



we share.

2014 ANNUAL REPORT

Dear Fellow Members,

We are proud to announce that 2013 ended strongly with impressive results for Coastal. We achieved strong earnings, and surpassed all of our financial goals and expectations for the year. We continue to operate from a position of balance and strength to meet our members' current and future financial needs. The following illustrates the financial condition of Coastal as of year-end 2013:

- We achieved net income of \$18.2 million.
- Net Worth-to-Assets Ratio increased to 10.29%.
- Outstanding loan balances grew to \$1.6 billion.
- Members have \$1.9 billion on deposit with Coastal.

We secured our financial accomplishments by revising our lending guidelines, trimming expenses, restructuring departments and management to ensure the best use of our internal resources. These actions also helped us provide our members with the most innovative products and services in the marketplace.

2013 was filled with impressive achievements and corporate transformations. In September, we revealed the essence of what Coastal stands for, "we share." The expression of sharing shows what we, as

a credit union, have been doing all along. At Coastal, we make decisions and take actions that are mutually beneficial to our members, employees and community, truly embracing the cooperative mindset.

In addition, over the past three years, we have returned more than \$5 million to our members in the form of special dividends. Dividends were paid to VIP members – those who have their primary checking relationship with Coastal – and rewarded them for having multiple loan or deposit relationships by issuing rebates on loan interest, or bonus dividends on their deposits.

Combined with our VIP Dividend, the value we provide to members in the form of better rates and lower fees than our competition results in a positive impact for our membership of more than \$17.3 million annually.

We are always making strides to understand and serve our members' needs. We offer extended teller service hours from 7 a.m. to 7 p.m. seven days a week to accommodate your financial needs when it is convenient for you. We also offer Mobile Banking, complete with a Mobile Deposit feature within our free smartphone application available through iPhone® and Android™ devices. This feature allows you to snap a picture of a check and deposit it without ever having to step foot

into a branch. Also, mobile web and text banking are available to perform account transactions and receive instant information wherever, whenever.

We are committed to reinvesting in the communities that we serve. In the past year, we donated more than \$122,500 to non-profit organizations through a combination of corporate donations and grants from the Coastal Federal Credit Union Foundation. This included the funding and dedication of our Share the Love Habitat for Humanity home to the Koledji family.

Looking into the future, we will continue our ongoing commitment to maintain our financial stability and well-being for both our members and credit union.

Respectfully,

Joan A. Nelson, Chairperson

Chuck Purvis, President & CEO

William F. Smith, Secretary /Treasurer

Distribution of Your 2013 Dollars

Statement of Condition 2013

(in thousands)

Assets	
Loans to Members	\$1,640,653
Allowance for Loan Losses	(16,208)
Cash & Investments	508,114
Other Assets	\$100,395
Total Assets	\$2,232,954

Liabilities and Members' Equity

Liabilities	\$159,550
Share Accounts	1,850,763
Members' Equity	222,641
Total Liabilities and Members' Equity	\$2,232,954

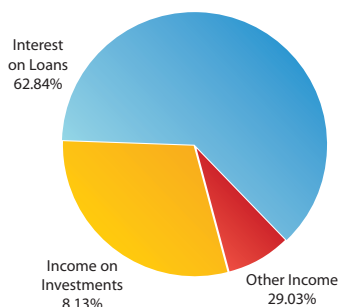
Statement of Income and Expense

Income	
Interest on Loans	\$67,757
Income from Investments	8,766
Other Income	31,295
Total Operating Income	\$107,818

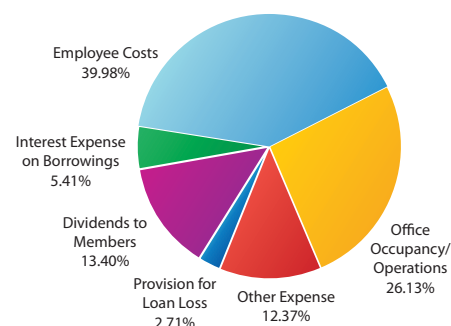
Expenses	
Dividends Paid to Members	\$12,015
Interest Expense on Borrowings	4,846
Provision for Loan Losses	2,427
Employee Costs	35,832
Office Occupancy/Operations	23,427
Other Expenses	11,089
Total Operating Expenses	\$89,636

Net Income	\$18,182
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How We Earned It



How We Spent It



(\$ in thousands)

	2010	2011	2012	2013
Net Worth	\$ 157,507	\$ 181,980	\$ 211,980	\$ 230,129
Assets	\$1,943,838	\$2,014,016	\$2,168,486	\$2,232,954
Deposits	\$1,628,969	\$1,666,602	\$1,810,858	\$1,850,763
Loans (net)	\$1,243,520	\$1,125,329	\$1,320,429	\$1,624,445
Members	189,999	191,988	177,083	180,638

Coastal's Board of Directors:

Coastal Federal Credit Union is the financial home to nearly 189,000 members and more than 1,200 select employee groups. Coastal operates 16 branches in the Triangle market and serves members in all 50 states through a network of 4,500 shared branches, 50,000+ surcharge-free TMs and a robust offering of online services at www.COASTAL24.com.



Joan A. Nelson
Chairwoman
19 years of service



Richard S. Bloom
Vice Chair
41 years of service



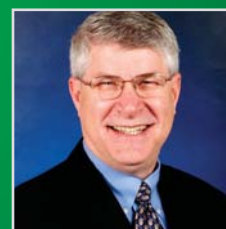
William F. Smith
Secretary/Treasurer
44 years of service



Freddie E. Braswell
47 years of service



Deron J. Rossi
18 years of service



Dave L. Manning
9 years of service



Beverly D. Baskin
6 years of service

