



Charlene Foley, VP Marketing Brand and Member Experience, and Angie Fortier, Product Development Specialist, packing meals for the Food Bank of Central & Eastern NC



BANK BETTER TO LIVE BETTER®

2023 Member & Community Impact Report

Dear members,

Last year marked Coastal's 55th anniversary, and we're proud to say that our purpose is as true today as it was when we began in an IBM broom closet back in 1967. While our products and services have evolved over time, providing an exceptional member experience and delivering financial well-being for all remains at the core of what we do.

2022 was a year of change for Coastal. In March, Chuck Purvis announced that he would retire in 2023, after nearly 11 years as CEO. His retirement caps an illustrious 40-year career in credit unions; one in which he made amazing contributions to Coastal's members, to our local community, and to credit unions everywhere. Chuck's legacy and impact will be felt throughout the movement for years to come.

We spent much of the year planning to build on the foundation that Chuck leaves behind, and conducted a nationwide search for our new CEO.

We also began a project to renovate our headquarters. Prior to the pandemic, we were quickly running out of space, and we planned to build a new headquarters. Re-configuring our current space to support a now-hybrid workforce means getting many more years out of this building, at a significant cost savings versus constructing a new one.

Overall, 2022 was about doing the ground-work for the future.

We created new departments, made important new hires, and began to build and implement systems that will reap member benefits in 2023 and have us poised for growth and supporting member needs well into the future.

Through all of that, we never lost sight of what's most important; you. Our Impact Report is the story of the difference Coastal makes in the lives of members, employees, and the community. Please review the following pages to read more about:

- Our new CEO
- Our mission, vision, values, and cooperative principles
- How we put our members first
- Our commitment to your financial well-being
- Our 2022 financial results
- A breakdown of our \$71.4 million Member Giveback
- What makes Coastal a great place to work
- Our 2022 community impact
- Our foundation's annual report

As we look to the future, we'll never forget how we got to where we are, the principles and values that guided us, or the people who have made a difference along the way.

Sincerely,

Joan Nelson, Board Chair

Tyler Grodi, President & CEO

William F. Smith, Secretary/Treasurer

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Introducing **Tyler Grodi**

Coastal's board of directors is excited to introduce our new President & CEO, Tyler Grodi. He is just the third CEO in our 56-year history, succeeding Chuck Purvis, who retired at the end of March.

The board is excited to have Tyler join Coastal. Our search began with a slate of wonderfully diverse and accomplished candidates, both internal and nationwide. In the end, we found a leader with the experience and proven track record that will be the key to our success. He also offers an inspirational vision for Coastal that both respects where we are today, and outlines a path forward that values our employees, our members, and our communities.

When we announced his hiring, Tyler shared his excitement with us by saying, "I'm humbled and honored by the opportunity to work with such an incredible team and board. Together, we'll build upon Coastal's reputation and foundation of strength, technology, and member experience. I'm looking forward to becoming a part of the Coastal family, delivering financial well-being to our members, and being a good neighbor to our communities."

He comes to Coastal from EFCU Financial, a credit union in Baton Rouge, LA, where he served as CEO for the past 11 years. Prior to that, he was Chief Financial Officer at Black Hills Federal Credit Union in Rapid City, SD,

and his career serving credit unions spans 23 years. An Ohio native, he holds a bachelor's degree in Accounting from Bowling Green State University.

We hope you all share our enthusiasm. The board looks forward to having Tyler get to know our membership over the coming months, and are optimistic about everything that lies ahead.





BANK BETTER TO LIVE BETTER®

OUR MISSION

Bank Better to Live Better

OUR VISION

Most Loved and Respected Financial Partner

OUR VALUES

Be Heroic

To be heroic is to exhibit courage, cultivate outstanding achievements, and possess noble qualities. Being a hero to each member you serve, listening to their story, owning their problems, making their dreams come true.

Be Bold

To be bold is a willingness to take calculated risks and act innovatively; to have confidence and courage to pursue unique ideas that set us apart from the banks and make members' lives better.

Be Accountable

To be accountable is to make, keep and manage promises and expectations. It's setting goals and owning them. Working every day to improve the experience for those around you. Not letting members fall through the cracks.

Welcome Diversity

To welcome diversity is to understand and accept differences in individuals, not only in sex, race, religion, or disability, but also differences in ideas, perception, and opinions.

Share Generously

To share generously means to give in a way that shows a readiness to contribute more than is necessary or expected for the good of the team and organization.



OUR COOPERATIVE PRINCIPLES in Action

1. Voluntary Membership
Coastal's members are drawn from defined fields of membership, in our case, 1,800+ employee groups. Anyone who falls within our field of membership is eligible to join the credit union of their own will.

2. Democratic Member Control
Coastal operates as a not-for-profit institution governed and led by a volunteer board of directors, who are elected from, and by, our membership.

3. Members' Economic Participation
Members at Coastal see this principle come into play as they use more of our services versus other institutions. They see savings in better loan rates, higher returns on deposits, and fewer fees. A prominent way Coastal has implemented this principle is through our Loyalty Bonus, which pays the member back a bonus based on their tenure and usage of the services offered.

4. Autonomy and Independence
Coastal's only means of raising capital is through retained earnings. This means the entire net worth of the organization comes from, and belongs to, our members.

5. Education, Training and Information
Our award-winning Camp Coastal program is an immersive experience that teaches employees the cooperative business model, principles and philosophy; credit union history; and an empathetic approach to meeting members' needs.

6. Cooperation Among Cooperatives
Coastal works closely with other credit unions, other cooperatives, and industry associations, including: Credit Union National Association, Carolinas Credit Union League, the Cooperative Council of NC, and Weaver Street Market.

7. Concern for Community
Coastal supports our community in a number of ways, including our own foundation, corporate donations, and the Habitat for Humanity loan program. We also support our community of employees through the Coastal Cares program.

8. Diversity, Equity & Inclusion
An employee-led committee - representative of our various departments, levels within the organization, and demographic communities - advises leadership on DEI matters, recommends strategy and programming, and serves as the voice of the Coastal community on DEI matters.

Members' Voices Matter



Hearing from our members is important to us. We use your input to constantly improve our services, including these 2022 enhancements:

- Added electronic closings for mortgages
- Improved our mortgage options to make buying a home easier
- Improved lending products with a new online tool to streamline home equity loans
- Launched United Members Title, LLC, to offer affordable title insurance coverage for home purchases and refinances
- Added Visa's 3D Secure One-Time Passcodes security feature to debit and credit cards
- Updated our data centers and telecom connections to prevent outages and service issues
- Added new online account opening authentication tools
- Helped members use the Coastal app for faster digital payment services

Financial Well-Being

No matter where you are in your financial journey, Coastal is committed to helping you get to the next step on your path to Financial Well-Being. We can help members gain awareness of their current financial state, create clarity around setting goals and creating a plan to get there, and then implementing the actions to reach their goals.

In 2022, our efforts included:

- Streamlining our Member Assistance Program application process
- Providing 6,143 consultations for members who needed help w/ staying current on their loans
- Modifying 28 mortgages, valued at \$5.7 million, to help members stay in their homes
- Modifying 835 consumer loans to help members stay current on their loan obligations
- Creating 483 Wealth Management financial plans – at no cost to members

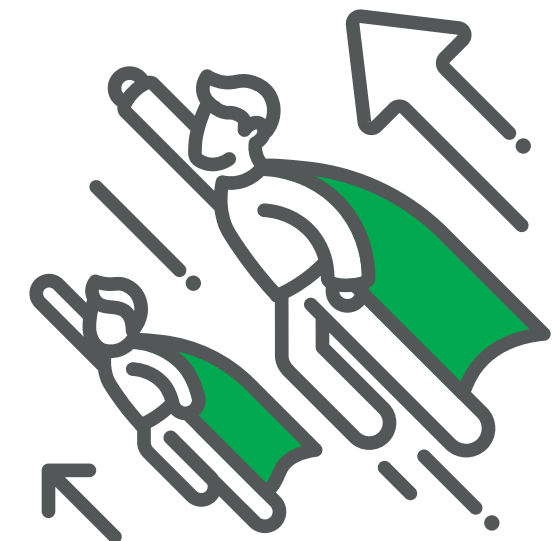
Financial education sessions for schools, nonprofit organizations and affiliated employer groups

4,890 financial education sessions
1,650 people helped



Free Seminars

16 Coastal Wealth Management live or streaming webinars¹, attracting more than 2,200 attendees
31 Daymark Realty homebuyer seminars



597,387
Teller Sessions

594,910
Phone Calls

20,079
Survey Responses



**We're always listening.
In 2022, we handled...**

221,147
Online Chat Interactions

2,300
Member Loyalty Advocate Outreaches

53,159
Online Banking Secure Messages

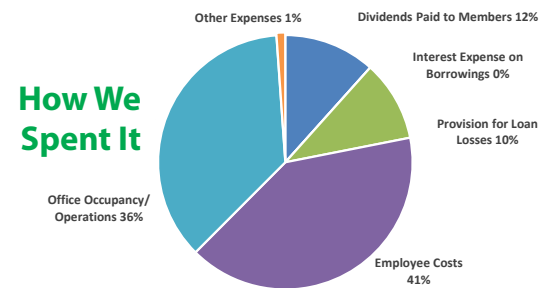
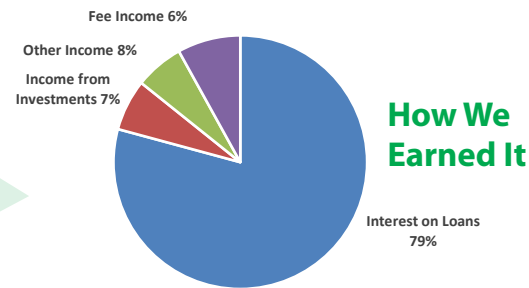
2,277
Social Media Member Interactions



1. Non-deposit investment products and services are offered through CUSO Financial Services, L.P. ("CFS"), a registered broker-dealer (Member FINRA / SIPC) and SEC Registered Investment Advisor. Products offered through CFS: **are not NCUA/NCUSIF or otherwise federally insured, are not guarantees or obligations of the credit union, and may involve investment risk including possible loss of principal.** Investment Representatives are registered through CFS. Coastal Credit Union has contracted with CFS to make non-deposit investment products and services available to credit union members.

Financial Statistics

Distribution of Your 2022 Dollars



(\$ in thousands)

	2019	2020	2021	2022
Members' Equity	\$ 365,273	\$ 384,228	\$ 466,466	\$ 434,141
Assets	\$ 3,387,042	\$ 3,954,836	\$ 4,612,770	\$ 4,597,390
Deposits	\$ 2,967,222	\$ 3,518,896	\$ 4,111,667	\$ 4,096,721
Loans (gross)	\$ 4,819,723	\$ 4,711,834	\$ 4,998,979	\$ 5,777,863
Members	270,377	277,399	300,211	323,493

Statement of Condition

2022
(in thousands)

Assets	
Loans to Members	\$3,923,234
Allowance for Loan Losses	\$38,299
Cash & Investments	\$544,147
Other Assets	\$168,308
Total Assets	\$4,597,390
Liabilities and Equity	
Member Share Accounts	\$4,096,721
Other Liabilities	\$66,528
Equity	\$434,141
Total Liabilities and Equity	\$4,597,390
Statement of Income and Expense	
Income	
Interest on Loans	\$152,906
Income from Investments	\$12,629
Fee Income	\$11,988
Other Income	\$15,528
Total Operating Income	\$193,051
Expenses	
Dividends Paid to Members	\$21,054
Interest Expense on Borrowings	—
Provision for Loan Losses	\$18,590
Employee Costs	\$73,451
Office Occupancy/Operations	\$65,886
Other Expenses	\$2,027
Total Operating Expenses	\$181,008
Net Income	\$12,043

2022 Member Giveback

Each year, we look at our overall Member Giveback, the cumulative positive impact we make by helping members save money on their everyday financial needs. It's the value that we provide in the form of better loan and deposit rates, and lower fees than our competition, along with the member perks and incentives. It quantifies how we deliver on our mission of Bank Better to Live Better, and exemplifies Coastal's core value of Share Generously and the cooperative principle Members' Economic Participation.

Our overall Member Giveback for 2022 was \$71.4 Million, or an average of nearly \$221 extra in each member's wallet, because they chose Coastal over other options. Of course, the more someone opts to bring their financial needs to Coastal, the more they can potentially save.

Ways We Save Members Money	How much we saved members in 2022*
Loan	
Refinancing Mortgages	\$689,100
Auto Refinance Savings Guarantee	\$77,050
Mortgage Rates	\$6,461,210
Credit Card Rates	\$4,605,040
Deposits	
Go Green Checking Dividends	\$14,178,250
Money Market Dividends	\$23,968,710
Certificates Dividends	\$10,232,920
IRA High Yield Savings Dividends	\$234,930
Health Savings Accounts Dividends	\$88,770
Fees	
Bounce Guard / NSF Fee	\$821,570
Overdraft Forgiveness Program	\$3,887,550
Discounts, Rewards & Incentives	
Loyalty Bonus Dividends	\$3,985,000
Daymark Realty Member Savings	\$426,330
Join Days / Refer-a-Friend	\$329,000
Credit & Debit Card Bonus Incentives	\$346,300
Fast Lane at Coastal Credit Union Music Park	\$45,850
Coastal Music Park Concessions Discount	\$11,460
Carolina Hurricanes Discounts	\$33,948
Wealth Management Personalized Retirement Plans	\$966,000
Total Member Giveback	\$71,389,000

*Member Giveback is estimated by comparing the average interest and dividend rates of Coastal's loan and deposit product portfolios versus average local bank rates for similar products from external sources like bankrate.com and S&P Global. We also compared Coastal's fees to the advertised fees of Bank of America, Wells Fargo, PNC, First Citizens, and Truist. Additionally, we quantify the actual cash value of product incentives and discounts that Coastal offers to members.

Coastal's Board of Directors:

Coastal Credit Union is the financial home to more than 323,000 members from 1,800 select employee groups. Coastal operates 23 branches in the central North Carolina market and serves members in all 50 states through a network of 5,000 shared branches, mobile banking, featuring mobile check deposit, and a robust offering of services at COASTAL24.com.



Joan A. Nelson
Chairwoman
28 years of service



Deron J. Rossi
Vice Chair
27 years of service



William F. Smith
Secretary/Treasurer
53 years of service



Dave L. Manning
18 years of service



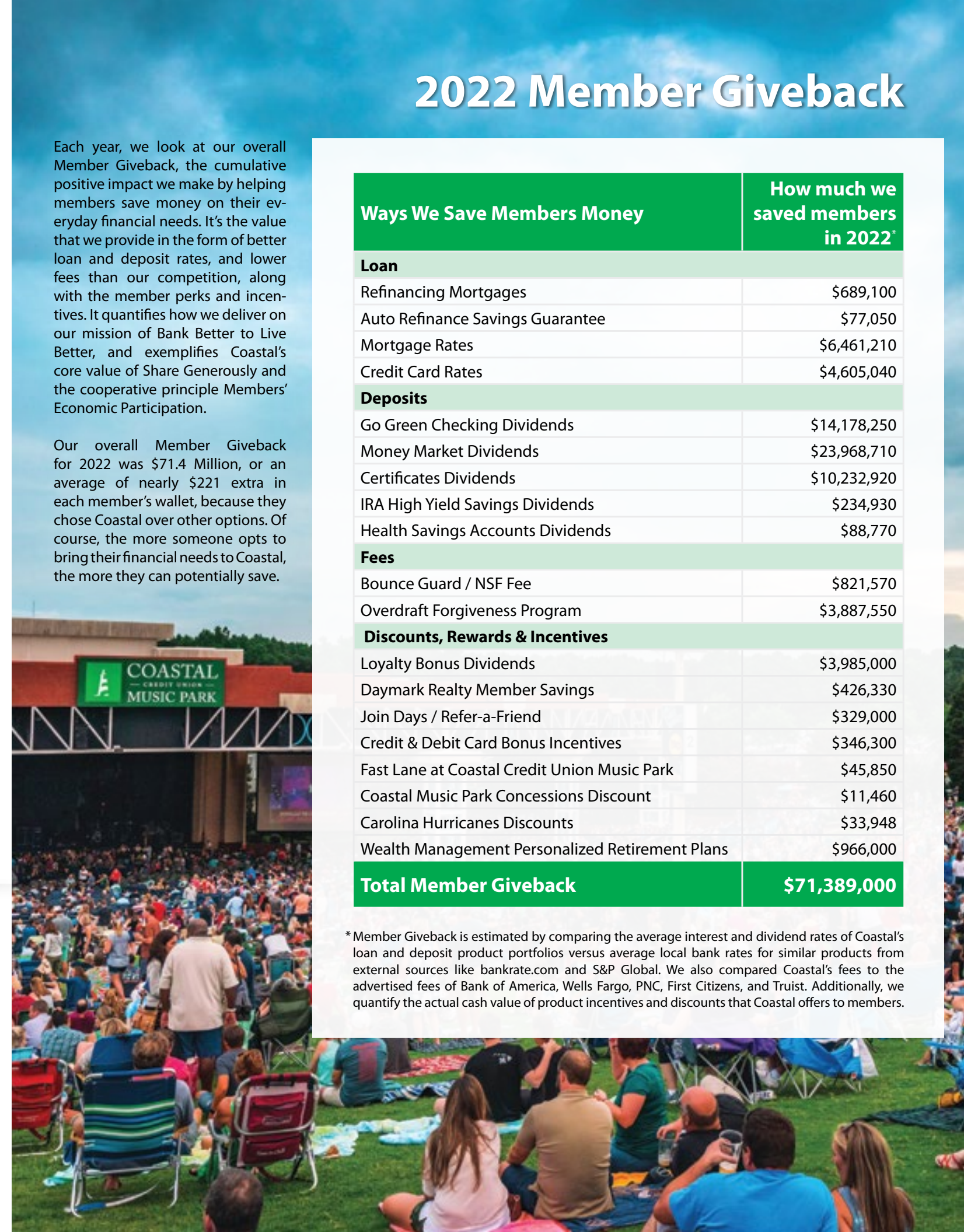
Beverly D. Baskin
15 years of service



Jason Mudd
13 years of service



Jeff Dooley
12 years of service



Inside Coastal

Being a Best Place to Work is just as important to our success as having loyal members, supporting our community, and enjoying strong financial results. We believe that taking care of our employees is the first step in corporate responsibility, and if we take good care of them, they will take great care of our members, and business success will come naturally.

We're one of the best credit unions to work for because we have great **credit union** employees. They're more than just happy employees... they **believe in our mission**, and show up to work every day for the same reason, to help our members live better lives.



Graduation photo from Coastal's Diversity, Equity and Inclusion Book Club.

Highlights from 2022

- ★ We began a project to renovate our headquarters, creating a dynamic new work environment designed to support a growing, hybrid workforce, and to facilitate teamwork and collaboration.
- ★ We promoted two employees and hired one other to our Executive Leadership team, and created several new VP roles, to continue to better align our leadership with member needs and our strategic imperatives.
- ★ We split our HR department into Employee Experience and Employee Development, to further our commitment to being one of the area's best places to work.
- ★ More than 80% of employees participated in diversity, equity, inclusion and belonging events and training.

Employee Spotlights

Perla Ucles, Account Manager Sr – from our Brier Creek branch was selected to represent Coastal in the Credit Union Protégé Competition after giving an impassioned presentation addressing improving the Member Experience for immigrants through creation of online translation options on digital banking platforms.









Tarkisha Poole, Community Impact Manager – was recognized as one of Cary Magazine's Movers & Shakers, for constantly going the extra mile to give back and support the local community.











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2022 Trophy Case

-  Business NC
Best Employers in NC
-  Business NC
Power List: Chuck Purvis
-  Carolinas Credit Union Foundation
Advancing Equity Award
-  Carolinas Credit Union Foundation
Lifetime Achievement: Chuck Purvis
-  Cary Magazine Maggy Award
Best Financial Institution
-  Constellation Digital Partners
Horizon Award: Chuck Purvis
-  CUSO Financial Services
Pacesetters: Jonah Kaufman, Catherine Bryant, David Burk
-  Durham Magazine
The Best of Durham: Best Bank

-  **Healthiest Employers in the Triangle**
-  News & Observer
Best in Raleigh
-  United Way of North Carolina
Spirit of North Carolina: Investment in Long-term Impact
-  Triangle Business Journal
Best Places to Work
-  Triangle Business Journal
C-Suite Awards: Jim Pack
-  Triangle Business Journal
Best Places to Work
-  **WRAL Voter's Choice**
-  **Triangle's Healthiest Employers**







Forbes
Best-in-State Credit Unions



2022 Community Impact

— COASTAL CREDIT UNION — FOUNDATION

The mission of our foundation is to enrich the lives of our members and their communities by providing financial support to 501(c)(3) organizations, particularly in the 16-county market of central North Carolina. Our top priorities for community focus are non-profit projects that work to:

-  **Support Financial Education**
-  **Increase Affordable Housing**
-  **Promote Financial Well-Being**
-  **Improve Access to Resources**

In 2022, the Coastal Credit Union Foundation provided \$860,000 in grants to nonprofit organizations throughout our community, and surpassed \$4 million in total given since being formed.



Habitat for Humanity

\$6 million

Since 2016, Coastal has partnered with Habitat for Humanity of Wake County to fund new, low-cost mortgage loans for Habitat families. Through the end of 2022, we have funded 66 Habitat loans totaling more than \$6 million.



Community Events

Our community impact team collaborated with our select employer groups to partner in their events and provide educational seminars to help employees of each company empower themselves to improve their financial outlook.



Charitable Giving

\$860,000

Foundation Grants

\$220,000

Corporate Contributions



Employee Contributions

\$100,389

United Way Workplace Giving Campaign

Employees also self-reported nearly 9,300 volunteer hours and supported hundreds of nonprofit organizations.



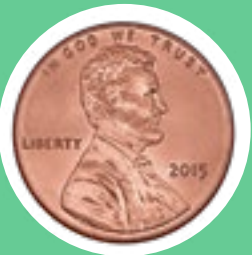
Packaging 55,000 meals for Rise Against Hunger.



2022 Grant Recipients:

- 100 Who Give, Inc.
- Alliance Medical Ministry
- Area Congregations in Ministry
- Community Empowerment Fund
- Crossing All Borders
- Diaper Bank of NC
- Down East Partnership for Children
- EMPOWERment, Inc.
- Family and Community Empowerment Service
- Families Together
- Four Leaf Clover
- Farm Aid
- Food Bank of Central & Eastern NC
- Generations Family Services
- Habitat for Humanity of Durham
- Habitat for Humanity of Orange County

- Hope Renovations
- Interact
- Inter-Faith Food Shuttle
- Meals on Wheels Durham
- Meals on Wheels Rocky Mount
- Mustard Seed
- My Kids Club
- NC Council on Economic Education
- Note in the Pocket
- No Woman, No Girl Initiative
- Orange Congregations in Mission
- Sanford Soup Kitchen
- Sleep In Heavenly Peace
- United Way
- Warren County Habitat
- Wilson County Interfaith Services



Each time members use their Coastal debit or credit card, Coastal donates a penny to the foundation. It may seem like a small amount, but all those pennies added up to more than \$346,000 last year that can be used to help our community.



Community Impact Stories

Service Project

On September 1, more than 180 Coastal employees collaborated to package 55,000 meals for Rise Against Hunger. The service project to help address global hunger also marked Coastal's 55th anniversary. The project was coordinated by Coastal's Credit Union Development Educators.

"There are over 800 million people in the world who are considered food insecure," said Darron Stover, Program Manager for Rise Against Hunger. "Yet, the world produces enough food for every single person to have four pounds per day. Hunger is a matter of logistics and commitment. It's not just about the food; it's about engaging people. And to be able to have Coastal employees come out here and participate in our fight to end hunger—that's what it's all about."



Volunteer Voice Grants

The Coastal Credit Union Foundation made a round of grants that were dubbed "Volunteer Voice" grants, because they were made to organizations where Coastal Credit Union employees logged volunteer hours in 2021. In all, 19 organizations each received \$5,000, for a total of \$95,000.

"Making the decision to give some of your valuable time to a nonprofit organization is more than just a service to our community, it's a vote of confidence in what that specific organization is doing to help," said Creighton Blackwell, Foundation Chair. "The foundation board saw where volunteer hours were being logged, and wanted to help amplify the impact our employees have made. For many of these organizations, \$5,000 can make a significant impact"



Affordable Housing Grants

In August, the foundation approved \$500,000 in grants aimed at tackling affordable housing issues in our community.

"Access to affordable housing has been a growing issue, and will continue to be at the forefront as population growth outpaces available housing supply, and property values continue to escalate," said Creighton Blackwell, Chief Community and Public Affairs Officer and foundation board chair. "With so many organizations approaching us serving similar but major community needs, we felt the need to step up and help in a big way."

The grants include:

- **Habitat for Humanity** – \$200,000 to underwrite the cost of building two homes, in Chapel Hill and Durham. The houses are dedicated in honor of Chuck & Gail Purvis
- **EMPOWERment Inc.** – \$150,000 to help fund Pine Knolls EMPOWERment Affordable Community Housing (P.E.A.C.H) Apartments, a ten-unit, multi-generational, and multifamily project in the historically African American neighborhood of Pine Knolls, in downtown Chapel Hill. The project will house and stabilize families earning well below the median income, including essential workers, minimum wage-earners, and residents living on fixed incomes.
- **Band Together and United Way of the Greater Triangle** –\$100,000 to support the 2022 Mighty Giveback event as a Community Champion. The live music event raised more than \$1 million for 11 local organizations seeking to improve housing accessibility as a means to reducing poverty.
- **Families Together** –\$50,000 to help homeless families with children access urgently needed safe, affordable housing and provide specialized support to set them up for long-term housing success.

"Our mission is to eradicate poverty and increase social mobility through the power of partnerships. Achieving that mission won't be possible without access to affordable housing and the Coastal Credit Union Foundation really gets that," said Eric Guckian, United Way of the Greater Triangle's President and CEO.





NO KID SLEEPS
ON THE FLOOR
IN OUR TOWN!

SHP
KEEP IN HEAVENLY PEACE



Building beds for children in need. | Sleep in Heavenly Peace, Durham NC



FEDERALLY INSURED BY NCUA