65,725,509
Loans	733,506,332	710,602,332
Investments and other assets	97,229,774	70,433,696
Property, equipment and intangible assets	4,276,024	4,578,266
Total assets	\$ 898,050,573	\$ 851,339,803
Liabilities and members' equity		
Secured borrowings	\$ 48,947,556	\$ 47,795,249
Deposits	789,757,398	747,119,045
Payables and other liabilities	3,199,578	4,835,443
Patronage and investment shares	2,217,272	2,379,866
Retained earnings	54,506,351	48,423,976
Accumulated other comprehensive income (loss)	(577,582)	786,224
Total liabilities and members' equity	\$ 898,050,573	\$ 851,339,803

Signed on behalf of the Board of Directors by:

John Wiseman
Chairperson

Richard Wilson
1st Vice Chairperson

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' EQUITY				
	Patronage and Investment Shares	Retained Earnings	Accumulated Other Comprehensive Income (loss)	Total
Balance on December 31, 2020	\$ 2,379,866	\$ 48,423,976	\$ 786,224	\$ 51,590,066
Net earnings	—	6,130,172	—	6,130,172
Other changes	(162,594)	(47,797)	(1,363,806)	(1,574,197)
Balance on December 31, 2021	\$ 2,217,272	\$ 54,506,351	\$ (577,582)	\$ 56,146,041

SUMMARY CONSOLIDATED STATEMENTS OF EARNINGS & COMPREHENSIVE INCOME		
Year ended December 31	2021	2020
Financial income	\$ 27,321,694	\$ 29,458,816
Financial expense	9,044,241	11,532,940
Financial margin	18,277,453	17,925,876
Provision on loans	149,616	804,186
Other income	5,818,016	4,072,501
Operating margin	23,945,853	21,194,191
Operating expenses	16,815,967	15,153,228
Earnings from operations	7,129,886	6,040,963
Distributions to members	6,419	9,718
Earnings before income taxes	7,123,467	6,031,245
Provision for income taxes	993,295	1,170,042
Net earnings for the year	6,130,172	4,861,203
Other comprehensive income	(1,363,806)	895,616
Total comprehensive income for the year	\$ 4,766,369	\$ 5,756,819

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Any member or auxiliary member may obtain a free copy of the full financial statements at any branch of the credit union or through our website at sunshineccu.com/Annual-Report

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About Sunshine Coast Credit Union

It all started with people helping people.

Times were tough in 1941. Not quite out of the depression and just entering a world war, things looked pretty bleak.

Well, in these parts, the one thing you can always count when the going gets tough are your neighbours. So 20 volunteers got together and started the credit union in the living room of Lenora Inglis. Because the community was strong, the credit union took hold and grew. And grew. And grew. Amidst this 80 year growth, SCCU has met change head-on and adapted to the dynamic needs of our members. While names, technology, products, and delivery methods may change, our core reason for being remains true—to enrich lives.

Today, Sunshine Coast Credit Union is a full-service financial institution with more than \$890 million in assets delivering personal and commercial banking services to more than 17,300 members. We support our members through several channels, including in-person service delivered through our three branches, Member Service Centre providing phone, email and LiveChat support, Mobile Advisors and Online/Mobile Banking.

Our founders knew we would be stronger together, achieving more than each of us ever could individually. A concept we remain true to today, seeking out opportunities to create value for our member-owners.

Call: 604.740.2662
Chat: www.sunshineccu.com
Email: inquiries@sunshineccu.net
f [@sunshinecoastcreditunion](https://www.facebook.com/sunshinecoastcreditunion)
@ [@sunshineccu](https://www.instagram.com/sunshineccu)
in [Sunshine Coast Credit Union](https://www.linkedin.com/company/sunshine-coast-credit-union)

GIBSONS BRANCH

985 Gibsons Way
Gibsons, BC V0N 1V8

SECHLT BRANCH

PO Box 375
5655 Teredo Street
Sechelt, BC V0N 3A0

PENDER HARBOUR BRANCH

PO Box 28
12887 Madeira Park Road
Madeira Park, BC V0N 2H0

ADMINISTRATION OFFICE

985 Gibsons Way
Gibsons, BC V0N 1V8

SUNCU FINANCIAL SERVICES INC.

PO Box 490
2nd Floor, 5655 Teredo Street
Sechelt, BC V0N 3A0
suncu@sunshineccu.net



SunCu Financial Services Inc. is a subsidiary of Sunshine Coast Credit Union, offering wealth management services to members and clients.



Sunshine Coast Insurance Services Inc.

Sunshine Coast Insurances Services Inc. is an insurance agency jointly owned by Sunshine Coast Credit Union and Co-operators Insurance Agencies Limited. The Co-operators® used by Co-operators General Insurance Company under license from The Co-operators Group Limited.



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4,000+ DING FREE® ATM NETWORK

The credit union network offers ding free® ATM service at over 4,000 credit unions nation-wide! ding free® means no additional surcharge, typically a \$3.00 add-on from most ATM owners and banks.



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