



Priscilla Awkard, VP Retail Branches, showcasing our video teller service to the Pan-African Confederation of National Associations of Savings and Credit Cooperatives Societies.



BANK BETTER TO LIVE BETTER®

2024 Member & Community Impact Report

Dear members,

Dear Members,

Last year marked one of the biggest years of change for Coastal. In April, we welcomed our new CEO, Tyler Grodi, just the third leader in our 57-year history. Tyler's tenure has gotten off to a great start, with a renewed focus on strategy, internal culture, and growth.

In addition to evolving the strategic direction for the organization, Tyler has brought in a back-to-basics approach to the business. We're getting laser-focused on the things that matter most: serving

members, employees, and our community with superior products and services. We also made significant progress in our project to renovate our headquarters into a flexible workplace that supports collaboration and productivity for our resident, remote, and hybrid workforce.

Our Impact Report is the story of the difference Coastal made in the lives of members, employees, and the community over the past year. Please review the following pages to read more about:

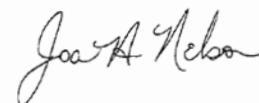
- Our 2023 financial results
- Our mission, vision, values, and cooperative principles
- How we put our members first
- Our commitment to your financial well-being
- What makes Coastal a great place to work
- Our 2023 community impact
- The Coastal Credit Union Foundation's annual report

As we look ahead to 2024 and beyond, we're excited and optimistic about Coastal's future, and all the great things we'll help our members achieve.

Sincerely,



Tyler Grodi, President & CEO



Joan Nelson, Board Chair



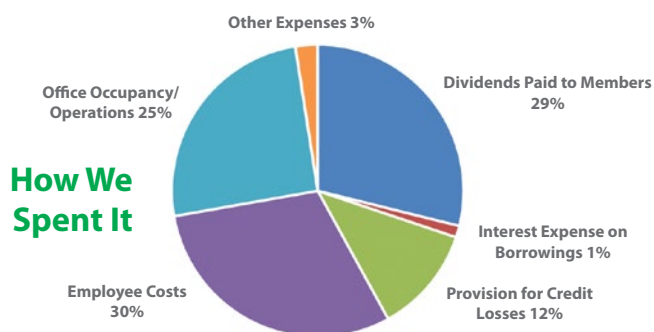
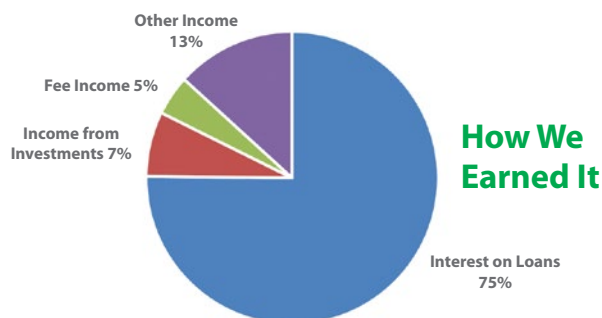
Beverly Baskin, Secretary/Treasurer



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Financial Statistics

Distribution of Your 2023 Dollars



(\$ in thousands)

	2019	2020	2021	2022	2023
Net worth	\$380,540	\$399,913	\$460,480	\$472,523	\$495,719
Members' Equity	\$365,273	\$384,228	\$446,466	\$434,141	\$465,485
Net Worth Ratio	11.24%	10.11%	9.98%	10.28%	9.93%
Assets	\$3,387,042	\$3,954,836	\$4,612,770	\$4,597,390	\$4,993,480
Deposits	\$2,967,221	\$3,518,896	\$4,111,667	\$4,096,721	\$4,353,904
Loans (gross on/off balance sheet)	\$4,819,723	\$4,711,834	\$4,998,979	\$5,772,966	\$5,888,443
Members	270,377	277,399	300,211	323,493	331,458

Statement of Condition

2023
(in thousands)

Assets	
Loans to Members	\$ 4,149,435
Allowance for Credit Losses	\$ 49,748-
Cash & Investments	\$658,784
Other Assets	\$ 235,009
Total Assets	\$4,993,480

Liabilities and Equity	
Member Share Accounts	\$4,353,904
Other Liabilities	\$174,091
Equity	\$465,485
Total Liabilities and Equity	\$4,993,480

Statement of Income and Expense

Income	
Interest on Loans	\$219,359
Income from Investments	\$20,816
Fee Income	\$12,902
Other Income	\$38,645
Total Operating Income	\$291,722
Expenses	
Dividends Paid to Members	\$74,383
Interest Expense on Borrowings	\$3,306
Provision for Credit Losses	\$30,509
Employee Costs	\$77,975
Office Occupancy/Operations	\$65,193
Other Expenses	\$6,387
Total Operating Expenses	\$ 257,753
Net Income	\$33,969

Coastal's Board of Directors:

Coastal Credit Union is the financial home to more than 331,000 members from 1,800 select employee groups. Coastal operates 23 branches and standalone teller machines in central North Carolina. We serve 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
29 years of service



Deron J. Rossi
Vice Chair
28 years of service



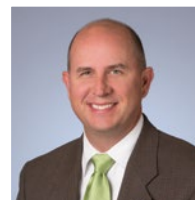
Beverly D. Baskin
Secretary/Treasurer
16 years of service



Dave L. Manning
19 years of service



Jason Mudd
14 years of service



Jeff Dooley
13 years of service



AJ Ramsey
13 years of service

Members' Voices Matter



Hearing from our members is important to us. We use your input to constantly improve our products and services, including these 2023 enhancements:



Added a new drive-up teller in Morrisville (Walmart parking lot)



Added a second drive-up teller at our St. Albans Drive headquarters



Created a new 18-month certificate account



Created a new high-yield savings account



Introduced Early Pay for all deposit accounts



Lowered the Go Green transaction requirements



Updated Digital Banking



Implemented a new mortgage loan origination system

570,357

Teller Sessions

586,801

Phone Calls

20,028

Survey Responses



**We're always listening.
In 2023, we handled...**

207,878

Online Chat Interactions

1,626

Member Loyalty Advocate Outreaches

47,873

Online Banking Secure Messages

1,587

Social Media Member Interactions



MEMBERS

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 implement the actions to reach their goals.

In 2023, our efforts included:



Providing 4,700 consultations for members who needed help staying current on their loans



Modifying 15 mortgages, valued at \$2.8 million, to help members stay in their homes



Modifying 900 consumer loans to help members stay current on their loan obligations



Creating 416 Wealth Management financial plans – at no cost to members



Financial Education Sessions for Schools, Nonprofit Organizations and Affiliated Employer Groups

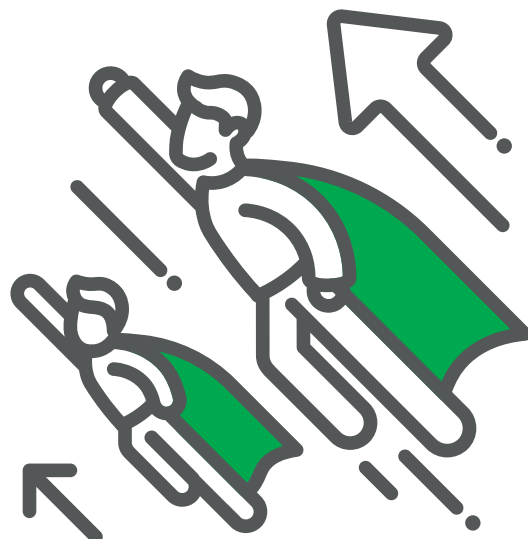
12,963 hours of financial education
7,000 financial education participants



Free Seminars

10 Coastal Wealth Management through CFS¹, live or streaming webinars, attracting more than 800 attendees

20 Daymark Realty homebuyer seminars



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.

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.

Highlights from 2023

- ★ We continued the 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 named Tyler Grodi as our new CEO and added Mia Perez to our Executive Leadership team.
- ★ We realigned our executive team and several departments to better position ourselves to meet our strategic and growth objectives for the coming years.
- ★ 100% of employees participated in diversity and member experience training.



Employee Spotlight



Warren Murray,
Branch Anticipatory Manager
Earned the inaugural Eric Stiff Heart of Service Award, presented during the Carolinas Credit Union League's Leadership Development Institute. The award recognizes an LDI student who demonstrates outstanding compassion as a leader and classmate and a great willingness to learn and grow.



Coastal earned more than 20 new awards in 2023, including:



Activate Good
Civic 50



American Banker / Credit Union Journal
Best Credit Unions to Work For



Atando Technologies
CHAT Awards (2)



Carolinas Credit Union League
Eric Stiff Heart of Service Award: Warren Murray



Cary Magazine Maggy Award
Best Financial Institution



Chapel Hill - Carrboro Chamber
Business Person of the Year: Creighton Blackwell



Chapel Hill Magazine
Best of Chapel Hill



CUSO Financial Services
Pacesetters: Jonah Kaufman, Catherine Bryant, David Burk, Wayne Johnson














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Chairwoman, Joan Nelson, presenting at the 2023 Annual Meeting

2023 Trophy Case

-  Durham Magazine
The Best of Durham: Best Bank
-  Forbes
Best-in-State Credit Unions
-  **Healthiest Employers in the Triangle**
-  National Mortgage News
Best Mortgage Companies to Work For
-  News & Observer
Best in Raleigh
-  Suburban Living Magazine
Best of Apex – Best Bank
-  Suburban Living Magazine
Best of Holly Springs – Best Bank
-  State of North Carolina
Order of the Long Leaf Pine
-  **Top 50 CX Innovators of 2023**
-  Triangle Business Journal
Best Places to Work
-  Triangle Business Journal
Leaders in Diversity



Forbes
Best-in-State Credit Unions





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 at their own will.



2. Democratic Member Control

Coastal operates as a not-for-profit institution with a volunteer board of directors, who are elected from, and by, our membership. When Coastal merged with Freedom Credit Union in 2016, the merger had to be approved in a vote by Freedom's 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.



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: America's Credit Unions (formerly CUNA and NAFCU), Carolinas Credit Union League, the Cooperative Council of NC, and Weaver Street Market.



7. Concern for Community

Coastal supports our community in several 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.

FINANCIAL GROWTH • BE BOLD • WELCOME DIVERSITY • COMMUNITY
FINANCIAL PARTNER
MEMBER EXPERIENCE • FINANCIAL GROWTH

2023 Community Impact



Furniture Donations

As we are renovating our headquarters; we are working diligently to keep items out of the landfill. To date, we have helped five local Title I schools and eight nonprofits by donating desks, chairs, bookshelves, and various office fixtures, the equivalent of 60 offices!



Music Park Nonprofit Partner Days

We hosted four nonprofit events at Coastal Credit Union Music Park. Participants benefitted from engaging with concert attendees and having the opportunity to highlight their platform, collect donations, and sign up volunteers.





Community Events

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



Charitable Giving

\$956,300

Foundation Grants

\$916,407

Corporate Contributions



Employee Contributions

\$104,301

United Way Workplace
Giving Campaign

Employees also self-reported 10,345 volunteer hours and supported 800 different nonprofit organizations.



— COASTAL CREDIT UNION — FOUNDATION



The Power of a Penny

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 \$379,365 last year that can be used to help our community.

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



Promote Financial Well-Being



Increase Affordable Housing



Improve Access to Resources

In 2023, the Coastal Credit Union Foundation converted from a donor-advised fund to a 501(c)(3) organization, which will provide greater flexibility and enable us to serve our community even better. The foundation provided \$956,300 in grants to nonprofit organizations throughout our community and surpassed \$5 million in lifetime giving.

Recent Foundation Giving:

	2020	2021	2022	2023
Grants	\$1,104,500	\$525,250	\$860,000	\$956,300
Recipients	49	16	32	41

Total Giving Since 2011:

\$5.11 Million

2023 grant recipients:

Activate Good

ACTS of Vance County, Inc.

Benevolence Farm

Boys & Girls Club of Central Carolina

Boys & Girls Clubs of Durham
& Orange Counties

Catholic Charities

Center For Homeownership & Economic
Development Corp

Children's Home Society of NC

Community Empowerment Fund

Cristo Rey Research Triangle High School

Dress For Success Triangle NC

Dunn Police Athletic and Activities League

Families Together

Farmer Foodshare, Inc.

Galatians Health

Hope Renovations

Housing for New Hope, Inc.

Immersion for Spanish Language

NC Center for Employee Ownership

NC Council on Economic Education

NC Early Childhood Foundation

Nobility, Inc

Not 4gotten, Inc.

Raleigh Area Land Trust

Refugee Community Partnership

Reintegration Support Network

RIP Medical Debt

Ripe For Revival



Second Home Support Network

Southeast Raleigh Community Learning Center

The No Woman, No Girl Initiative

The Senior Network, Inc.

The Woman's Center of Wake County

Triangle Family Services

Triangle South Literacy Works

United Way of The Greater Triangle

Wake Forest Area Chamber Foundation

Wake Technical Community College Foundation

We Will Walk with You

Wireless Research Center of NC

Youth Education for Savings Consortium



Foundation Impact Stories



RIP Medical Debt

In May, the Foundation made a \$17,000 grant to RIP Medical Debt, which was able to buy and forgive \$2,177,630.87 of debt owed by 1,172 people in North Carolina. The program reached people in 15 of the counties that Coastal Credit Union serves. RIP Medical Debt's purpose is to reduce the burdens of low-income individuals with limited ability to pay their medical bills. They use donations to buy bundled debt at a steep discount and then forgive it. The organization pinpoints relief to households earning less than four times the federal poverty level or whose debts are 5% or more of their annual income.



Oh my lord, thank you. I thought I'd never get this paid off. I've been up to my neck with medical debt ever since I had a heart attack while uninsured.

– Dustin
Amount Abolished: \$12,977.70



COMMUNITY



ACTS of Vance

The mission of ACTS is to provide an effective focus for directing all the resources of the community toward transforming human lives. They do that in four ways: through a Soup Kitchen, a Food Pantry, by providing Mobile Meals, and Backpack Buddy bags.

With the help of a grant from the Foundation, in 2023 ACTS gave out more than 48,500 meals through the Soup Kitchen, fed nearly 1,400 families through the Food Pantry, delivered almost 9,300 Mobile Meals to the elderly, and sent over 1,100 kids home on the weekend with food, through BackPack Buddies. ACTS reports that their numbers are looking to be even higher this year, so this grant could impact thousands upon thousands of lives!



Ripe For Revival

Funding provided by the Foundation is integral in supporting efforts with Refugee Hope Partners (Wake County) through their mobile market bus program. Offering fresh affordable produce through mobile access along with collaborative programming, RHP continues to see strengthening partnerships and expansion into the adjacent housing affiliated with RHP. In addition to RHP in Wake County, they have earmarked our funding to support efforts in Nash County with both existing sites and expansion sites.





Coastal at the NC State Fair

COASTAL CREDIT UNION | BANK BETTER TO LIVE BETTER®



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