



VP Teller Center, Priscilla Aikard, and VP Mortgage Lending, Wendy Dawson building beds for needy children in Durham



BANK BETTER TO LIVE BETTER®

2022 Member & Community Impact Report

Dear members,

Thank you all for entrusting us with your financial well-being as we've overcome the challenges of the past two years, together. As the second year of the COVID-19 pandemic passed, we're pleased to say that Coastal and our members have both adapted well.

By March 2021, we were able to re-open branch lobbies to member traffic and began to return to normal business, both adding and relaxing safety precautions whenever needed. Members continued to embrace digital channels for their daily transactions. We introduced online chat for member service, and online appointment scheduling with phone and Webex options. We added more mobile wallet options, and transitioned to a new online bill pay and person-to-person payments platform.

Our accomplishments depend on great teamwork and a great team. In 2021, we remained committed to attracting, developing and retaining top talent. We began to welcome more employees back into our headquarters, while also enhancing our long-term commitment to being a hybrid workplace, enabling employees to work onsite or remotely with equal success.

Our community involvement ramped up again. We returned to participating in community events, including concerts at the Coastal Credit Union Music Park. Our foundation added "access to resources" as an area of focus, and continued to make

grants to worthwhile nonprofit organizations. We implemented a new platform to help our employees find volunteer opportunities, and saw them report a record number of volunteer hours.

2021 was a year of milestones. We surpassed \$4 billion in assets, as well as 300,000 members. Our auto lending program ended the year ranked #1 in both Wake County and in our entire 16-county market. Daymark Realty reached \$4 million in cumulative member savings. The Coastal Credit Union Foundation surpassed \$3 million in grants. We issued our highest-ever Loyalty Bonus, and saw a record Member Giveback.

However, our success is more than just numbers, and the story of Coastal's impact on the lives of members, employees and the community can't be contained in one page. Please review our full Member & Community Impact Report to read more about:

- Our 2021 financial results
- Our mission, vision, values and the principles that guide us
- How we put our members first
- Our commitment to your Financial Well-Being
- A breakdown of our \$41.6 million Member Giveback
- What makes Coastal a great place to work
- Our 2021 community impact
- Our foundation's annual report

As we look ahead to the future, we remain focused on helping you live better by banking better. We'll embrace new technology, and develop new or enhance existing products and services. We'll get there by taking great care

of our employees. We'll share our success by rewarding members, and by giving back to the community.

Our blueprint for the future is staying true to our mission, our values and our cooperative principles. In short, doing more of the right thing.

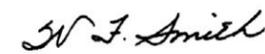
Sincerely,



Joan A. Nelson, Board Chair



Chuck Purvis, President & CEO



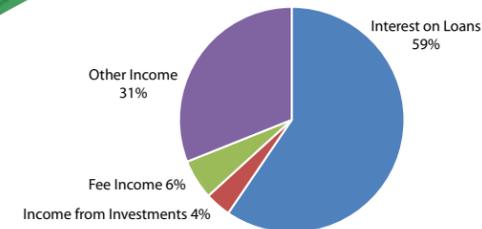
William F. Smith, Secretary/Treasurer

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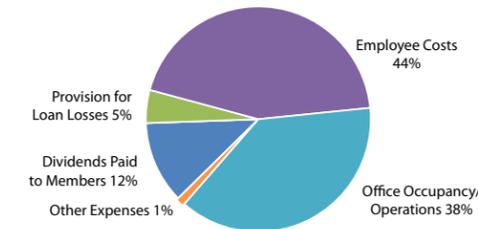
Financial Statistics

Distribution of Your 2021 Dollars

How We Earned It



How We Spent It



(\$ in thousands)

	2018	2019	2020	2021
Members' Equity	\$ 330,600	\$ 365,273	\$ 384,228	\$ 466,466
Assets	\$ 3,161,035	\$ 3,387,042	\$ 3,954,836	\$ 4,612,770
Deposits	\$ 2,691,996	\$ 2,967,222	\$ 3,518,896	\$ 4,111,667
Loans (gross)	\$ 4,440,723	\$ 4,819,723	\$ 4,711,834	\$ 4,998,979
Members	257,090	270,377	277,399	300,211

Statement of Condition

2021
(in thousands)

Assets	
Loans to Members	3,025,674
Allowance for Loan Losses	-\$32,635
Cash & Investments	\$1,454,358
Other Assets	\$165,373
Total Assets	\$4,612,770
Liabilities and Equity	
Member Share Accounts	\$4,111,667
Other Liabilities	\$54,637
Equity	\$446,466
Total Liabilities and Equity	\$4,612,770
Statement of Income and Expense	
Income	
Interest on Loans	\$123,810
Income from Investments	\$7,759
Fee Income	\$11,847
Other Income	\$64,549
Total Operating Income	\$207,965
Expenses	
Dividends Paid to Members	\$19,228
Interest Expense on Borrowings	—
Provision for Loan Losses	-\$7,717
Employee Costs	\$71,993
Office Occupancy/Operations	\$61,945
Other Expenses	\$1,950
Total Operating Expenses	\$147,399
Net Income	\$60,566

Coastal's Board of Directors:

Coastal Credit Union is the financial home to more than 300,000 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
27 years of service



Deron J. Rossi
Vice Chair
26 years of service



William F. Smith
Secretary/Treasurer
52 years of service



Dave L. Manning
17 years of service



Beverly D. Baskin
14 years of service



Jason Mudd
12 years of service



Jeff Dooley
11 years of service



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 2021 projects:

- Expanded Digital Wallets Support to Include Google Pay, Samsung Pay, FitBit Pay and Garmin Pay
- Upgraded the Coastal CardNav app
- Online Chat
- Online Appointment Scheduling
- Contactless Debit & Credit Cards
- Fraud Text and Email Alerts for Credit Cards
- Improved Website Navigation
- Bill Pay and Person-to-Person Payments Upgrade
- Returned to Having Teller Service at WakeMed Raleigh

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 2021, our efforts included:

- Helping members fund the next steps in their financial journeys, with 49,361 loans, valued at \$2.29 billion
- Proactively contacting 1,097 members to who we identified as needing help w/ staying current on their mortgages, and then helping them create a workout plan
- Modifying 239 mortgages, valued at nearly \$14 million, to help members stay in their homes
- Modifying more than \$26 million in consumer loans to help members stay current on their loan obligations
- Creating 457 financial and retirement plans – at no cost to members

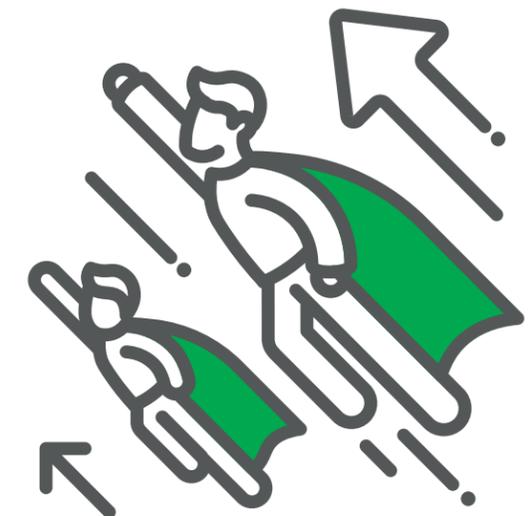
Financial education sessions for schools, nonprofit organizations and affiliated employer groups

1,386 financial education sessions
12,000 people helped



Free Seminars

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



616,097
Teller Sessions

593,238
Phone Calls

21,883
Survey Responses



**We're always listening.
In 2021, we handled...**

192,360
Online Chat Interactions

69,370
Online Banking Secure Messages

609
Social Media Direct Messages



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.

2021 Member Giveback



For the past eleven years, Coastal has returned more than \$29.2 million to our members in the form of special dividends, which we call our Loyalty Bonus. It is paid to eligible members as a reward for keeping their loan and deposit relationships with Coastal. Longer memberships earn even greater Loyalty Bonus dividends.

Each year, the credit union also looks at our overall Member Giveback, the cumulative positive impact we make by helping members save money on their everyday financial needs. Member Giveback is the value that we provided to our members in the form of better loan and deposit rates, and lower fees than our competition, along with the var-

ious member perks and incentives that we offer throughout the year. 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.

We're excited to share that Coastal's overall Member Giveback for 2021 was \$41.6 Million. Overall, this is a significant increase over 2020, and the highest total since we began quantifying our giveback. It represents an average of nearly \$139 extra in each member's wallet last year, 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 2021*
Loan	
Refinancing Mortgages	\$1,875,940
Auto Refinance Savings Guarantee	\$131,530
Refinancing Auto Loans	\$5,591,590
Auto Loan Rates	\$2,813,020
Home Equity Rates	\$435,540
Mortgage Rates	\$964,590
Credit Card Rates	\$6,542,550
Deposits	
Go Green Checking Dividends	\$4,103,210
Savings Dividends	\$394,930
Money Market Dividends	\$4,577,930
Certificates Dividends	\$2,949,600
IRA High Yield Savings Dividends	\$271,290
Health Savings Accounts Dividends	\$93,660
Fees	
First-Time Homebuyer Origination Fee	\$126,740
Bounce Guard / NSF Fee	\$628,630
Overdraft Forgiveness Program	\$3,234,380
Overdraft Transfer Fee (eliminated 2017)	\$959,490
Discounts, Rewards & Incentives	
Loyalty Bonus Dividends	\$4,083,160
Daymark Realty Member Savings	\$570,100
Join Days	\$127,960
Credit & Debit Card Bonus Incentives	\$94,600
Fast Lane at Coastal Credit Union Music Park	\$33,570
Coastal Music Park Concessions Discount	\$8,390
Carolina Hurricanes Discounts	\$5,439
NCFC / Courage Discounts	\$34,480
Wealth Management Personalized Retirement Plans	\$1,028,250
Total Member Giveback	\$41,674,500

*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.



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.



Pictured from left to right: Michele Stone, AJ Ramsey, Tami Langton, Jason Mudd, Jim Pack, TJ Wyman, Chuck Purvis, Joan Nelson, David Manning, Bill Smith, Michael Abensour, Beverly Baskin, Nicole Jefferies, Creighton Blackwell, Jeff Dooley, Willard Ross

Highlights from 2021

- ★ Realigned our Executive Leadership and Vice President roles to better support our strategic imperatives, which in turn better supports our employees, members and community
- ★ Continued to develop and refine our policies and practices to support a hybrid workforce that ensures on-site and remote work employees can all be successful in their roles
- ★ 65% of employees reported voluntarily participating in a Diversity, Inclusion & Belonging event, beyond our annual required training
- ★ Implemented a new system to help employees find volunteer opportunities in the community, and track their community involvement

Employee Spotlights

LaKrystal O'Neal, Loan Servicing Specialist – her presentation about developing an interactive game that will appeal to young players and help them develop financial literacy was selected to represent Coastal in the annual Credit Union Protégé Competition.

Gina Stines, Trina Jones, Warren Murray, Amy Charette and Ann Holsing – are now certified through CUNA Financial Certification Program (FICEP) as Financial Counselors.



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2021 Trophy Case

-  American Advertising Federation
Addy Awards
-  Business North Carolina
Best Employers in North Carolina
-  Business North Carolina
Power List, Chuck Purvis
-  Carolina Chamber
Award for Service, Creighton Blackwell
-  Cary Living
Best Bank
-  Cary Magazine Maggy Awards
Best Financial Institution
-  Credit Union Journal
Best Credit Unions to Work For
-  Credit Union National Association Marketing Council
Diamond Award

-  Credit Union Executive Society
Distinguished Director, Joan Nelson
-  CUSO Financial Services
Gold Pacesetter Award: Jonah Kaufman
-  CUSO Financial Services
Bronze Pacesetter Award: Martin Gabel & Catherine Bryant
-  Durham Magazine
The Best of Durham
-  North Carolina Association for the Gifted and Talented
Business Award
-  Triangle Business Journal
Best Places to Work
-  Triangle Business Journal
C-Suite Awards: Creighton Blackwell
-  **Triangle's Healthiest Employers**

-  United Way of the Greater Triangle
Corporate Impact Award
-  United Way of NC - Spirit of North Carolina
Investment in Long-term Impact
-  WakeLiving
Reader's Choice Best Bank
-  **WRAL Voter's Choice**



Forbes
Best-in-State Credit Unions



2021 Community Impact



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 2021, we have funded 66 Habitat loans totaling more than \$6 million.



Community Events

5,000 People

Our community engagement 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. We reached more than 5,000 people this way.



Charitable Giving

\$520,250

foundation grants

\$294,025

corporate contributions



Employee Contributions

\$97,000

United Way workplace giving campaign.

In 2021, Coastal employees also self-reported nearly 7,300 volunteer hours, and supported more than 500 different nonprofit organizations.



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 promote financial well-being, increase affordable housing, support financial education, and improve access to resources.



Financial Well-Being



Affordable Housing



Financial Education



Access to Resources



2021 Grant Recipients:

- Activate Good
- Alliance Medical Ministry
- Boys & Girls Clubs
- Centre for Homeownership
- Community Empowerment Fund
- Cristo Rey Research Triangle High School
- Food Bank of Central & Eastern NC
- Inter-Faith Food Shuttle
- Kramden Institute
- NC Council on Economic Education
- PLM Families Together
- Step Up Ministry
- South East Raleigh Promise
- Triangle Family Services
- United Way of The Greater Triangle
- William Peace University



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 \$379,000 last year that can be used to help our community.

Community Impact Stories

William Peace University

The Coastal Credit Union Foundation, through a \$30,000 grant, helped create the Coastal Courageous Finish Scholarship at WPU. The scholarship will provide well-performing junior and senior students with support to overcome remaining financial barriers that could prevent them from completing their education. Financial stress is the leading cause of undergraduate students dropping out.

“The fund is built to help those who have worked hard to finish their education without the obstacle of financial stress,” Blackwell said. “We want to help remove that financial obstacle, and allow those students to be able to finish their education.”

The scholarship will be awarded to students as soon as the Spring 2022 semester. In previous years, the foundation has also helped fund a similar program for community college students through the Wake Tech Foundation.



QVC Fire

In December, a fire destroyed the QVC distribution center in Rocky Mount, forcing it to close and displacing 2,000 employees. QVC is one of our employer groups, and Coastal stepped up to help. Within days, our foundation contributed a \$25,000 grant to United Way Tar River Region, which was leading the relief efforts. Our Member Assistance Program team then began proactively reaching out to members who worked at QVC, offering their help. Rocky Mount branch manager Shane Lancaster expanded the efforts to help all QVC employees and their families. Shane partnered the Northeast Chapter of Credit Unions with the Carolinas Credit Union Foundation to offer free financial counseling resources to any employee affected by the fire. The program's primary focus is providing short-term counseling around several financial topics. Counseling services were provided on a volunteer basis by local credit union employees who have received nationally-recognized credentials specifically to provide financial counseling.



Service Project

In celebration of International Credit Union Day, 40 Coastal Credit Union employees volunteered with the Durham Chapter of Sleep in Heavenly Peace (SHP), a nonprofit dedicated to providing beds for children in need. It was among our biggest volunteer events ever, sponsored by Coastal's Credit Union Development Educators, and supported by employees from throughout the organization.

“International Credit Union Day celebrates the global impact of the credit union movement,” said Michael Doi, Data Analyst - Market and Member Intelligence, who co-organized the event. “We wanted to create an opportunity to mark the day by acting out one of our cooperative principles, and Concern for Community was a natural fit.”

Coastal's employees volunteered on October 21 and built 20 beds, while Coastal donated the cost of the lumber, mattresses and bedding.

“I was blown away by how many Coastal Credit Union volunteers came out today,” said Robert Sweeney, SHP's Durham Chapter President. “Thank you, Coastal, for helping to get twenty more kids off the floor.”

A few weeks later, additional volunteers delivered and assembled the beds for the recipients.

“Just seeing the reactions and knowing that you've made a difference makes it completely worth it,” said Debby Avery, Senior Financial Analyst and event co-organizer. “We delivered a bed to a seven-year-old boy, and it was the first time he ever had his own bed. He just kept touching the blanket, and you could just see him beaming with happiness.”

Coastal employees continued their support of SHP through the holidays. They conducted a bedding drive to collect new sheets, pillows, blankets and waterproof mattress pads for recipients.





VOUCHER
\$5 off your order at a Food Truck of your choice today!
NOT redeemable for cash

VOUCHER
\$5 off your order at a Food Truck of your choice today!
NOT redeemable for cash

Coastal Credit Union Midtown Park