

BUILDING AN INNOVATIVE AND SUSTAINABLE FUTURE



20
18
annual
report



EXPERIENCE BANKING THAT GOES FURTHER



EAST COAST

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2018 was a year full of growth, progressive change, and achievement for our credit union.

1. The Sackville branch staff all ready to help members with our new credit card suite.
2. Just one of several branch transformations. Pictured here is the co-location in downtown Halifax. A partnership with Provincial Government Employees Credit Union.

MESSAGE FROM THE CEO

KEN SHEA



It is a great pleasure for me to share some of the successes of East Coast Credit Union over the past year. We continue to move forward on our strategic goal of becoming a leader not only in the Atlantic provinces, but Nationally. The past year resulted in important achievements, growth and continued community commitment at East Coast Credit Union.

As part of our strategic plan, East Coast Credit Union set an ambitious goal of reaching above industry standard in member service. We measure this monthly and I am pleased to report that our members comments and the results continue to support that we are delivering excellent service. In 2018 our credit union was honoured as the recipient of the 2018 Canadian Credit Union Association National Corporate Social Responsibility Award for our commitment to building stronger communities through sustainable practices. Our partnership with Bullfrog Power, Canada's leading green energy provider allowed us to provide renewable energy for all branch

locations and our entire ATM fleet. East Coast Credit Union now uses 100 percent renewable energy to power our 20 branches and 30 ATMs across Nova Scotia. An additional part of our strategy was working with ACE an Antigonish solar cooperative to be one of the first local businesses to install solar on one of our existing branches and that was done in New Glasgow in 2017. We continue to consider these types of sustainable building practices and as a result will be using solar in our newly renovated Inverness location as well. To be recognized on a national level for our commitment to sustainable practices is an accomplishment that we are very proud of.

As mentioned previously, 2018 was a year of expansion and growth for East Coast Credit Union. We partnered with Provincial Government Employees Credit Union and created a unique co-location and opened a branch in the core of downtown Halifax. Additionally, we were able to complete branch transformations at two of our locations,

Dartmouth and Sackville. Through the transformation of the look and service level of our branches, we are providing a new experience and an enhanced atmosphere for our members. Our goal is to meet the changing needs and expectations of our membership and communities and create a comfortable and welcoming open concept environment that encourages financial discussions, interaction, community engagement, and access to self-service technologies. These transformations are more than just a new look, they are about a new experience and a commitment to our future and to being the top choice for financial services in our communities. We are also very excited to have begun the transformation of our Inverness branch and are pleased to announce that we plan for a transformation of our New Glasgow branch this summer! We appreciate the support of our members throughout these renovations and will keep you informed as we move through these exciting projects.

East Coast Credit Union is committed to providing you with competitive products and services and convenient access to banking services when, where and how you want. I'm sure you will agree that the "how" is very different today than it was five years ago, even one year ago.

We've spent significant time researching how members currently access their banking services as well as the trends impacting the financial services industry. Our goal in conducting the research was to help us better serve you now and in the future. The results have given us key insights into member and consumer banking habits. We know you want a variety of ways to interact with us, including in-person, online and telephone banking. However, there is a clear trend toward the use of digital channels to conduct your banking business. We are proactively responding to the information gained from the research and have developed a new three-year business strategy. It is designed to improve service to you at every touchpoint with a focus on digital technology. As we move into 2019, we will be investing in new and innovative ways to enhance our banking services. We will also effectively and responsibly manage our costs so we can continue to provide you with the products and services you want and need at competitive prices. East Coast Credit Union is committed to helping all our members achieve financial success. I look forward to sharing more details about our new strategy with you in the coming months.

As always, giving back to our communities is very important to us and our team at East Coast. We continued to demonstrate strong commitment to our communities through many exciting initiatives throughout 2018. We held the second annual #EastCoastCUCares initiative where our staff performed random acts of kindness in their communities. We have also made a difference over the past year by investing in community organizations such as L'Arche Cape Breton, Nova Scotia Nature Trust, Junior Achievement and many hospitals throughout our regions. On November 30, 2018 we celebrated the opening of the East Coast Credit Union Social Enterprise Centre in Antigonish, NS. This was an important partnership initiative between the Canadian Association of Community Living (CACL) and the Royal Canadian Legion in Antigonish to transform the former National Philatelic Center into a multi-use center. This partnership will increase operational capacity for both organizations, add new jobs and create new opportunities for Antigonish residents and surrounding communities. We were pleased to provide a financial contribution of \$100,000 to this exciting initiative. This investment is a reflection of East Coast Credit Unions values and commitment to supporting the economic development of our communities.

In closing, I would like to thank our staff, management team, and board members for their hard work and dedication in 2018 and their continued commitment to delivering exceptional service to our members. To all our staff who worked diligently during the year to help us achieve our goals, thank you for your patience and perseverance as we continue with our vision of becoming leaders in Atlantic Canada and Nationally. To our Board of Directors, thank you for your guidance and support as we continue to create a sustainable and successful future for our credit union. Thank you for your strategic direction and effective governance in 2018.

We would also like to thank each and every one of our East Coast Credit Union members for your continued support and cooperation. Thank you for a successful 2018 and for your role in helping us become leaders in innovation and sustainability. We look forward to continuing to provide you with excellent service in 2019 and beyond and are very excited about what the future holds for East Coast Credit Union.



We were the proud recipients of the 2018 Canadian Credit Union Association National Corporate Social Responsibility Award.

Through our partnership with Bullfrog Power, **East Coast Credit Union now uses 100 percent green electricity** at our 20 branches and 30 ATMs across Nova Scotia.

MESSAGE FROM YOUR CHAIR

Change is happening at an ever-increasing rate. In the current environment, that change is characterized by artificial intelligence, climate change, advances in technology, the #MeToo movement and heightened expectations of accountability. The environment for financial services is not immune to such change as the industry faces challenges from Fintech companies providing financial services (e.g., PayPal), the use of Bitcoin as a currency, the advent of blockchain to facilitate electronic exchange and the increasing use of digital banking services.

East Coast Credit Union continues to position itself to meet those challenges. The East Coast Credit Union Board of Directors' strategy continues to focus on our members, on product and service innovation, on embracing new technologies and on engaging our communities. The successful completion this year of the 2016 amalgamation plan allowed for the streamlining of processes and positions, an increased focus on product and service innovations and further investments in new technologies. Further, innovation through digital platforms, improving access to members through unique partnering opportunities and reconfiguring services through branch transformations were successful and strategic. East Coast Credit Union continues to engage with and differentiate itself in our communities; we do this by supporting community initiatives, volunteerism, non-profit organizations, financial literacy, social enterprise, quality of life improvements and creating green branches that reflect our community focus.

2018 was a successful year in advancing our strategic initiatives. 2019 promises more.



MARY OXNER

Board Chair

“The times they
are a changin’”

(Bob Dylan, 1964)

FINANCIAL HIGHLIGHTS

MEMBERSHIP	ASSETS	LOANS	EQUITY
41,716	\$769,786,090	\$655,185,855	6.89%

[Click Here](#) to review ECCU's Financial Statements for 2018



YOUR BOARD OF DIRECTORS

The Board of Directors at East Coast Credit Union perform a vital role and are elected by the membership. Their leadership and guidance is critical in maintaining our success and in shaping the future direction of our progressive, dynamic and caring organization.



Trevor Boudreau



Dan Fougere



Tyrell Giffin



Kathy MacDonnell-Rankin



Helen MacPherson



Mary Oxner



Randy Peters



Melanie Sampson



Anne Sears



Bill Timmons



Blair van Veld



Craig Williams

2018 SERVICE AWARDS

East Coast Credit Union employees are the building blocks of your credit union. Their years of dedication combined with their innovative ideas and drive to make a difference in their local communities are helping build a sustainable future for our members.





AUDIT REPORT

East Coast Credit Union has continued the successful implementation of the amalgamation plan, exceeding planned targets for growth while demonstrating sound financial management and controls.

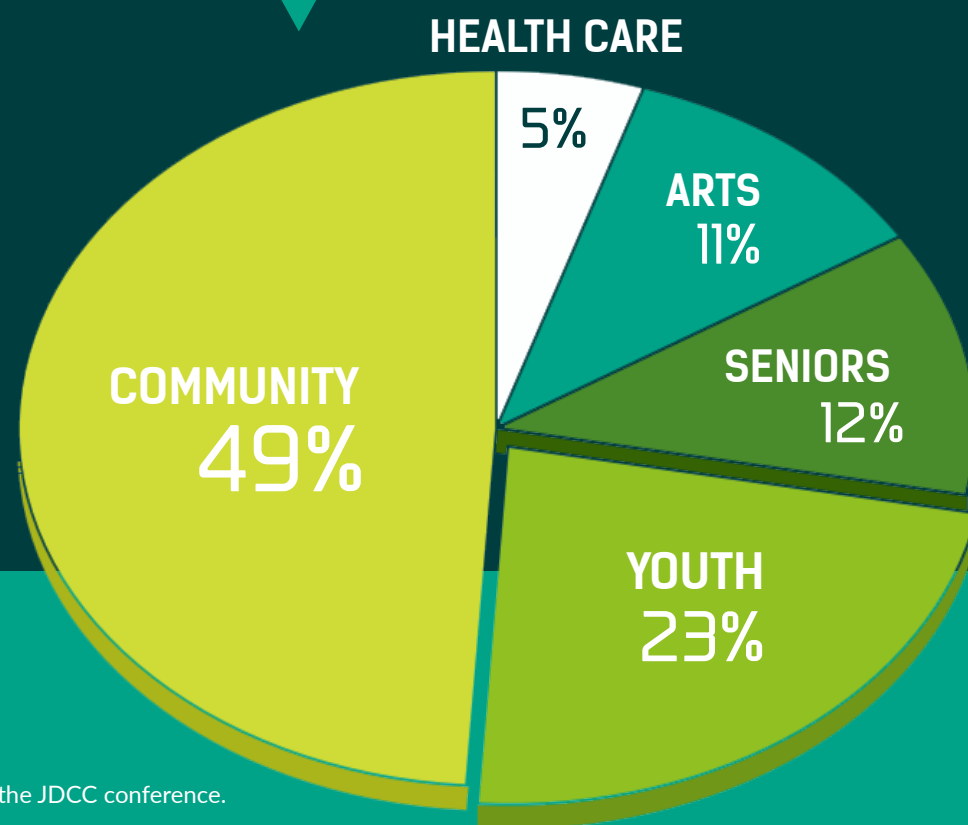
CARING FOR OUR COMMUNITIES

In 2018, we continued to make corporate citizenship a priority contributing \$807, 299 to local communities and organizations throughout Nova Scotia.

\$232,039 financial contributions
+\$575,260 in kind contributions
\$807,299

Our staff and board members collectively donated over

4,900 volunteer hours.



Photos above:

1. Our Mabou branch celebrating Member Appreciation Day.
2. Ken Shea, President and CEO, and Board Member, Craig Williams, stopped by CBC's #FeedNovaScotiaDay to present our 2018 holiday donation to Feed Nova Scotia.
3. New Glasgow staff donated blood as a way to give back to their community.
4. East Coast Credit Union was proud to present a donation to support StFX students attending the JDCC conference.

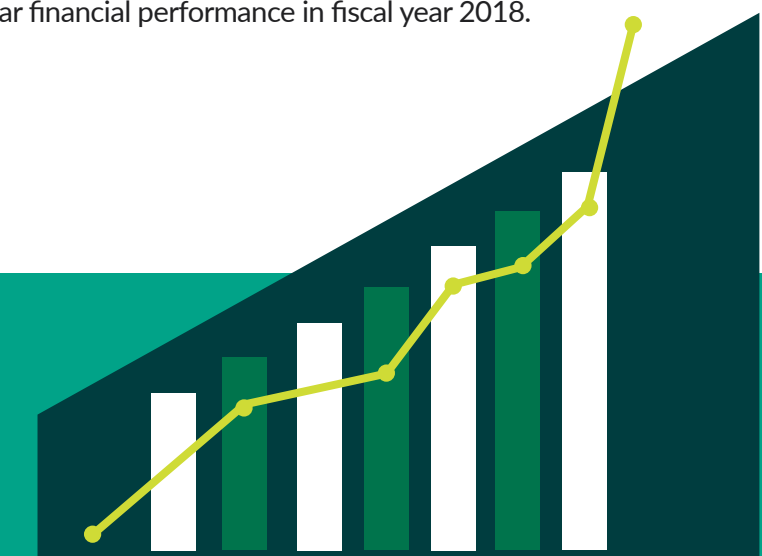
The East Coast Credit Union Audit Committee met on five occasions since the last Annual General Meeting. Audit Committee members are Randy Peters, Dan Fougere, Tyrell Giffin, Anne Sears and Blair van Veld. The Committee meets at least quarterly and arranges its agenda so that, on an annual basis, the required duties are performed and appropriate action taken as a result thereof.

Quarterly meetings of the Audit Committee are held to review interim financial reports, key performance indicators, compliance with CUDIC benchmarks, Enterprise Risk Management measures and our own internal policies and procedures.

Your Audit Committee participated in a comprehensive review of the external audit plan as developed by BDO Canada LLP. Building on the experience of prior years, the audit team presented a plan designed to test and evaluate critical internal control measures and risks to East Coast Credit Union.

Upon completion of the audit, the BDO audit team met with our Committee and presented a thorough analysis of the financial results and the accompanying notes to the financial statements for the year ending December 31, 2018. An unqualified audit report was issued and the external auditors did not discover any material deficiencies in the internal control practices of East Coast Credit Union. The auditors provided several recommendations for internal control improvement, all of which have been accepted and will be implemented by management.

Understanding the increasing pressures in the economy and the industry, your Audit Committee extends a note of gratitude and congratulations to management and staff for their continued efforts to deliver strong year over year financial performance in fiscal year 2018.





**CREDIT
UNION**

EAST COAST

AS A MEMBER OF EAST COAST, YOU ARE A PART OF SOMETHING BIGGER.

We provide expert financial advice and services, but we also invest in our members and our communities. We don't answer to distant shareholders, we answer to you. We're more than a bank. We make a local impact. Your money stays here. You are more than a customer, you are a member.

REFRESHINGLY HONEST BANKING

