

INTRODUCTION

Letter from
the CEO & Chair

Governance

Vision

2022 Highlights

BUSINESS

Our People

Member Well-Being &
Service Experience

Empowering Economic
Growth & Impact

Technology

COMMUNITY

Stronger
Communities Together

2022 Impact Highlights

Sustainable
Development Goals

Community Enrichment

FINANCIALS

Management
Discussion & Analysis

Auditors Report

Financial Summaries

About Sunshine
Coast Credit Union



Sunshine Coast
CREDIT UNION

THRIVING TOGETHER STRONG

2022 ANNUAL REPORT



INTRODUCTION

Letter from
the CEO & Chair

Governance

Vision

2022 Highlights

BUSINESS

Our People

Member Well-Being &
Service Experience

Empowering Economic
Growth & Impact

Technology

COMMUNITY

Stronger
Communities Together

2022 Impact Highlights

Sustainable
Development Goals

Community Enrichment

FINANCIALS

Management
Discussion & Analysis

Auditors Report

Financial Summaries

About Sunshine
Coast Credit Union



YOU'RE INVITED TO ATTEND OUR

82nd Annual General Meeting – Virtually!

NOTICE OF AGM

**82nd Annual General Meeting
of Sunshine Coast Credit Union**
May 2nd, 2023, 6pm

Pre-Register for our Virtual AGM:
604-740-2662
inquiries@sunshineccu.net

AGENDA

1. Call to Order
2. Introduction of Officers
3. Adoption of the Rules of Order
4. Appointment of Recording Secretary & Parliamentarian
5. Adoption of Minutes of the 81st AGM, held April 26, 2022
6. Business Arising out of the Minutes
7. Directors', CEO, and Financial Report
8. Auditors' Report
9. Appointment of Auditors
10. Motion to Authorize the Directors to Set the Audit Fee
11. Directors' Election Results
12. Member Questions & Comments
13. New Business
14. Adjournment

Introduction

INTRODUCTION

Letter from
the CEO & Chair

Governance

Vision

2022 Highlights

BUSINESS

Our People

Member Well-Being &
Service Experience

Empowering Economic
Growth & Impact

Technology

COMMUNITY

Stronger
Communities Together

2022 Impact Highlights

Sustainable
Development Goals

Community Enrichment

FINANCIALS

Management
Discussion & Analysis

Auditors Report

Financial Summaries

About Sunshine
Coast Credit Union



ABOUT THIS REPORT

This report provides a summary of our strategy, performance, and impact in 2022.

We publish supplementary documents, available at sunshineccu.com/annual-report:

- Management Discussion & Analysis Report and Consolidated Financial Statements - Learn more about Sunshine Coast Credit Union's financial position.

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.

Letter from the CEO & Chairperson, Board of Directors

We're pleased to share that 2022 was another successful year for Sunshine Coast Credit Union (SCCU). In addition to strong financial performance, your credit union continued to evolve and strengthen as a trusted financial partner for our members. Thank you for your continued support of our vision to enrich lives and community where our members live and work.

INTRODUCTION

- Letter from the CEO & Chair
- Governance
- Vision
- 2022 Highlights

BUSINESS

- Our People
- Member Well-Being & Service Experience
- Empowering Economic Growth & Impact
- Technology

COMMUNITY

- Stronger Communities Together
- 2022 Impact Highlights
- Sustainable Development Goals
- Community Enrichment

FINANCIALS

- Management Discussion & Analysis
- Auditors Report
- Financial Summaries

About Sunshine Coast Credit Union

Life activities and plans resumed some normalcy after two years of a global pandemic, and our financial results reflect that shift. Loan growth in 2022 totaled more than \$60 million as SCCU helped members secure the financing they needed to achieve their home ownership goals and more. At the same time, as expected, deposit growth was modest as people increased their discretionary spending, with deposits increasing by \$5 million in 2022. Once again, we enter the new year based on a solid financial foundation to navigate what is ahead.

Ensuring your credit union continues to thrive relies on anticipation and preparation. SCCU's leadership team and board have worked purposefully in recent years to expand the organization's ability to be nimble, adapt when needed, and ensure we are well-positioned for the future.

Our goal is to meet our members where they are, geographically and financially, and to continually deliver value in innovative ways. This growth mindset helps us embrace change and better meet the evolving needs of our members.

In 2022, we redesigned some of our operational processes to serve our members more efficiently and used data and technology to provide a more personalized and relevant member experience. We delivered enhancements to our virtual Member Service Centre and mobile and online banking platforms, invested in cybersecurity to safeguard our credit union and members, and implemented changes to increase the scale and efficiency of our commercial services department, providing direct value back to entrepreneurs and non-profit groups.

We're readying ourselves for the opportunities that will be made available through national

initiatives to modernize payments and enhance data management capabilities (open banking). Specifically, SCCU is actively working to ensure it's positioned to support our members to take advantage of these new payment options and empower them to manage their data safely and securely for maximum benefit in the future.

Over the past year, SCCU enhanced its value proposition as an employer. By leveraging an effective hybrid work environment that includes remote working options, SCCU was able to attract and retain top talent in key areas of our organization. SCCU employees created a program to stay connected, build engagement, and foster community. We're tremendously proud of our team members for demonstrating initiative and making the employee experience at SCCU engaging and inclusive, no matter where our team members live. A strong team is at the heart of our ability to offer a stellar member experience, and we thank our employees for their contributions to this success.

The past three years have impacted our society and communities in ways we could not anticipate. At SCCU, we understand that mental and physical health is as important as financial wellness, and we remain committed to supporting our employees and members in this area. In addition to offering programs and resources to our employees and their families, we invest in community-focused wellness initiatives that help build our collective resilience.

As the global economy emerges from the direct impacts of the COVID-19 pandemic, financial uncertainty remains. Increasing inflation, rising interest rates, and the possibility of a recession affect us all. Our number one priority is to be there for our members in good times and challenging times. Whether you reach out to

our Member Service Centre, set up a virtual appointment, or come into a branch, we're here to provide advice, resources, and solutions to enrich your life.

In addition to contributing to the financial wellness of our members, SCCU focuses on strengthening our communities. In 2022, SCCU donated \$190,000 to non-profits through community enrichment grants, including an additional \$25,000 in support of Sunshine Coast Community Services' Building Together campaign, raising funds for affordable housing for women and children.

As a financial cooperative, our team is passionate about issues that affect our community and beyond- climate change, equality, health and well-being.

Since aligning our Environmental, Social, and Governance (ESG) activities to the United Nation's Sustainable Development Goals in 2021, we turned our focus to creating positive outcomes to fuel meaningful and measurable change. Two employee-led committees were introduced to identify and implement ways to address the challenges of climate change and inequalities. The Reduced Inequalities Committee informed and recommended topics for the organization's weekly learnings relating to diversity, equity, and inclusion to raise awareness and inspire change. The committee also engaged employees in meaningfully recognizing SCCU's branch closure on the National Day for Truth and Reconciliation while also contributing funds in support of Indigenous-led initiatives. The Climate Action committee focused on ways to reduce our Green House Gas (GHG) emissions internally. The committee successfully implemented green waste bins, set up energy assessments for each branch, and hosted a think tank session with all

employees to gather ways we can reduce paper waste at SCCU. The work of these committees demonstrates the power of bringing people with diverse perspectives together to learn, understand and take action. While change may take time, little wins create the ripples that move from employees out to our membership at large. We're excited to continue growing the committees and encouraging leadership in these areas.

We're fortunate to have an experienced and knowledgeable group of leaders to help guide and govern our credit union. We extend our deep gratitude to our highly engaged board of directors for their stewardship. In addition, we would like to recognize departing board members John Wiseman and Betty Baxter for their steadfast service and valuable contributions during their terms with SCCU.

As we have for more than 80 years, we're committed to being a vital and positive force for good and supporting the financial well-being of more than 17,000 members. You are at the centre of all that we do, and we thank you for being part of our shared success today and in the future.



Thank you,
Shelley McDade CEO, SCCU
Richard Wilson Chairperson

INTRODUCTION

Letter from the CEO & Chair
Governance
Vision
2022 Highlights

BUSINESS

Our People
Member Well-Being & Service Experience
Empowering Economic Growth & Impact
Technology

COMMUNITY

Stronger Communities Together
2022 Impact Highlights
Sustainable Development Goals
Community Enrichment

FINANCIALS

Management Discussion & Analysis
Auditors Report
Financial Summaries

About Sunshine Coast Credit Union

Governance

2022 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.

Directors serve a three-year term, and 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. Directors may spend ten to fifteen hours each month preparing for and attending meetings,

completing professional development, as well as attending events and planning sessions.

Learning and development is a commitment of each Director and this is achieved through specific professional development, attending conferences, and inviting subject matter experts and guest speakers to share their knowledge at the board table. An effective board is one that is diverse in qualities, expertise, perspective and demographic. Potential director candidates are assessed against a list of desired attributes the Board feels it requires to be most effective in representing the voice of the member.



Richard Wilson, CPA
Chairperson
Director since 2010



Manjit Kang
Vice Chair
Director since 2014



Cheryl McNicol*
2nd Vice Chair
Director since 2018



Geoff Gornall
Member at Large
Director since 2021



Alaya Boisvert
Director since 2021



Allison James
Director since 2015



Sue Anne Linde, MBA
Director since 2015

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 strategically aligned, engaged, and collaborating cross-functionally.

Shelley McDade, MBA
Chief Executive Officer

Laurie Wilson
Chief Information Officer

Dawn Bezaire, CPA, CGA
Chief Financial Officer

Michael Brown
VP, Information Technology

Nancy Crockett MBA, ACUIC
Chief Member Experience Officer

John De Santis
VP, Commercial Services

Jodi Fichtner, BBA
Chief Impact & Marketing Officer

Telse Fontaine
VP, Enterprise Planning & Strategic Initiatives

Elizabeth Hanlon, CFA
Chief Risk Officer

Barbara Lambert
VP, Human Resources

Marisa Hudson
Corporate Secretary

James Richmond
VP, Service Delivery

Ana Vu
Chief Operations Officer

Learn more about our board and senior management team [here](#)

* Terms expire at the 2023 Annual General Meeting

INTRODUCTION

Letter from the CEO & Chair

Governance

Vision

2022 Highlights

BUSINESS

Our People

Member Well-Being & Service Experience

Empowering Economic Growth & Impact

Technology

COMMUNITY

Stronger Communities Together

2022 Impact Highlights

Sustainable Development Goals

Community Enrichment

FINANCIALS

Management Discussion & Analysis

Auditors Report

Financial Summaries

About Sunshine Coast Credit Union

Governance

Committee Appointments/Elections 2022-2023

	RICHARD WILSON Director since 2010	MANJIT KANG Director since 2014	CHERYL McNICOL Director since 2018	GEOFF GORNALL Director since 2021	BETTY BAXTER* Director since 2017	ALAYA BOISVERT Director since 2021	ALLISON JAMES Director since 2021	SUE ANNE LINDE Director since 2015	MANAGEMENT RESOURCE
Governance-Executive Committee*	Chair	Vice Chair	2nd Vice Chair	Member at Large					Shelley McDade, CEO
Audit & Risk Committee	Chair	Member	Member				Member		Dawn Bezaire, CFO
Conduct Review Committee			Member	Chair	Member	Alternate			Marisa Hudson, Corporate Secretary
Investment and Loan Committee		Chair		Member		Member		Alternate	Nancy Crockett, CMEO
Nominations Committee		Member		Chair			Member	Member	Shelley McDade, CEO
Environmental Social Governance Committee			Member		Member	Chair		Member	Jodi Fichtner, CIO
SunCu Board of Directors	Member								Shelley McDade, CEO Dawn Bezaire, CFO

SCCU Board of Directors– Participation

The table to the right represents each director’s scope of participation on committees, related attendance and compensation in 2022.

Expenses include reimbursement for travel, food and lodging related to credit union meetings, conferences and education.

	TOTAL REMUNERATION	BOARD MEETING ATTENDANCE	COMMITTEE MEETING ATTENDANCE
Richard Wilson	\$11,685.00	6 of 6	12 of 12
John Wiseman*	\$6,295.00	3 of 3	1 of 2
Manjit Kang	\$11,180.00	6 of 6	19 of 19
Cheryl McNicol	\$9,640.00	6 of 6	15 of 17
Geoff Gornall	\$9,880.00	6 of 6	15 of 16
Betty Baxter*	\$7,717.00	5 of 6	7 of 7
Alaya Boisvert	\$7,560.00	6 of 6	11 of 12
Allison James	\$7,660.00	5 of 6	9 of 9
Sue Anne Linde	\$7,716.75	5 of 6	10 of 10

*John Wiseman and Betty Baxter retired from the board in 2022

INTRODUCTION

Letter from
the CEO & Chair

Governance

Vision

2022 Highlights

BUSINESS

Our People

Member Well-Being &
Service Experience

Empowering Economic
Growth & Impact

Technology

COMMUNITY

Stronger
Communities Together

2022 Impact Highlights

Sustainable
Development Goals

Community Enrichment

FINANCIALS

Management
Discussion & Analysis

Auditors Report

Financial Summaries

About Sunshine
Coast Credit Union

Governance

BOARD ELECTIONS

Annually the board elects the members of the Audit & Risk Committee, the Governance Executive Committee, and the Conduct Review Committee; The Financial Institutions Act requires these committees to be standing committees of the board. Board members are given an opportunity to nominate members for positions on these committees based on their expertise and knowledge in applicable areas. Nominees can choose to accept or decline a nomination. Elections are then held for those members who wish to stand, and the elected candidates are announced and the ballots are destroyed. At the first meeting of the Committee, the Committee elects a Chair and appoints the alternate. Alternates are not required to attend meetings unless they are required to fulfill the quorum of three.

BOARD APPOINTMENTS

Annually, the Chair of the Board will ask members of the Board to advise if they have any particular interest in Committee roles that are appointed. Using this information the Chair of the Board then populates the Committees that are not elected, balancing the skills required for each Committee with the workload for each director.

COMPENSATION DISCLOSURE

Sunshine Coast Credit Union has adopted a balanced approach to strategy and performance, measuring success in four main areas through the organization’s scorecard: Members, Employees, Community and Financial. Employee and team scorecards include similar performance metrics, providing a direct line of sight as to how each individual’s role contributes to the credit union’s vision of enriching the lives of our members and community.

To ensure we deliver on our members’ expectations to provide a full service, value-add experience, we strive to attract and retain strong talent across the entire organization. Our compensation philosophy is aligned with this goal, supporting us to compete for talent in an ultra-competitive environment. Compensation is made up of a base salary targeted at mid-market, variable compensation and benefits. Variable compensation is paid to all employees annually contingent on achieving goals set out in our

balanced scorecards. Compensation for all positions is reviewed annually to ensure competitiveness to market and executive leadership level positions are assessed in greater depth every two years. The combined compensation of key management personnel totalled \$1,898,100 in 2022.

The Board is responsible to set and monitor the CEO’s compensation at a mid-market range compared to credit unions of similar size and scope. The CEO’s compensation is determined using a similar approach to that above, but with additional rigor and in consultation with the Board of Directors. Annual monitoring using external comparison data and a customized in-depth analysis is performed every two years. The Board assesses the CEO’s performance annually based on the results of the individual’s scorecard as well as the results of the entire organization.

*Includes salaries and other short-term employee benefits, total pension and other post-employment benefits.

POLICY & REGULATORY REQUIREMENTS

The Board of Directors:

- Are bound by the provisions of the Financial Institutions Act (FIA) and the Credit Union Incorporation Act (CUIA)
- Must adhere to and annually sign SCCU’s Code of Conduct and Confidentiality Agreements
- Must comply with the policies of SCCU
- Must make timely disclosure of any conflicts of interest
- Must maintain confidentiality
- Must complete the education required by regulation and the education set out by the Board within the required time frames
- Must complete a Personal Information Return as required by BCFSA
- Must complete the annual Board/Self/Peer Assessment process

GENERAL

The Board of Directors:

- Be respectful to all stakeholders
- Respect the agenda and time prescribed for activities
- Contribute to the advancement of SCCU
- Strive to be constructive, resourceful and solution-oriented
- Ask penetrating questions that ensure a full understanding of the issues in question and the consequences of the actions proposed
- Encourage debate among directors while remaining committed to the goal of reaching consensus
- Commit to ongoing education
- Commit to disclose director biography, attendance, Committee assignments and compensation to members
- Represent the interests of SCCU as a whole

SUBSIDIARIES & OWNERSHIP

SunCu Financial Services Inc. is a wholly owned subsidiary of the Sunshine Coast Credit Union, providing wealth management and investment services to members and clients.

Sunshine Coast Insurance 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.

AUDITORS

GRANT THORNTON LLP Chartered Professional Accountants Auditor’s responsibility is to express an opinion on the summary consolidated financial statements based on their procedures, which are conducted in accordance with Canadian Auditing Standard (CAS) 810 Engagements to Report on Summary Financial Statements.

LEGAL

Edwards, Kenny & Bray LLP
1900 - 1040 West Georgia Street, Vancouver, BC

INTRODUCTION

- Letter from the CEO & Chair
- Governance
- Vision
- 2022 Highlights

BUSINESS

- Our People
- Member Well-Being & Service Experience
- Empowering Economic Growth & Impact
- Technology

COMMUNITY

- Stronger Communities Together
- 2022 Impact Highlights
- Sustainable Development Goals
- Community Enrichment

FINANCIALS

- Management Discussion & Analysis
- Auditors Report
- Financial Summaries

About Sunshine Coast Credit Union

Vision & Business Model

Sunshine Coast Credit Union and our members work together to grow healthy, strong, vibrant communities for our families and our future.

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.

With local leadership, decision making and expertise, we are fully invested in our communities. 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 (Shíshálh) and Squamish (Skwxwú7mesh) 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 and co-operative principles
- Unparalleled eco-systems that support members, employees, and community.



2022 Highlights

INTRODUCTION

- Letter from the CEO & Chair
- Governance
- Vision
- 2022 Highlights

BUSINESS

- Our People
- Member Well-Being & Service Experience
- Empowering Economic Growth & Impact
- Technology

COMMUNITY

- Stronger Communities Together
- 2022 Impact Highlights
- Sustainable Development Goals
- Community Enrichment

FINANCIALS

- Management Discussion & Analysis
- Auditors Report
- Financial Summaries

About Sunshine Coast Credit Union



INTRODUCTION

Letter from
the CEO & Chair

Governance

Vision

2022 Highlights

BUSINESS

Our People

Member Well-Being &
Service Experience

Empowering Economic
Growth & Impact

Technology

COMMUNITY

Stronger
Communities Together

2022 Impact Highlights

Sustainable
Development Goals

Community Enrichment

FINANCIALS

Management
Discussion & Analysis

Auditors Report

Financial Summaries

About Sunshine
Coast Credit Union

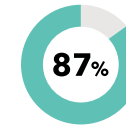
A Strong Foundation: Our People

In 2022, our credit union recognized the need to invest even more in employee wellbeing in light of the global pandemic.

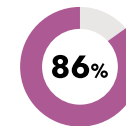
As part of our commitment to supporting our team, we implemented or continued several initiatives to support mental health and wellbeing.

- Increased our mental health coverage through our Extended Health Provider, ensuring employees had access to counselling and psychological services when needed.
- Provided confidential counselling services through our Employee & Family Assistance Program, which allowed employees to receive support from professional counsellors.
- Offered access to a wellness program through a mobile app, which provides daily check-ins, monthly webinars, and other resources to promote mental wellbeing.
- Offered courses through our Learning & Development Platform on various topics to support mental health, empowering our staff with the knowledge and tools to care for themselves.
- Recognized the importance of engagement and connectivity amongst all staff, particularly remote or working from home. To foster a sense of community, we offered various events and initiatives through our Social Committee, promoting staff engagement and connection.

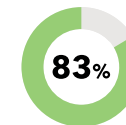
DIVERSITY EQUITY & INCLUSION Employee Survey*



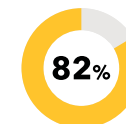
agreed or strongly agreed that
"My colleagues treat others with respect."



agreed or strongly agreed that
"SCCU fosters a diverse equitable,
and inclusive workplace."



agreed or strongly agreed that
"I can be myself at work."



agreed or strongly agreed that
"Employees are treated with dignity, respect
and fairness regardless of their age, gender,
ethnic background, orientation, etc."

*Employee Engagement Survey October 2022

Member Well-being & Service Experience

Our goal is to meet our members where they are, geographically and financially, and to continually deliver value in innovative ways. This growth mindset helps us embrace change and better meet the evolving needs of our members.

INTRODUCTION

Letter from the CEO & Chair
Governance
Vision
2022 Highlights

BUSINESS

Our People
Member Well-Being & Service Experience
Empowering Economic Growth & Impact
Technology

COMMUNITY

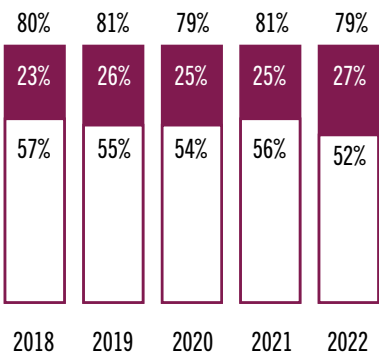
Stronger Communities Together
2022 Impact Highlights
Sustainable Development Goals
Community Enrichment

FINANCIALS

Management Discussion & Analysis
Auditors Report
Financial Summaries

About Sunshine Coast Credit Union

OVERALL IMPRESSIONS (% Outstanding/Very Good)

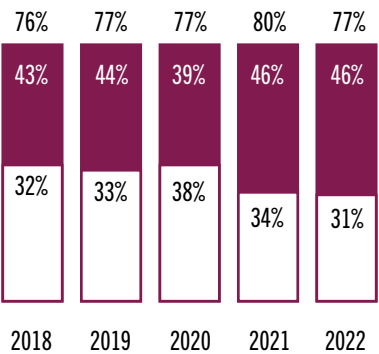


■ Outstanding
□ Very Good

Overall impressions of SCCU are stable and positive.

Benchmark: 69%

OVERALL MEMBER SERVICE CENTRE (% Outstanding/Very Good)

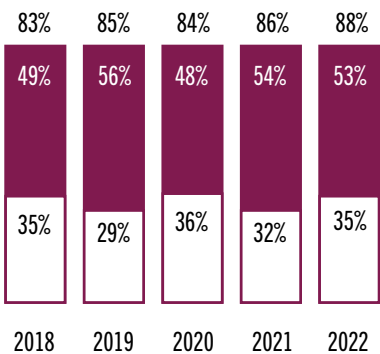


■ Outstanding
□ Very Good

Member Service Centre (MSC) performance remains strong at 77% Outstanding or Very Good ratings overall.

Benchmark: 57%

OVERALL IN-BRANCH SERVICE Among past year branch visitors

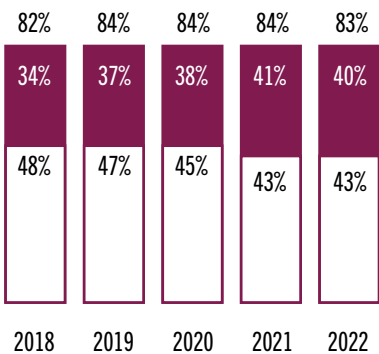


■ Outstanding
□ Very Good

Overall in-branch service remains strong among past year visitors.

Benchmark: 73%

MEETS YOUR NEEDS (% Completely/Mostly)



■ Completely
□ Mostly

83% say that SCCU's range of products and services either Completely or Mostly meets their needs.

Benchmark: 81%

¹ Sunshine Coast Credit Union 2022 Member Voice Survey – Retail and Business

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

Empowering Economic Growth & Impact

We believe that banking should be about more than where you put your money. Through our lending, advice, and expertise we are proud to support positive impact companies in reaching their goals.



Bretton Hills, owner of Ondine Ocean Farm

SUPPORTING SUSTAINABLE, LOCAL BUSINESSES - ONDINE OCEAN FARM

In 2019, SCCU started working with West Coast-based Ondine Ocean Farms, whose vision is to provide sustainable and accessible food choices for everyone. Today, they are producing low-impact shellfish including oysters, scallops, and kelp to restaurants and grocers worldwide.

See more on [Ondine Ocean Farm](#)

TANGIBLE CLIMATE ACTION - LOON FOUNDATION

The past few years have shown that climate change requires immediate and tangible action on a local and global scale. As part of our commitment to making a lasting impact, Sunshine Coast Credit Union has been a strong supporter of the Loon Foundation which carries out a diverse range of community, scientific, and educational initiatives.

Among their projects, the Loon Foundation is building The Pender Harbour Ocean Discovery Station (PODS), an innovative marine freshwater research and education facility that aims to inspire visitors about the wonders of nature through a mix of science, arts, culture, and community.

See more on [Loon Foundation](#)



Dr. Michael Jackson, Executive Director of Loon Foundation

INTRODUCTION

Letter from the CEO & Chair

Governance

Vision

2022 Highlights

BUSINESS

Our People

Member Well-Being & Service Experience

Empowering Economic Growth & Impact

Technology

COMMUNITY

Stronger Communities Together

2022 Impact Highlights

Sustainable Development Goals

Community Enrichment

FINANCIALS

Management Discussion & Analysis

Auditors Report

Financial Summaries

About Sunshine Coast Credit Union

Empowering our Members Through Technology

INTRODUCTION

Letter from the CEO & Chair

Governance

Vision

2022 Highlights

BUSINESS

Our People

Member Well-Being & Service Experience

Empowering Economic Growth & Impact

Technology

COMMUNITY

Stronger Communities Together

2022 Impact Highlights

Sustainable Development Goals

Community Enrichment

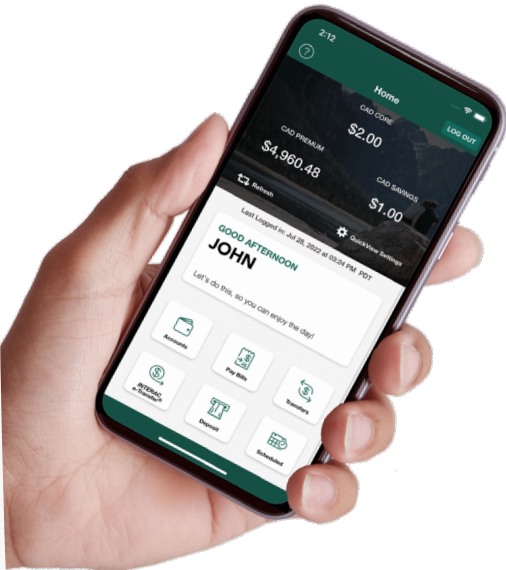
FINANCIALS

Management Discussion & Analysis

Auditors Report

Financial Summaries

About Sunshine Coast Credit Union



Providing members with a convenient and secure online banking service is necessary for today's highly competitive banking environment.

This involves providing a user-friendly, dependable, and robust online and mobile banking platform that enables our members to manage their accounts, initiate transactions, and access a wide range of services from any location and device.

Our role as a full-service financial partner requires providing a comprehensive suite of digital tools that empower our members to achieve their financial goals efficiently.



MODERNIZED ONLINE & MOBILE BANKING

SCCU upgraded its online banking platform and mobile app in 2022 to enhance the digital banking experience of members. The upgraded platform and app offer a modernized layout and enhanced usability, providing a seamless and convenient banking experience.



TWO-STEP VERIFICATION (2SV) FOR ENHANCED ONLINE BANKING SECURITY

In 2022, we launched 2SV (2-step Verification) to provide additional mobile and online banking protection. With this security technology, users can stay safe beyond just relying on their username and password. 2-Step Verification will send members a verification code via SMS or email to confirm identity during high-risk activities, such as large payments or logins from a new location. This feature enhances the security of our online and mobile banking platform and helps prevent unauthorized access to user accounts.

Community

INTRODUCTION

Letter from
the CEO & Chair

Governance

Vision

2022 Highlights

BUSINESS

Our People

Member Well-Being &
Service Experience

Empowering Economic
Growth & Impact

Technology

COMMUNITY

Stronger
Communities Together

2022 Impact Highlights

Sustainable
Development Goals

Community Enrichment

FINANCIALS

Management
Discussion & Analysis

Auditors Report

Financial Summaries

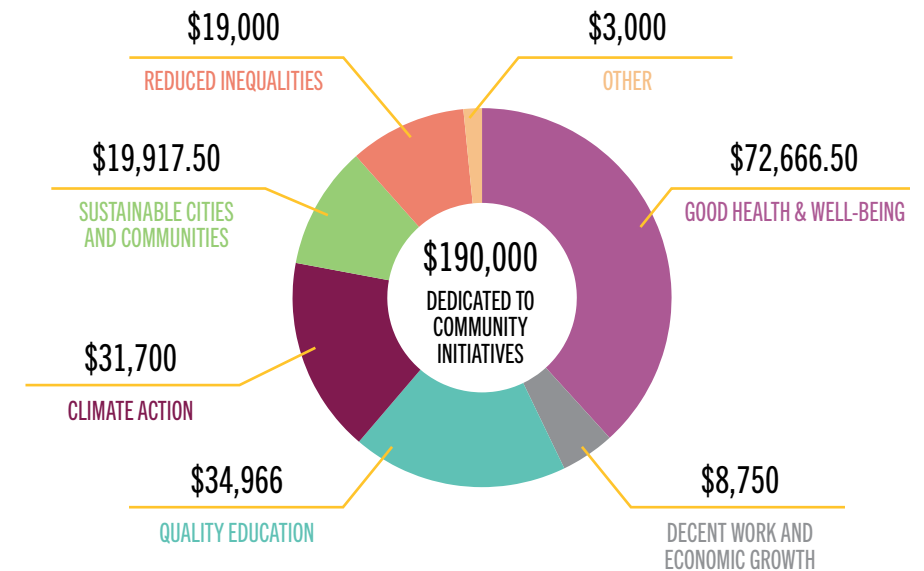
About Sunshine
Coast Credit Union

Stronger Communities Together

At SCCU, we are committed to building stronger communities in addition to enhancing the financial wellness of our members.

In 2022, we donated \$190,000 to non-profit organizations through community enrichment grants. We also contributed an additional \$25,000 to support Sunshine Coast Community Services' Building Together campaign, which raises funds for affordable housing for

women and children. By supporting these initiatives, we aim to make a meaningful impact in the well-being of our community, and we will continue to seek out opportunities to empower the communities we serve.



INTRODUCTION

Letter from the CEO & Chair

Governance

Vision

2022 Highlights

BUSINESS

Our People

Member Well-Being & Service Experience

Empowering Economic Growth & Impact

Technology

COMMUNITY

Stronger Communities Together

2022 Impact Highlights

Sustainable Development Goals

Community Enrichment

FINANCIALS

Management Discussion & Analysis

Auditors Report

Financial Summaries

About Sunshine Coast Credit Union

2022 Impact Highlights



ONE STRAW SOCIETY

One Straw Society launched Project Waterbox in 2020 in response to the water crisis, and took it a step further with a Community Enrichment grant of \$15,000 from Sunshine Coast Credit Union. At their Roberts Creek public garden hub, "One Tiny Farm", they installed multiple systems to water their own crops, and to act as a demonstration for the public to see visible water collection, as well as ways that collection, valves, pumps, and drainage can be set up. These water systems are increasingly important as we see the impact of climate change locally, where five out of the last eight years have led to Stage 4 water restrictions.

Financial literacy brought to
150+
individuals

INDIGENOUS LIFT COLLECTIVE

In collaboration with Indigenous LIFT Collective, Co-operators, Sunshine Coast Insurance Services Inc., reGEN media, and PowHERhouse we are thrilled to support the LIFTing your Leadership program. This initiative brings together a cohort of 12 Indigenous women founders and non-binary entrepreneurs in their early stages of entrepreneurship. The program consists of a combination of business development activities and relational resources co-created by The Indigenous LIFT Collective and co-facilitated by guest Indigenous Aunties bi-weekly. SCCU and Co-operators were invited to present on Financial Wellness for Businesses.

\$5,000
Given in student bursaries

BACKPACK BUDDIES

Backpack Buddies delivers bags of food for children on the Sunshine Coast to Gibsons Elementary School every two weeks. This provides enough food to last two weekends for the kids in the program. The local volunteer team then divides the bags and distributes them to the Sechelt Nation and to other schools in the region. The funds from SCCU filled 250 backpacks this year, ensuring that the children in the area had enough food to eat.



An initiative of Sunshine Coast Community Services

Thank you to everyone who took the time to check their financial wellness! By taking the assessment, you unlocked an additional \$25,000 contribution in 2022 to add to our original \$50,000 donation for a total of \$75,000 donated to the Building Together initiative. This initiative of Sunshine Coast Community Services Society is raising funds to build 34 units of affordable housing for women and children as well as a hub to house community support programs.

INTRODUCTION

- Letter from the CEO & Chair
- Governance
- Vision
- 2022 Highlights

BUSINESS

- Our People
- Member Well-Being & Service Experience
- Empowering Economic Growth & Impact
- Technology

COMMUNITY

- Stronger Communities Together
- 2022 Impact Highlights
- Sustainable Development Goals
- Community Enrichment

FINANCIALS

- Management Discussion & Analysis
- Auditors Report
- Financial Summaries

About Sunshine Coast Credit Union

Sustainable Development Goals

Sunshine Coast Credit Union’s vision is: Together, we enrich lives & community where our members live and work. People, including SCCU members, are more conscious of the importance of this commitment.

At SCCU, we understand that commitment to Environmental, Social, and Governance (ESG) activities is increasingly important to people worldwide, including our members. As such, we prioritize ESG activities to fulfill our goal of making a lasting impact on the world around us.

In 2022, we took an important step towards advancing our mission by providing ESG education to our employees. ESG is a crucial component in enabling positive social and environmental outcomes, and we want our team to be equipped with the knowledge and skills necessary to contribute to our cause.

We focus on six Sustainable Development Goals (SDGs) to ensure that our efforts are effective and measurable. Our emphasis on these goals aligns with our vision of enriching lives and community where our members live and work.

CLIMATE SMART is an award-winning program providing businesses with data and training to reduce their carbon footprint. Sunshine Coast Credit Union is proud to achieve certification as a 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.



Sunshine Coast Credit Union supports the Sustainable Development Goals



70+ Community or In-Kind Donations

INTRODUCTION

Letter from the CEO & Chair
Governance
Vision
2022 Highlights

BUSINESS

Our People
Member Well-Being & Service Experience
Empowering Economic Growth & Impact
Technology

COMMUNITY

Stronger Communities Together
2022 Impact Highlights
Sustainable Development Goals
Community Enrichment

FINANCIALS

Management Discussion & Analysis
Auditors Report
Financial Summaries

About Sunshine Coast Credit Union

Bursaries | \$855
School District 46

Sechelt Hospital Foundation | \$8,500
Medtalks

Capilano University | \$10,000
New Centre for Childhood Studies

Pender Harbour Secondary School | \$250
Hot Lunch Support for May

Canada Helps- Ukraine Foundation | \$4,000
Ukraine Support

Pender Harbour Blues Society | \$1,000
Pender Blues Festival

Halfmoon Bay Child Care Centre | \$4,500
Summer Fun Coastal Tour

SC Festival of the Performing Arts | \$1,500
Festival of Performing Arts

The Youth Excellence Society | \$3,300
4 YES Camp sponsors

Gibsons Public Art Gallery | \$5,000
Indigenous Art & Culture

Community First DBA Backpack Buddies | \$5,000
Backpack Buddies

Coast Rogues Arts Society | \$3,000
Rogue Arts Festival

Pender Harbour Community Club | \$1,000
Pender Harbour May Day

Suncoast Phoenix Community Choir Society | \$5,000
New Sheet Music

RainCity Housing and Support Society | \$1,255
Sechelt Shelter

Sunshine Coast Hospice Society | \$3,500
Hike for Hospice

SC Community Solar Association | \$5,000
Elevate for the Environment

Sechelt Downtown Business Association | \$3,200
Shareware Sechelt

Sunshine Coast Community Action Team | \$2,500
Overdose Awareness Event

Sunshine Coast Foundation Arts | \$10,000
Coast Wide Foodbank Fund

Gibsons Elementary PAC | \$5,000
Upgrades for safe outdoor space

Capilano University | \$10,000
New Centre for Childhood Studies

Sechelt Garden Club | \$1,500
Cascade Butterfly/Pollinator Garden

Coast Gravity Park | \$1,000
BC Cup

Sunshine Coast Open Tennis Committee | \$500
Open Tennis Tournament

Sunshine Coast Film Society | \$500
Sponsorship Drive 3 films

Sunshine Coast Disc Golf Association | \$1,500
New Big Tree Course

Sechelt Arts Festival | \$5,000
Upcycle 2022 Festival

The Coast Recital Society | \$1,500
Classical Music Concert

Sunshine Coast Electric Vehicle Association | \$1,000
Electric Vehicle Festival

Sunshine Coast Youth Dance Association | \$1,000
Nutcracker Gibsons Performance

Sunshine Coast Elder College | \$1,000
Clifford Smith Memorial Lecture

Festival of Written Arts | \$1,000
40 Anniversary Special

SPCA Sunshine Coast | \$200
Sandcastle Competition

Rotary Gibsons | \$1,000
Bronze Sponsor- Golf tournament

SC Lions Club | \$1,000
BC Cup

Sunshine Coast Affordable Housing Society | \$500
SCCU Employee Social Initiative

70+ Community or In-Kind Donations

INTRODUCTION

Letter from the CEO & Chair
Governance
Vision
2022 Highlights

BUSINESS

Our People
Member Well-Being & Service Experience
Empowering Economic Growth & Impact
Technology

COMMUNITY

Stronger Communities Together
2022 Impact Highlights
Sustainable Development Goals
Community Enrichment

FINANCIALS

Management Discussion & Analysis
Auditors Report
Financial Summaries

About Sunshine Coast Credit Union

Tetrahedron Outdoor Club | \$3,000
Banff Mountain Film Festival

Sunshine Coast Museum & Archives | \$2,000
Gibsons Halloween Block Party

Restorative Justice Program SC | \$4,286
Engaging Youth

Mushroom Mania Festival Society | \$600
Mushroom Mania Festival

Sechelt Fire Fighters | \$500
Adopt a Fire Fighter

Community Safety Net | \$708.75
Fire Safety Books for kids Gibsons

Community Safety Net | \$708.75
Fire Safety Books for kids Sechelt

Siyiyaya Reconciliation | \$5,000
Community Healing Regalia Project 2023

Schichim Foundation | \$5,000
Revitalizing Language Program

Rotary Gibsons | \$2,000
Thanksgiving Community Dinner

Indigenous LIFT Collective | \$6,250
Indigenous Women in Business program

Thyme Second Stage | \$1,000
Holiday donation for families

Sechelt Legion | \$250
Poppy Fund

Gibsons Legion | \$250
Poppy Fund

Sunshine Coast Literacy Coalition | \$2,000
Literacy Day

Sunshine Coast Marine Rescue Society | \$5,000
Navigation System

Gibsons Marine Education Centre Society | \$4,000
Seine Events

Huckleberry Coast Childcare Society | \$500
Little Hands

One Straw Society | \$15,000
Solar Project

FibreWorks Studio & Gallery Society | \$1,000
Slow Sundays

Gibsons Public Art Gallery | \$5,000
GPAG 20th Anniversary

Sunshine Coast Hospice Society | \$1,500
Legacy Giving Program

RCMSAR 14 Gibsons | \$5,000
Boathouse Education Centre

Sunshine Coast Conservation Association | \$3,000
Nemo Films for World Oceans Day

Sunshine Coast Conservation Association | \$2,000
Roberts Creek Eelgrass Mapping

Public Health Association of BC | \$5,000
Farm to School BC

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

Gibsons Community Building Society | \$5,000
Wellness Festival

PIVOT Empowering Recovery Society | \$5,000
Business Coaching for Society

Serendipity Child Development Society | \$275
Madeira Light up the Town

Sunshine Coast Youth Soccer Association | \$300
Festival of Lights Gibsons

Halfmoon Bay Chatelech Community School | \$500
Kidpreneur

Board of Education of School District No. 46 | \$4,000
Bursaries

Sunshine Coast Community Services | \$1,255
Arrowhead Winter Support

The Sunshine Coast Salvation Army | \$1,255
Cold Weather Shelter Gibsons

Community Gives | \$1,301.50

INTRODUCTION

Letter from
the CEO & Chair

Governance

Vision

2022 Highlights

BUSINESS

Our People

Member Well-Being &
Service Experience

Empowering Economic
Growth & Impact

Technology

COMMUNITY

Stronger
Communities Together

2022 Impact Highlights

Sustainable
Development Goals

Community Enrichment

FINANCIALS

Management
Discussion & Analysis

Auditors Report

Financial Summaries

About Sunshine
Coast Credit Union

Anywhere, Anytime SCHEDULING

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



INTRODUCTION

Letter from
the CEO & Chair

Governance

Vision

2022 Highlights

BUSINESS

Our People

Member Well-Being &
Service Experience

Empowering Economic
Growth & Impact

Technology

COMMUNITY

Stronger
Communities Together

2022 Impact Highlights

Sustainable
Development Goals

Community Enrichment

FINANCIALS

Management
Discussion & Analysis

Auditors Report

Financial Summaries

About Sunshine
Coast Credit Union

Management Discussion & Analysis Summary Report

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

2022 was a volatile and eventful year that resulted in rapid changes in interest rates as the Bank of Canada and other central banks around the world attempted to control a rapidly increasing inflation rate.

In the first quarter of the year, the Bank of Canada (BoC) positioned the already higher than normal inflation as 'temporary' and would reverse on its own without too much intervention from monetary policy. Following this premise, the BoC only delivered its first

interest rate increase in March and only 0.25%. When it quickly became clear that inflation was proving to be more stubborn than originally anticipated, the BoC followed that first interest rate hike by six more rate hikes between April and December for a total of 4.00% in rate hikes during 2022.

The result was a surge in market interest rates and a resulting negative impact on portfolios holding fixed rate investments which were purchased when rates were very low (See

Other Comprehensive Income section for more on the impact to Sunshine Coast Credit Union related to the rate surge). In spite of the volatility, we are pleased to report that 2022 was a solid year for Sunshine Coast Credit Union. As we consistently communicate, your credit union's financial success is integral to maintaining and building a strong organization that is well-positioned to deliver the products, services, and expertise that strengthen our members' financial health.

Management Discussion & Analysis Summary Report

INTRODUCTION

- Letter from the CEO & Chair
- Governance
- Vision
- 2022 Highlights

BUSINESS

- Our People
- Member Well-Being & Service Experience
- Empowering Economic Growth & Impact
- Technology

COMMUNITY

- Stronger Communities Together
- 2022 Impact Highlights
- Sustainable Development Goals
- Community Enrichment

FINANCIALS

- Management Discussion & Analysis
- Auditors Report
- Financial Summaries

ASSETS, LOANS, AND DEPOSITS

When planning for 2022, SCCU anticipated a recovery economy that would require an increased level of lending as projects and the economy ramped back up to more normal levels. SCCU also anticipated deposit levels stay fairly stagnate as members began to spend more on purchases they had been reluctant to engage in over the pandemic.

As a result of the increased lending and lower deposit growth, Sunshine Coast Credit Union's excess investment levels dropped year over year, as anticipated, and liquidity ratios returned to more normal levels. SCCU's investments were held with Central 1 and in trust with Central 1 as part of the mandatory statutory reserve (minimum 8%) required to be held by credit unions. These statutory investment are required to be held in high quality liquid assets (HQLA) and are subject to fair value accounting through Other Comprehensive Income. This portfolio was impacted by the rapidly rising interest rates as noted in the introduction section above. More detail on the (unrealized) impact can be found in the Other Comprehensive Income section on the following page.

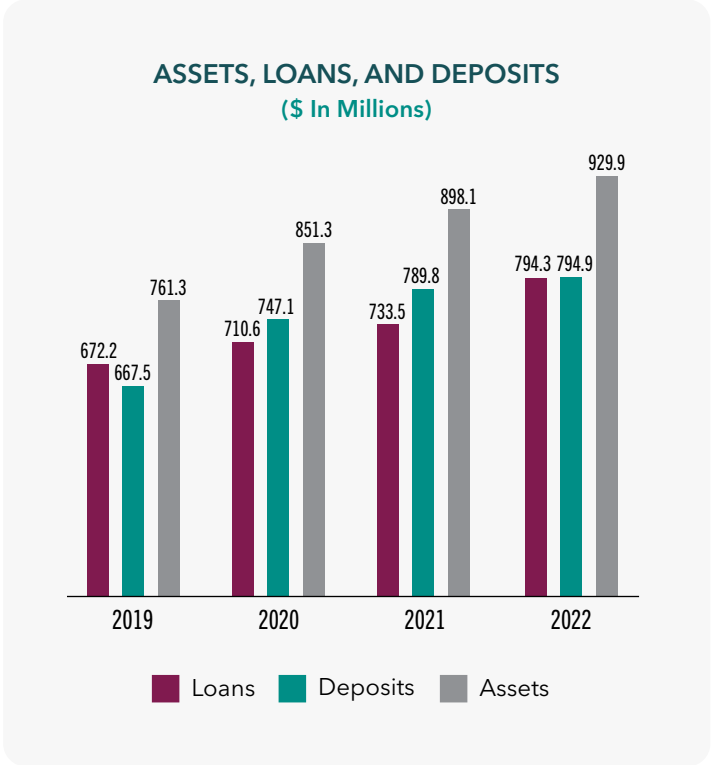
On the lending side, the anticipation of rapidly rising interest rates put the retail real estate economy into rapid motion in the spring of 2022. By the end of the second quarter, SCCU was able to quickly support our members in their real estate goals and, as a result, reach our annual target by the end of the second quarter of the year. The activity did not slow down until closer to the end of the year and overall resulted in retail (individual) mortgage loan growth of 9.38% which was well above the target of 6.15%. Commercial lending opportunities were somewhat muted again for SCCU in 2022 and as a result, although we did grow approximately 4.5%, we did not achieve targeted growth of 12% in this

area. However, overall, with the robust retail lending growth, net loan growth did surpass expectations and ended the year at \$60.8 million or 8.29%.

As anticipated, deposit growth was lower than normal as members began to not only spend their funds in various ways, but also started moving their funds into more long-term fixed rate investments from chequing and savings accounts as interest rates rapidly rose over the year. Competition for deposits between all major banks and credit unions intensified, and some members took advantage of very high rates being offered at other institutions. As a result, overall deposit growth was only approximately \$5 million or 0.65%, well below the targeted growth of \$28 million (3.56%).

Due to the low deposit growth in 2022, and per established liquidity and funding strategies to ensure required liquidity ratios are being maintained, SCCU used a small portion of borrowing available from Central 1 and continued to transact securitized borrowings. Borrowing with Central 1 of \$5 million and additional secured borrowing of \$18.3 million were required to support lending activity and maintain appropriate liquidity levels.

Due to the high loan growth and lower deposit growth, SCCU's liquidity ratio dropped to 15.75% at the end of 2022. On the positive side, this ratio ended up above SCCU's target ratio of 14.17%; however, due to the trending of lower deposit growth, SCCU needs to anticipate the possibility of this trend continuing (including the highly competitive landscape in this area) and ensuring a higher level of liquidity remains available to meet lending requirements and that targeted ratios can be maintained moving into 2023.



Management Discussion & Analysis Summary Report

INTRODUCTION

- Letter from the CEO & Chair
- Governance
- Vision
- 2022 Highlights

BUSINESS

- Our People
- Member Well-Being & Service Experience
- Empowering Economic Growth & Impact
- Technology

COMMUNITY

- Stronger Communities Together
- 2022 Impact Highlights
- Sustainable Development Goals
- Community Enrichment

FINANCIALS

- Management Discussion & Analysis
- Auditors Report
- Financial Summaries

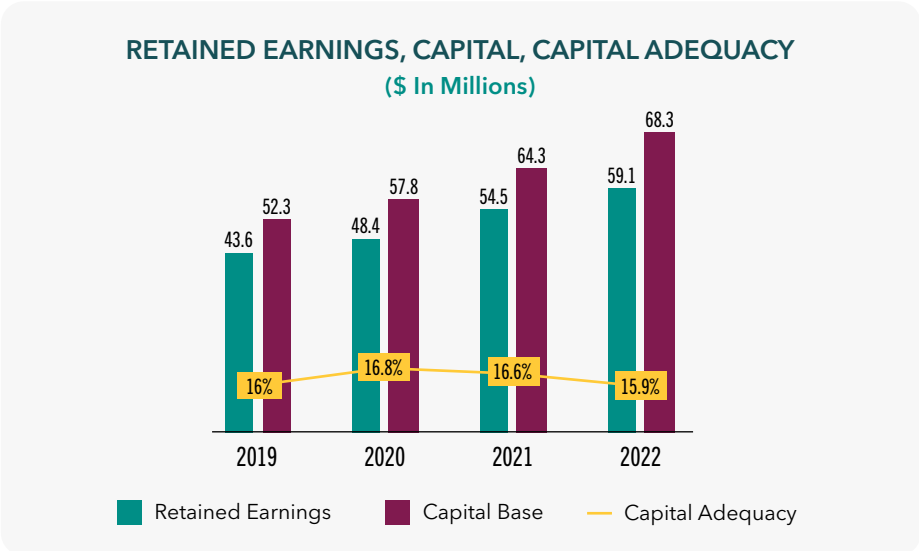
RETAINED EARNINGS, CAPITAL, CAPITAL ADEQUACY

SCCU's operating margin remained flat at \$23.8 million compared to \$23.9 million in 2021. There were a few contributing factors to this result. In 2021, SCCU recorded a one-time revenue gain of approximately \$1.1 million resulting from the reinvestment of our statutory liquidity portfolio. Without that comparable amount of revenue in 2022, plus lower retail mortgage prepayment penalty income, total other income was down by approximately \$1.5 million. In addition, the rapid rising cost of deposits relative to loan revenue put a damper on financial margin increases that would normally occur with such strong lending growth as SCCU had in 2022. Between the rising rates and housing market slowing, SCCU set aside higher provisions on loans in 2022. Future operating margin will continue to come under pressure as deposits reprice higher, and faster than long term fixed rate lending.

Margin will tighten considerably over the next 12 to 18 months, until rates stabilize, and

lending renewal rates catch up to deposit rate increases. Conversely if rates start to fall, short term deposits (which our members continue to choose due to the high rates) will reprice lower. In both cases, the forecast is that margin will begin to improve slightly in 2024. Operating expenses increased by \$1.3 million in 2022, with salaries and benefits accounting for the bulk of this increase. SCCU continued to focus on ensuring the talent required to meet future strategic goals would be met in a very tight labour market. The ultimate goal of these increased investments in people is, of course, to meet members' needs in this world of new and changing automation, accessibility and regulation. SCCU's deposit insurance costs also increased due to the large increase in deposits over the pandemic.

Overall given a flat operating margin and modest expense increases, earnings from operations decreased to \$5.6 million in 2022 compared to \$7.1 million in 2021.



OTHER COMPREHENSIVE INCOME

SCCU's total comprehensive income of \$1.1 million includes net losses of \$(3.56) million that have not actually occurred; these are referred to as unrealized losses. Including unrealized losses is an accounting treatment that requires entities reporting under International Financial Reporting Standards to apply a fair value to certain financial assets. Fair value is defined as an amount that an existing asset could be exchanged or traded for at current prices as at the financial statement date.

The unrealized loss on debt securities found under other comprehensive income on SCCU's Statement of Earnings and Comprehensive Income is attributable to the credit union's statutory liquidity reserve which is held in a HQLA security portfolio. This portfolio was established on January 1 2021, and consists of approximately \$77 million of fixed and floating rate securities that were invested during 2021 and 2022 when interest rates were very low. While many securities in this portfolio did mature and renew at higher rates over the course of 2022, a significant amount of the securities were invested longer term and will not renew to higher rates until 2023 (and beyond). Per the accounting rule described above, when determining the 'fair value' of this portfolio on December 31, 2022, with current market rates in some cases 4% higher than the actual existing rates on the securities, the credit union must recognize an unrealized loss as part of its comprehensive income.

The unrealized loss on hedges found in the same section is the result of the credit union entering hedging transactions in prior years to manage interest rate risk (fluctuations) and to ensure earnings remain steady and stable. These hedges (\$60 million) were purchased at a time when interest rates were very low, and therefore rapid increase in rates results in an unrealized net loss that must be recorded as an accounting entry at current rates as at December 31, 2022. The

hedging transactions SCCU entered into over the years have been and continue to be effective in managing interest rate risk; while 2022 saw a rapid increase in rates and these hedges were put in place to protect the credit union from falling rates, they are long term instruments to manage interest rate risk and have been very effective on average over their life; the rapid drop in rates in 2020 was a perfect example of how these types of transactions can help to protect earnings from unexpected swings in interest rates. Also, with a rapid rise in rates, there is more potential/room for rates to fall again which is expected in 12-18 months from now. These hedges will continue to do their job to ensure its interest rate risk exposure remains within its risk tolerance levels and protects the credit union from the uncertainty and volatility of interest rate movement.

Overall, in both cases, the most important point to understand is these losses are unrealized - they are an accounting entry only. In some cases, accounting standards require companies to show the readers of its financial statements the potential implication of 'cashing in' or 'selling' certain assets and liabilities. It is the intent of SCCU management is to hold the SCCU assets subject to this accounting treatment to maturity, thereby never actually realizing any losses.

With other comprehensive income being an unrealized accounting transaction only, SCCU transferred \$4.6 million in net earnings to retained earnings. Total capital, the majority of which includes retained earnings, shares, and a portion of system retained earnings grew to \$68.3 million from \$64.3 million in 2022. With solid lending growth but lower overall earnings, SCCU's capital ratio dropped slightly to 15.90% (2021 16.6%); however, this decrease was almost exactly as forecasted and remains well above the statutory requirement of 8%.

Management Discussion & Analysis Summary Report

INTRODUCTION

Letter from the CEO & Chair
Governance
Vision
2022 Highlights

BUSINESS

Our People
Member Well-Being & Service Experience
Empowering Economic Growth & Impact
Technology

COMMUNITY

Stronger Communities Together
2022 Impact Highlights
Sustainable Development Goals
Community Enrichment

FINANCIALS

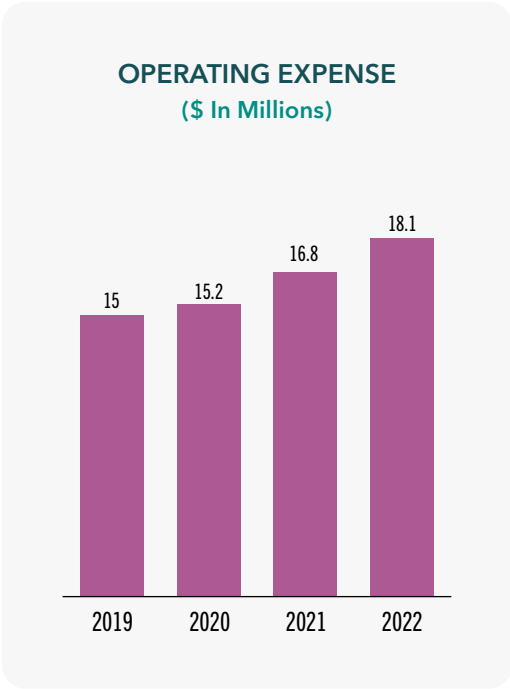
Management Discussion & Analysis
Auditors Report
Financial Summaries

About Sunshine Coast Credit Union

OPERATING EXPENSES

SCCU strategically manages internal expenses while leveraging our extensive partnerships throughout the credit union system to ensure our members benefit from best-in-class products and services at an accessible cost.

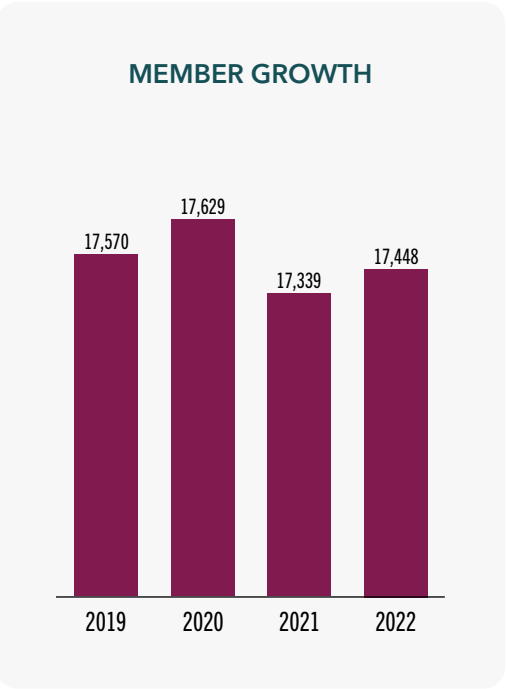
In addition to investing in collaborative innovations and initiatives, our commitment to building an experience that our members expect today and tomorrow requires continued investment in our people, technology, processes and channels. SCCU must also devote considerable resources into regulatory compliance, rounding out a total operating expense of \$18.1 million in 2022.



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.

SCCU ended the year with 17,448 members, an increase of 109 members.



PROFIT ALLOCATIONS

In December 2022, the Board of Directors approved a dividend return of 2.95% on member equity shares, 3.85% on transactional equity shares and 4.35% on voluntary investment equity shares, resulting in a total distribution of over \$107 thousand in dividends to our members. For information related to the calculation of dividends, please refer to the Credit Union's Rules.

As a cooperative, our mission goes beyond achieving a financial return. SCCU is committed to being the Sunshine Coast's best community partner through social impact investing, volunteerism, sharing our knowledge on committees and boards, building community financial literacy, and providing funding to non-profit organizations in support of their important work. SCCU distributed \$190,000 to non-profit organizations through community enrichment grants and also contributed an additional \$25,000 to support Sunshine Coast Community Services' Building Together campaign in 2022.

RISKS & CONTINGENCY

In September 2022, SCCU welcomed a new Chief Risk Officer to lead our dedicated Risk Department. The Risk Department is accountable for the enterprise risk management framework and its oversight, which includes the following areas:

- Credit
- Market
- Operational
- Strategic
- Regulatory
- Capital
- Earnings
- Liquidity
- IT & Cybersecurity
- Anti-money laundering

The Risk Department regularly monitors and reports to the Board and senior management to manage risk in these areas. In addition, SCCU collaborates with our regulator, internal and external auditors, system vendors, and other network contacts to ensure we stay informed and address all current and emerging risks applicable to financial institutions.

Management Discussion & Analysis Summary Report

INTRODUCTION

Letter from
the CEO & Chair

Governance

Vision

2022 Highlights

BUSINESS

Our People

Member Well-Being &
Service Experience

Empowering Economic
Growth & Impact

Technology

COMMUNITY

Stronger
Communities Together

2022 Impact Highlights

Sustainable
Development Goals

Community Enrichment

FINANCIALS

Management
Discussion & Analysis

Auditors Report

Financial Summaries

About Sunshine
Coast Credit Union

FUTURE PERFORMANCE

Although we expect the financial world to continue to evolve rapidly, we remain optimistic about the future and our role in it. Our mission as a credit union to improve the communities in which our members live and work has remained the same, but it now has a more global and pressing scope.

Societal challenges, ranging from climate change to income inequality to economic instability, necessitate bold and innovative solutions prioritizing the common good.

The cooperative model is uniquely suited to dealing with these issues, and credit unions can drive meaningful change that benefits everyone by balancing community and profits and empowering

members to participate in decision-making. Credit unions will be increasingly important in building a more just, equitable, and sustainable society as we navigate an uncertain and rapidly changing world.

This does not mean there will not be difficulties ahead. The future is inherently uncertain, and this uncertainty is particularly acute in the financial world. As SCCU enters 2023, we face ongoing economic instability and uncertainty in the global, Canadian and BC financial landscapes. Providing sound financial health advice is a critical opportunity for us to help our personal and business members navigate this uncertainty. We are committed to leveraging our expertise to help our members succeed. While we forecast a positive financial result

in 2023, we anticipate lower growth and earnings than in previous years. Should current economic and interest rate forecasts materialize as expected, we anticipate a return to moderate growth and earnings in 2024.

By remaining true to our cooperative values and focused on our mission, we will overcome these challenges and continue positively impacting the communities we serve. At SCCU, we recognize that our success depends on our members' unwavering support and active participation. We are deeply grateful for your trust and confidence in us, and we are committed to earning it every day and thriving together strong.



INTRODUCTION

Letter from
the CEO & Chair

Governance

Vision

2022 Highlights

BUSINESS

Our People

Member Well-Being &
Service Experience

Empowering Economic
Growth & Impact

Technology

COMMUNITY

Stronger
Communities Together

2022 Impact Highlights

Sustainable
Development Goals

Community Enrichment

FINANCIALS

Management
Discussion & Analysis

Auditors Report

Financial Summaries

About Sunshine
Coast Credit Union

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, 2022, the summary consolidated statements of earnings and comprehensive income and 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, 2022.

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 22, 2023.

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.

Grant Thornton LLP

Chartered Professional Accountants
Suite 1600, 333 Seymour Street
Vancouver, BC V6B 0A4

Vancouver, Canada
February 22, 2023

INTRODUCTION

Letter from
the CEO & Chair

Governance

Vision

2022 Highlights

BUSINESS

Our People

Member Well-Being &
Service Experience

Empowering Economic
Growth & Impact

Technology

COMMUNITY

Stronger
Communities Together

2022 Impact Highlights

Sustainable
Development Goals

Community Enrichment

FINANCIALS

Management
Discussion & Analysis

Auditors Report

Financial Summaries

About Sunshine
Coast Credit Union

Financial Summaries

Summary Consolidated Statement of Financial Position

December 31	2022	2021
Assets		
Cash and cash equivalents	44,356,963	63,038,443
Loans	794,266,324	733,506,332
Investments and other assets	87,392,116	97,229,774
Property, equipment and intangible assets	3,859,523	4,276,024
Total Assets	929,874,926	898,050,573
Liabilities and members' equity		
Borrowings and secured borrowings	72,185,070	48,947,556
Deposits	794,944,196	789,757,398
Payables and other liabilities	5,745,473	3,199,578
Patronage and investment shares	2,075,664	2,217,272
Retained earnings	59,066,409	54,506,351
Accumulated other comprehensive loss	(4,141,886)	(577,582)
Total liabilities and members' equity	929,874,926	898,050,573

Summary Consolidated Statement of Changes in Members' Equity

Year ended December 31, 2022	Patronage and Investment Shares	Retained Earnings	Accumulated other comprehensive loss	Total
Balance on December 31, 2021	2,217,272	54,506,351	(577,582)	56,146,041
Net earnings	-	4,633,872	-	4,633,872
Other changes	(141,608)	(73,814)	(3,564,304)	(3,779,726)
Balance on December 31, 2022	2,075,664	59,066,409	(4,141,886)	57,000,187

Summary Consolidated Statements of Earnings & Comprehensive Income

Year ended December 31	2022	2021
Financial income	30,103,241	27,321,694
Financial expense	10,287,815	9,044,241
Financial margin	19,815,426	18,277,453
Provision on loans	346,483	149,616
Other income	4,319,533	5,818,016
Operating margin	23,788,476	23,945,853
Operating expenses	18,149,692	16,815,967
Earnings from operations	5,638,784	7,129,886
Distributions to members	16,349	6,419
Earnings before income taxes	5,622,435	7,123,467
Provision for income taxes	988,563	993,295
Net earnings for the year	4,633,872	6,130,172
Other comprehensive loss, net of tax	(3,564,304)	(1,363,806)
Total comprehensive (loss) income for the year	1,069,568	4,766,366

Signed on behalf of the Board of Directors by:



Richard Wilson
Chairperson



Allison James
Audit & Risk Committee Chairperson

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

About Sunshine Coast Credit Union

INTRODUCTION

Letter from
the CEO & Chair

Governance

Vision

2022 Highlights

BUSINESS

Our People

Member Well-Being &
Service Experience

Empowering Economic
Growth & Impact

Technology

COMMUNITY

Stronger
Communities Together

2022 Impact Highlights

Sustainable
Development Goals

Community Enrichment

FINANCIALS

Management
Discussion & Analysis

Auditors Report

Financial Summaries

About Sunshine
Coast Credit Union


IT ALL STARTED WITH PEOPLE HELPING PEOPLE

Sunshine Coast Credit Union has been providing an essential service to its community for more than 80 years, ever since 20 brave volunteers decided to step up and provide a financial lifeline to their neighbours in 1941. Despite the unprecedented economic hardship of the Great Depression, Lenora Inglis' living room provided the perfect setting for these pioneers to lay the foundations of what would become a full-service financial institution.

Living up to their founding mission of "people helping people", SCCU now cares for more than \$920 million in assets and provides services to over 17,400 members through

three branches, Member Service Centre support, Mobile Advisors and Online/Mobile Banking. SCCU has adapted to stay on top of ever-changing technology and delivery methods and maintained our commitment to the local community by keeping strong ties with the local community by creating value for their member-owners every step of the way. At SCCU, we not only understand that times may be tough at certain moments in history, but we know that together we will come out much stronger than we can on our own. That's why we continue our belief in "people helping people" even after all these years – because it is this same kind of mutual aid that will guide us through any difficulty ahead.



CALL 604-740-2662
CHAT [sunshineccu.com](https://www.sunshineccu.com)
EMAIL inquiries@sunshineccu.net
 @sunshinecoastcreditunion
 @sunshineccu
 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 Rd.
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 St.
Sechelt, BC V0N 3A0
suncu@sunshineccu.net



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.



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