

A photograph of the Community Savings building entrance. A blue sign with a yellow arc above the text "Community Savings" is mounted above the glass entrance. The building has a modern design with stone pillars and large windows. In the foreground, there is a landscaped area with a large green tree, pink tulips, and a low green hedge.

Community Savings

Community Savings **75**
YEARS
the unions' credit union

A faded, halftone-style background image of a building and a fence. The building has a sign that reads "LWA CREDIT UNION".

2018 Annual Report



Community Savings 75

the unions' credit union

Community Savings Credit Union celebrates its 75th Anniversary in 2019. With its roots as the International Woodworkers of America (IWA - New Westminster) Credit Union, Community Savings has proudly been the unions' credit union since 1944.

IWA Credit Union was founded by individuals who were unsatisfied with the products and services being offered to the working community from other financial institutions. 75 years later, Community Savings maintains the guiding principle of being the credit union of choice within the working community by providing banking products and investments that are always in our member's best interest.



Community Savings ⁷⁵ the unions' credit union

Our Vision

To be the credit union of choice within the working community.

Our Mission

To provide the working community a fair opportunity at a better life, by empowering them with banking products and investments that are always in their best interest.

Core Values

We treat people the way we would want to be treated. We only develop products and services that are in our members' best interest. We are on side with union beliefs of fair wage and treatment of workers. We support community initiatives that help empower the individual.

About Us

Community Savings Credit Union is BC's largest fully unionized credit union and is dedicated to being the credit union of choice within the working community. At Community Savings Credit Union, we are known for providing exceptional service to each member and our passion lies in empowering our members to achieve their financial goals. Being member owned and operated, Community Savings invests into our neighbourhoods by supporting local charities and non-profit organizations to help create stronger and more vibrant communities.



Message from the Interim CEO

The past year was marked by both change and continuity. After an unprecedented period of low interest rates, the Bank of Canada raised the bank rate 2 times during our last fiscal year. Although not unexpected, this new reality led to an incredibly aggressive rate environment, challenging both the deposit and lending sides of your credit union. Despite these headwinds, our results were strong. This continued stability protected all Members of Community Savings and leaves us well positioned for the coming year.

May 1, 2018 heralded the publication of the BC Labour Heritage Centre's BC labour history publication, "On The Line". A joyous book launch event also celebrated the successful conclusion of our multi-year, sole sponsorship of the project. We were gratified by the reception this wonderful book earned, and heartened by the effusive acknowledgment we received. This achievement truly signifies our steadfast commitment to working people and their unions - yesterday, today and tomorrow! All net proceeds from the sale of "On The Line, A History of the BC Labour Movement" are devoted to placing this book in community libraries and schools throughout the province.

Elsewhere in our reporting you will see the extensive list of union and community charities and events to whom we made contributions in the last year. It is important however, to highlight the extra effort our employees make each year to support the cultural and civic occasions of our 'neighbourhoods'. Whether it's the Vaisakhi Parade in Surrey, the Hyack Festival in New Westminster, Quadra Village Days in Victoria, or Hat's Off Day in Burnaby, you will see Community Savings staff, their families and Board Members waving our flag and joining in. Sincere thanks to all of you. Your spirit and personal commitment are truly the lifeblood of our organization and always an inspiration!

For most Community Savings Members the 'face' of their credit union is at the branch level or online. But, behind-the-scenes staff also work to keep operations running smoothly and develop new processes to improve the Member experience. A recent example of these ongoing efforts occurred in our Accounting Department when staff took the initiative to shorten the time requirement on

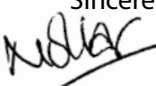
Pre-Authorized Credits. This means accounts are currently being credited within one-half hour of receipt of the automatic deposit. Simply put, that means when it's a Member's payday, they have access to their funds earlier in the day than ever before.

We are happy to report that bargaining to renew the Collective Agreement with MoveUp represented employees concluded successfully in June 2018. The four-year agreement is a fair and equitable deal and was ratified by both union members and our Board. We are proud of the tenure of our staff, which averages at 15 years of service, and believe this speaks to the fundamental values shared by Community Savings and our employees' union, MoveUp.

Looking ahead we continue to focus on technology to better serve our Members. As we introduce new technology and new service delivery mechanisms, we are always mindful to not lose sight of the traditional 'in person' experience that our Members enjoy. We maintain ongoing training of all employees to ensure they are empowered to remain current with evolving products, services and regulations. To that end, and in compliance with various regulatory requirements, planning and preparations have been instituted to further our capacity, as increased reporting is anticipated in the coming year.

In recognition of our approaching 75th Anniversary, we rededicate ourselves to remaining true to our union roots and history through both principle and deed. This milestone reminds us how far we've come, and gives us confidence for the future.

In closing, we thank all our staff and Board of Directors for their tireless dedication to sustaining and improving how we do business. Most importantly, thank you to our Membership for choosing Community Savings as your financial institution.

Sincerely,


Naz Kullar
Vice President Human Resources



Message from the Board of Directors

This year's Annual Report marks a gratifying period for Community Savings. Our sponsorship of the BC Labour Heritage Centre's "On The Line, A History Of The BC Labour Movement" saw its' culmination in the book's publication and launch on May 1, 2018. This event was attended by an astonishing overflow crowd from all walks of life.

The book launch was not only a notable milestone, but a remarkable opportunity to remind the broader community of the strong ties that bind your credit union to BC's working people. This book continues to be a significant facet of our outreach to union members and their respective organizations.

Our financial position remains positive as we move into the coming fiscal year. Its figures speak to our continued resilience and a number of completed improvements in member service, security and lending stability.

In the past year we introduced new Member Cards and Collabria Visa, both of which offer enhanced features and products. We also established two new term deposit investments that provide our members with greater flexibility and better rates. Additionally, four branches were 'refreshed' with tree murals and tv displays, ensuring brand consistency and our updated image covered all locations.

On the security front we adopted an enhanced two-step internal authentication process that includes both the current system and a separate designated employee 'token', thus providing another layer of assurance for our members. Additionally, we have implemented all new lending regulations. These generally relate to borrower's assessment and capacity to service debt, as well as documentation, qualification and collateral management.

It should be noted that none of the foregoing could have been accomplished without the dedicated work and considerable capabilities of all Community Savings Officers and Staff. The technical and regulatory world of financial services rapidly changes and evolves. Our staff

has met each challenge with distinction. For this, and much more, The Board of Directors could not be more grateful and proud.

In the annual report we reflect on the past year, but it's human nature to look forward to the next. And for the "Unions' Credit Union" 2019 is a special year. On May 18, 2019, Community Savings will be 75 years old! While none of us remembers May 18th, 1944, when IWA Local 1-357 members celebrated their new credit union, we each have our own personal history.

I read an old 1994 Community Savings Annual Report recently and there I was, a 25 years younger Member of the Board. That was a good year for BC, but it occurred to me that had I known what was coming in the next 25 years, I probably would have run for the hills!

Two years after that year, we offered online banking to our members. Every year since then has heralded vast technological change. Seven years later we lived through 9/11. Seven years after that, the worst financial crisis ever saw trillions of dollars evaporate overnight and interest rates drop to virtually zero. Massive restructuring of financial institution regulation followed. The list of changes and challenges is long. Yet here we are hale and hearty, entering our 75th year.

All of which is to say - to our Members and Staff, we could not have done it without you. The co-operative spirit that founded Community Savings has seen us through. Your loyalty and dedication secure us all, for whatever tomorrow brings.

Happy 75th Anniversary, Community Savings!

Respectfully,

Phillip Legg
Chair, Board of Directors



Community Savings 2018 Highlights

Events, new products and services:



MemberCards with Interac Flash



Visa Cards with 11 options



International Money Transfers through online banking



On The Line, sponsored by CSCU was launched in May 2018



Members had a great time with our Picture Perfect Retirement Photo Contest



New Member growth from the Sweet Deal banking offer

Branches were updated with our tree brand mark. The trees pay respect to our IWA roots.

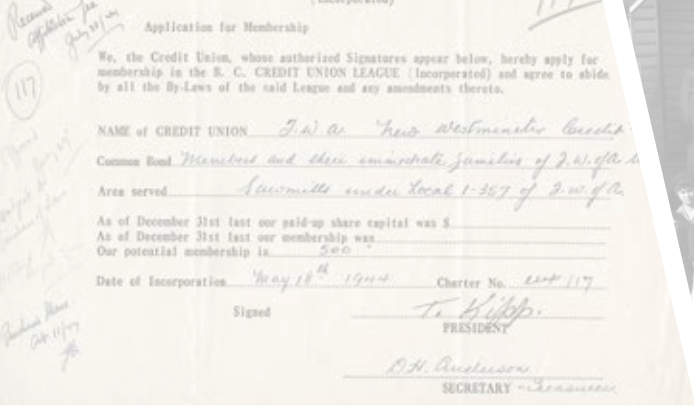


Photo from *ON THE LINE*. Women working at Burrard Dry Dock gather for this historic 1940's photograph. Photo Credit: North Vancouver Museum and Archives, 1421.

1944 - The Year That Made Us

The principle of co-operative effort to achieve something otherwise unattainable, became familiar to Canadian workers through the organization of unions. Additionally, the Great Depression of the 1930s left a bitter harvest of resentment among working people. The unregulated capitalist model had failed workers horribly, along with a network of private banks throughout the Dominion.

Therefore, it's not surprising that union members would apply the co-operative model to achieve common financial aspirations. And that's how it was, when 10 International Woodworkers of America (IWA) Members resolved to establish a credit union. If co-operative action made work-life better, why not community life as well?

The efforts of Community Savings' 10 Founders - G.W. Langstaff, Alfred Ringstad, David Anderson, W.W. "Bill" Harris, Nick Kwasnycia, Elie Melnychuk, Rae Eddie, Otto Ekman, Tom Kipp and John Lindsay - were rewarded on May 18, 1944 when they received Charter: No. 117 for the IWA (New Westminister) Credit Union.

While we will never know what personal challenges motivated each of our Founders, we can imagine their world of 75 years ago, and 1944 was indeed, a momentous year!

Canada had been at War since September of 1939. Every aspect of daily life had been transformed by the all-encompassing effort. Initially, there were many dark months while fascist armies marched across Europe and South Asia. But as 1944 dawned, the tide was turning fast.

On the BC home-front it was all hands-on deck and everyone was working hard.

In January 1944 BC Electric workers went on strike for 3 weeks before achieving significant gains to their new collective agreement. BC Electric ran the streetcars, which stopped running during the strike. The tighter gas rationing of '44 may have proven an additional incentive for the employer to settle!

In the 1940s radio was the primary source of news and entertainment. Two early 1944 events found everyone listening as the Montreal Canadiens won their 5th Stanley Cup and Jack Benny brought his famous radio show to the Lower Mainland. Benny's 'schtick' was portraying someone who was hilariously cheap. He brought local flavour to the broadcast complaining about the 25-cent

toll charge on the Lions Gate Bridge!

On June 6, 1944 D-Day began. The long-awaited invasion of Nazi-occupied Europe saw Allied Forces from the U.S., Britain and Canada land on the coast of Normandy. Code named "Operation Overlord", on this day the 3rd Canadian Infantry Division fought their way inland from Juno Beach. Over the course of the war, more than 1.1 million Canadians served in the Canadian Army, Navy, Air Force and in Forces across the Commonwealth. More than 44,000 lost their lives and 54,000 were wounded. The population of Canada in 1944 was 12,946,000.

On July 22, 1944 the RCMP Vessel, St. Roch, started its' return voyage from Halifax to Vancouver through the Arctic. She would arrive 86 days later on October 16th. The St. Roch became the first vessel to circumnavigate North America and to traverse the Northwest Passage - both ways! The exploits of the St. Roch strengthened Canadian Arctic Sovereignty. She proudly sits, to this day, in the Vancouver Maritime Museum.

New Westminister gave birth to Radio Station CKNW on August 15, 1944. CKNW was the first to deliver hourly newscasts and broadcast 24 hours a day. From its' humble beginnings on the second floor of the Hotel Windsor, it became a giant of the industry.

Child Care workers may have been listening to CKNW as they served lunch at the opening, on September 11, 1944, of the first Child Care Centre for soldiers' kids. Many war industries had company child care facilities, but the opening of this centre represented the first time the Canadian government recognized the need in BC.

The War in Europe would end on May 8, 1945 and Japan surrendered on August 14, 1945. By that time, Community Savings predecessor was well on its way. It was there to help as the 'Greatest Generation' finally began to realize their peacetime dreams; as it remains today for their descendants.

Although the little IWA New Westminister Credit Union has grown into the more substantial Community Savings, the values passed from one generation to the next stay the same. 75 years later we honour our Founders by standing with the working community, as always, The Unions' Credit Union!

Marie Decaire
Community Savings Union Liaison Officer



Year In Review

2018 Management Discussion and Analysis

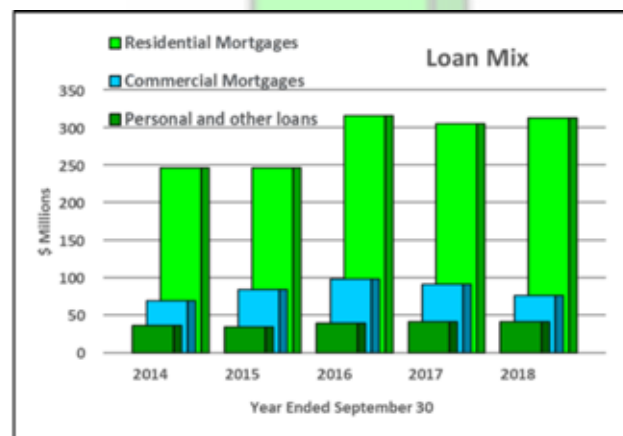
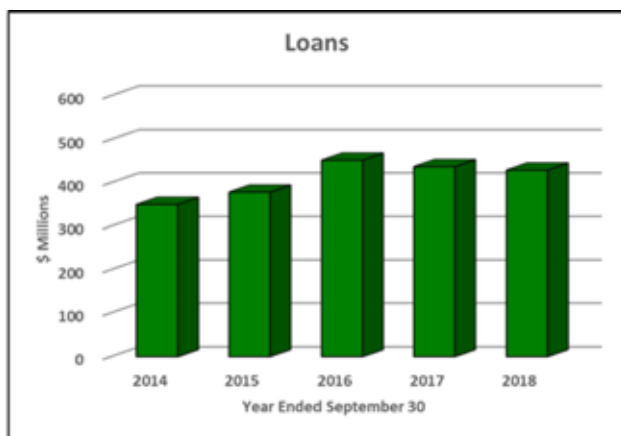
In 2016 the BC Government introduced an Additional Property Transfer Tax of 15% on foreign buyers of residential real estate and increased the tax rate to 20% in 2018. In 2018 the BC Government also introduced a Speculation & Vacancy Tax on residential property.

The Bank of Canada started increasing the Bank Rate in 2017 and continued with two additional rate increases of 25 basis points each in 2018. The Bank of Canada is expected to continue with Bank Rate increases in the next year. Fixed rate mortgages experienced similar rate increases during the year with rates expected to continue rising.

The effects of the BC tax measures on residential real estate combined with the rising interest rate environment have caused home prices in urban centres in B.C. to moderate and prices for some types of housing decreased, in particular higher value homes in the greater Vancouver and Victoria regions.

Loans

Our commercial lending is focused on residential home builders. To mitigate risks in the current economic environment, the credit union took a conservative approach and focused on lending to builders constructing homes in more affordable price ranges. Some commercial borrowers with completed homes at higher price points took much longer to sell those homes and as a result there was a lower turnover in the commercial loan portfolio. The result was a decrease of \$15 million in commercial loan balances, partially offset by an increase of \$7 million in residential mortgages.

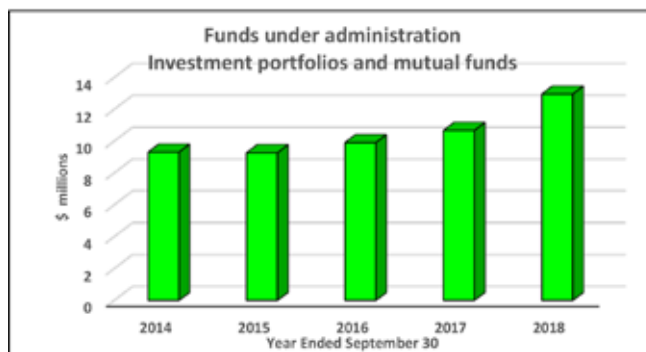




Deposits

Member deposits have grown steadily over the past five years, with an increase of \$7.7 million or 1.6% in the past year. Members have generally opted to select shorter term deposit maturities in the current rising interest rate environment. As a result, maturing term deposits that were originally for longer terms repriced at slightly lower rates during the year with the selection of a shorter term on maturity.

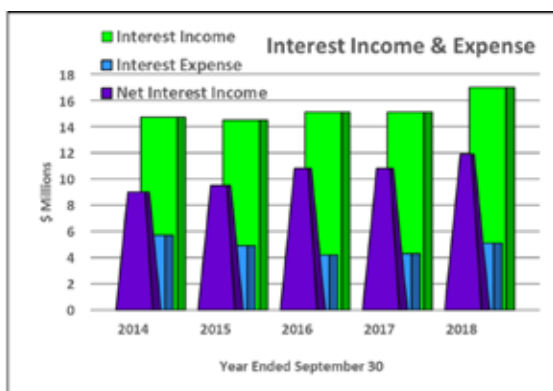
Deposit growth is being effectively supported by our dedicated Union Liaison Officers who focus their efforts on growing our relationships with unions and labour movement organizations in alignment with our mission statement. Our Union Liaison Officers were successful in opening new accounts for union business operations during this past year and



we plan to maintain this core strategic focus to continue growth in this market niche. With our close ties to labour organizations, we are developing strategies to attract new personal banking members who are involved in the labour movement.

Net Interest Income

The repricing on mortgage renewals at higher rates outpaced the repriced rates on term deposits, in part due to member bias towards longer term fixed rate mortgages and shorter term deposits in a raising interest rate environment. This caused growth in interest income to exceed growth in interest expense and an improvement in net interest income.



In 2018 our interest income also benefited from a restructuring of capital and shares in Central 1 Credit Union which returned capital to all credit unions in B.C. through share redemptions. During the year we recognized \$0.5 million in deemed dividends on redemptions of Central 1 Credit Union Class E shares.

This is considered a unique event and is not expected to occur in future years.

The improvement in financial margin and the benefit from the Central 1 share redemptions resulted in a 10% increase in Net Interest Income for the year.



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REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARIZED FINANCIAL STATEMENTS

To the Members of Community Savings Credit Union

The accompanying summarized financial statements of Community Savings Credit Union, which comprise the summarized statement of financial position as at September 30, 2018, and the summarized statements of comprehensive income, changes in members' equity and cash flows for the year then ended, are derived from the audited financial statements of Community Savings Credit Union as at and for the year ended September 30, 2018. We expressed an unmodified audit opinion on those financial statements in our report dated December 19, 2018.

The summarized financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summarized financial statements, therefore, is not a substitute for reading the audited financial statements of Community Savings Credit Union.

Management's Responsibility for the Summarized Financial Statements

Management is responsible for the preparation of the summarized financial statements in accordance with the basis described in note 1.

Auditors' Responsibility

Our responsibility is to express an opinion on the summarized financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "*Engagements to Report on Summary Financial Statements*".

Opinion

In our opinion, the summarized financial statements derived from the audited financial statements of Community Savings Credit Union as at and for the year ended September 30, 2018 are a fair summary of those financial statements, in accordance with the basis described in note 1.

Chartered Professional Accountants

Vancouver, Canada
December 19, 2018

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COMMUNITY SAVINGS CREDIT UNION

Summarized Statement of Financial Position

September 30, 2018, with comparative information for 2017

	2018	2017
Assets		
Cash and cash equivalents	\$ 34,271,910	\$ 18,251,347
Investments	61,817,644	59,291,419
Loans	429,065,406	436,595,632
Premises and equipment	1,236,042	1,399,354
Intangible assets	44,434	33,412
Deferred income tax assets	480,105	535,413
Other assets	1,175,978	1,311,321
	<u>\$ 528,091,519</u>	<u>\$ 517,417,898</u>
Liabilities and Members' Equity		
Deposits	\$ 494,497,462	\$ 486,760,750
Derivatives	1,131,063	372,189
Members' shares	1,230,528	1,262,958
Income taxes payable	39,969	11,613
Other liabilities	3,431,122	2,643,912
	<u>500,330,144</u>	<u>491,051,422</u>
Members' equity:		
Contributed surplus	2,851,000	2,851,000
Retained earnings	25,814,312	23,856,992
Accumulated other comprehensive loss	(903,937)	(341,516)
	<u>27,761,375</u>	<u>26,366,476</u>
	<u>\$ 528,091,519</u>	<u>\$ 517,417,898</u>

See accompanying note to the summarized financial statements.

Approved on behalf of the Board:



Director



Director

COMMUNITY SAVINGS CREDIT UNION

Summarized Statement of Comprehensive Income

Year ended September 30, 2018, with comparative information for 2017

	2018	2017
Interest income:		
Loans	\$ 15,359,264	\$ 14,235,347
Cash and cash equivalents and investments	1,641,927	905,252
	<u>17,001,191</u>	<u>15,140,599</u>
Interest expense:		
Deposits	5,064,999	4,299,068
Borrowings	6,732	23,498
	<u>5,071,731</u>	<u>4,322,566</u>
Net interest income	11,929,460	10,818,033
Provision for (recovery of) for credit losses	12,001	(132,628)
Net gain on sale of financial assets	-	625,834
Non-interest income	<u>1,578,095</u>	<u>1,447,861</u>
Total operating income	13,495,554	13,024,356
Non-interest expense:		
Salaries and benefits	6,531,289	6,108,191
Administrative	4,165,327	3,744,469
Depreciation	265,416	328,663
	<u>10,962,032</u>	<u>10,181,323</u>
Income from operations	2,533,522	2,843,033
Distribution to members	12,948	6,661
Income before provision for income taxes	2,520,574	2,836,372
Provision for (recovery of) income taxes:		
Current	507,946	542,379
Deferred	55,308	(14,973)
	<u>563,254</u>	<u>527,406</u>
Net income	1,957,320	2,308,966
Other comprehensive income, net of income taxes:		
Item that will be reclassified to net income:		
Net unrealized loss on cash flow hedges, net of income taxes of \$115,440 (2017 - \$136,978)	(562,421)	(592,793)
Total other comprehensive income, net of income taxes	<u>(562,421)</u>	<u>(592,793)</u>
Comprehensive income	<u>\$ 1,394,899</u>	<u>\$ 1,716,173</u>

See accompanying note to the summarized financial statements.

COMMUNITY SAVINGS CREDIT UNION

Summarized Statement of Changes in Members' Equity

Year ended September 30, 2018, with comparative information for 2017

	Contributed surplus	Retained earnings	Accumulated other comprehensive income (loss)	Total members' equity
Balance on September 30, 2016	\$ 2,851,000	\$ 21,548,026	\$ 251,277	\$ 24,650,303
Net income	-	2,308,966	-	2,308,966
Other comprehensive income:				
Hedging reserve - cash flow hedges:				
Net unrealized losses	-	-	(592,793)	(592,793)
Balance on September 30, 2017	2,851,000	23,856,992	(341,516)	26,366,476
Net income	-	1,957,320	-	1,957,320
Other comprehensive income:				
Hedging reserve - cash flow hedges:				
Net unrealized losses	-	-	(562,421)	(562,421)
Balance on September 30, 2018	\$ 2,851,000	\$ 25,814,312	\$ (903,937)	\$ 27,761,375

Summarized Statement of Cash Flows

	2018	2017
Cash resources provided by (used in):		
Operating activities	\$ 18,670,370	\$ 30,569,690
Investing activities	(2,617,377)	609,065
Financing activities	(32,430)	(21,544,405)
Increase in cash and cash equivalents	16,020,563	9,634,350
Cash and cash equivalents, beginning of year	18,251,347	8,616,997
Cash and cash equivalents, end of year	\$ 34,271,910	\$ 18,251,347

Note to the Summarized Statement of Financial Statements

1. Basis of presentation:

These summarized financial statements have been prepared in accordance with Section 128(4) of the Financial Institutions Act and are derived from the audited financial statements, prepared in accordance with International Financial Reporting Standards, as at and for the year ended September 30, 2018. Those audited financial statements were approved by the Credit Union's Board of Directors on December 19, 2018 and can be obtained at any of our branches.



Governance Report

Community Savings Credit Union (CSCU) is governed by a board of directors elected by the credit union's members. The board of directors is responsible under law for the management of the credit union's business and its affairs. It has the statutory authority and obligation to protect and enhance the assets of the credit union in the interest of all members. The duties and responsibilities of the Board are set out in the mandate for the Board and include providing the mission and goal for the credit union, developing a governance system and an overall risk appetite to manage and monitor applicable risks.

Audit Committee

The purpose of the Audit Committee is to review and report on annual financial statements and returns, to review reports of the Auditor, and review prescribed reports, transactions or matters and liaise between the Auditor and Board of Directors.

Board Executive Committee

The Board Executive Committee consists of the Board Chair, the Vice Chair and the Secretary Treasurer. The Board Executive Committee provides guidance and oversight in the effective functioning of the Board of Directors.

Community Involvement Committee

The purpose of the Community Involvement Committee is to develop policy regarding the philanthropic initiatives of the Credit Union. The committee works with management in selecting potential organizations or projects that match the Credit Union's corporate philosophy in its corporate giving.

Conduct Review Committee

The Conduct Review Committee ensures procedures are designed to prevent conflicts of interest, resolve them if they occur and to restrict the flow of confidential information. They are responsible to disclose who provides a service or product under transactions arranged by the credit union and to disclose such other matters as may be required by the Financial Institutions Act.

Corporate Governance Committee

The Corporate Governance Committee is charged with creating and promoting corporate governance policies to build practices consistent with the credit union's core values and rules, to promote an environment where good governance is part of the culture of the Credit Union and to ensure compliance.

Enterprise Risk Management Committee

The role of the Enterprise Risk Management Committee is to manage risk, not eliminate it. The objective of the Enterprise Risk Management Committee is to enhance value and to preserve the long-term sound business and financial operations of the credit union.

Investment and Lending Committee

The purpose of the Investment and Lending Committee is to ensure that the Credit Union has written Investment and Lending Policies which reflect prudent standards and ensure procedures are followed and reviewed regularly.

Nominations Committee

The purpose of the Nominations Committee is to ensure that there is the appropriate number of nominees for the election of the Board of Directors and to oversee and administer the election of the Directors to the Board on behalf of and reporting to the credit union membership. The Nominations Committee recruits and recommends candidates to ensure the Board has a strategic and diverse mix of relevant skills, attributes, and business knowledge to meet the needs of the credit union's leadership and strategic talent.

Personnel Committee

The Personnel Committee is responsible to ensure there is a compensation philosophy including guidelines on compensation and overseeing succession planning for the senior executive team. They are also responsible to ensure sound human resources policies, including policies relating to health and safety are in place and implemented.

Ad Hoc Committees

Ad Hoc committees fulfill the duties and responsibilities as assigned by the Board of Directors and report back in a timely manner.

Corporate Governance Disclosure

For the fiscal year of 2018, CSCU Directors and backgrounds are as follows:



Ken Bauder
Director

Director since: 2005
Committees: Conduct Review, Enterprise Risk Management, Community Involvement
Was the Secretary-Treasurer of the ILWU Canada and also worked for the Provincial Government in the Ministry of Labour.



Lynn Bueckert
Director

Director since: 2017
Committees: Community Involvement, Corporate Governance
Was the Executive Director at the BC Federation of Labour. Lynn serves as a Director for Worksafe BC and has served on a number of community boards.



Ken Isomura
Director

Director since: 1996
Committees: Community Involvement
Held many union roles including Labour Staff Representative for the United Way, and member of the Executive Committee for the IWA.



Colleen Jordan
Vice-Chair

Director since: 1998
Committees: Audit, Investment and Lending, Corporate Governance (Chair), Community Involvement, Nominations, Board Executive, Personnel
Was the Secretary-Treasurer of CUPE BC Division for 14 years. Ms. Jordan is currently in her sixteenth year on Burnaby City Council.



Gary Kroeker
Secretary

Director since: 1975
Committees: Audit, Conduct Review, Enterprise Risk Management (Chair), Board Executive, Personnel
Has held positions with the IUOE at both the local and international levels including 3rd General Vice-President. He was also on the Executive Board for the BC Federation of Labour.



Mary LaPlante Derksen
Director

Director since: 2006
Committees: Investment and Lending (Chair), Enterprise Risk Management, Nominations
Was the Financial Secretary for the Hospital Employees Union for 22 years prior to joining the Community Savings' Board of Directors.



Phillip Legg
Chair of the Board

Director since: 1992
Committees: Audit, Investment and Lending, Enterprise Risk Management, Board Executive (Chair), Personnel (Chair)
Was the Director, Policy & Communications for the Federation of Post Secondary Educators and served as Director of Research & Legislation for the BC Federation of Labour.



Lee Loftus
Director

Director since: 2017
Committees: Conduct Review; Enterprise Risk Management, Audit (Chair)
Has served as the Business Manager of the BC Insulators Union and has been President of the BC Building Trades. He is currently a Director for WorksafeBC.



Leslie Roosa
Director

Director since: 2016
Committees: Conduct Review (Chair), Corporate Governance, Audit
Is currently employed with the Vancouver School Board, is very active with the BC Teachers Federation and is on the BCTF Pension Committee.



Rick Sieb
Director

Director since: 2015
Committees: Nominations, Corporate Governance, Audit
Has been a real estate appraiser with Intercity Appraisals Ltd. since 1989. He is also a qualified arbitrator through the ADR institute of Canada and a member of the Institute of Corporate Directors.



Dave Wilson
Director

Director since: 1997
Committees: Investment and Lending, Corporate Governance, Community Involvement (Chair)
His experience ranges from the International Brotherhood of Electrical Workers, UFCW, to the Telecommunications Worker's Union, to his current role as Vice-President of the UFCW Local 1518.

The Unions' Credit Union

The majority of the Community Savings' Board of Directors are known leaders within the labour movement. Each board member is an advocate for hard-working people who strive to create a secure life for their families. The board works together with a common vision for the future of the credit union and the working community.



Director Compensation Disclosure

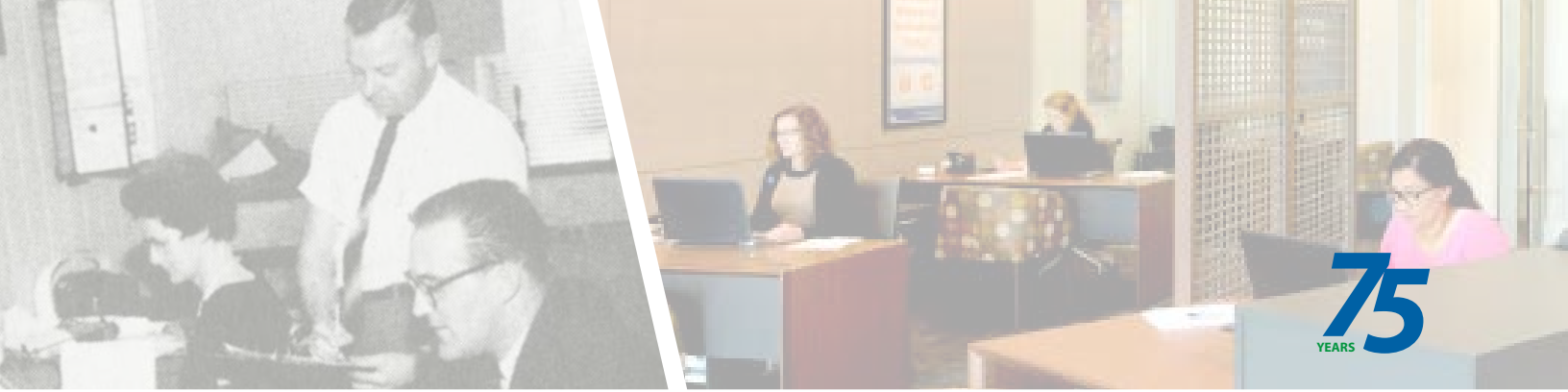
CSCU Directors are expected to devote considerable time to fulfill their obligation to oversee the Credit Union and attend monthly board meetings, annual planning sessions, committee meetings etc. In order to attract and retain qualified Directors, to reward them for their professional expertise, and level of contribution expected of them, compensation is set at a rate comparable to other credit unions and financial institutions.

For fiscal year 2018, the compensation received for each Director is outlined in the table below, along with their meeting attendance.

Director Name	Role	Directors Fees	Board Meetings Attended	Committee Meetings Attended	Other Expenses	Total
Phillip Legg	Chair	\$8,500	8 of 8	29 of 29	\$29	\$8,529
Colleen Jordan	Vice Chair	\$7,700	8 of 8	30 of 32	\$62	\$7,762
Gary Kroeker	Secretary/ Treasurer	\$5,750	5 of 8	18 of 21	\$32	\$5,782
Ken Isomura	Director	\$3,000	4 of 8	0 of 5		\$3,000
Ken Bauder	Director	\$4,700	8 of 8	11 of 12		\$4,700
Mary LaPlante Derksen	Director	\$6,050	8 of 8	18 of 19		\$6,050
Dave Wilson	Director	\$5,950	8 of 8	20 of 20		\$5,950
Rick Sieb	Director	\$4,100	6 of 8	8 of 12		\$4,100
Leslie Roosa	Director	\$5,100	8 of 8	13 of 14	\$188	\$5,288
Lee Loftus *	Director	\$3,450	5 of 7	6 of 8	\$113	\$3,563
Lynn Bueckert **	Director	\$3,400	6 of 8	2 of 8	\$45	\$3,445
TOTAL		\$57,700			\$469	\$58,169

*Lee Loftus joined the board for the December 12-17, 2017 meeting

**Lynn Bueckert joined the board for the November 14-17, 2017 meeting.



CSCU Compensation Philosophy

Community Savings compensation philosophy applies equally to all employees as compensation is fundamental to our ability to attract, retain, reward and motivate the talented individuals needed for our long-term success. As a financial institution we depend upon highly-skilled individuals who specialize in a broad range of disciplines and as a result, our compensation program allows for attractive salary levels within relevant markets which are consistent with job content, responsibilities and requirements. In addition, we are proud to be a Living Wage Employer.

Executive Compensation

Program Philosophy and Objectives

One of our key objectives is to provide a reasonable and competitive total compensation opportunity consistent with market based compensation practices for our executive level positions. CSCU must attract individuals with the necessary skills and experience for each executive level role in order to achieve the strategies developed by the Board of Directors to support our members.

The executive compensation program is designed to:

- Encourage, attract and retain high caliber executives
- Provide a competitive total compensation package
- Support a “pay for performance” culture through incentives
- Be flexible to reward individual accomplishments as well as organizational success

Market Position

While our primary comparative markets are other financial institutions, we also understand that the market for executive talent is broader than this group alone. CSCU may rely on other salary survey data outside of this group, when appropriate, for specific functional competencies. In general, CSCU's total compensation including benefits, is at the 75th percentile of market data.

Governance

The executive compensation program is administered by the Personnel Committee of the Board. The Committee meets to review the program and recommend changes on an as needed basis.

CEO's Office

The CEO's total compensation is based on the guiding philosophy and principles that apply to all employees.

Base Salary

Base salary is determined by the Personnel Committee of the Board of Director's and reviewed annually and compared with a variety of measures and market information. CEO compensation is based on our comparative asset groups across Canada as determined by an annual Central 1 Credit Union Survey of credit union compensation, in which Community Savings participates.

Benefits and Perquisites

The CEO participates in the same comprehensive benefits plan as all other employees which provides for medical, dental, disability and insurance coverage. Additional perquisites provided to all employees and the CEO includes staff accounts and staff rates on loans and mortgages.

Retirement Income Program

The CEO participates in Community Savings' RRSP plan whereby employees are paid a percentage of their base salary into an RRSP.

Short Term Incentive Program

The CEO's short term incentive is based on the achievement of both organizational and individual objectives.

CEO Compensation

For the fiscal year ending September 30, 2018, two former CEO's and two members of the Executive team acting as Interim CEO's filled the position over the fiscal year. The total compensation paid to the four individuals while performing the role of CEO was \$341,892 which represents base salary, bonus, RRSP contributions, benefits and perquisites.



Supporting our Communities since 1944

Community Support

As a financial co-operative that is run by its members, Community Savings Credit Union is passionate about putting people before profits. Being locally based and locally focused, we fully realize the need and vital importance in supporting our local communities.

CSCU's annual community support involves sponsorships, donations, educational bursaries, and scholarships. Our sponsorship of labour organizations helps them support their charities and partnerships, such as a \$5,000 donation to the Overdose Prevention Society on behalf of CUPE BC.

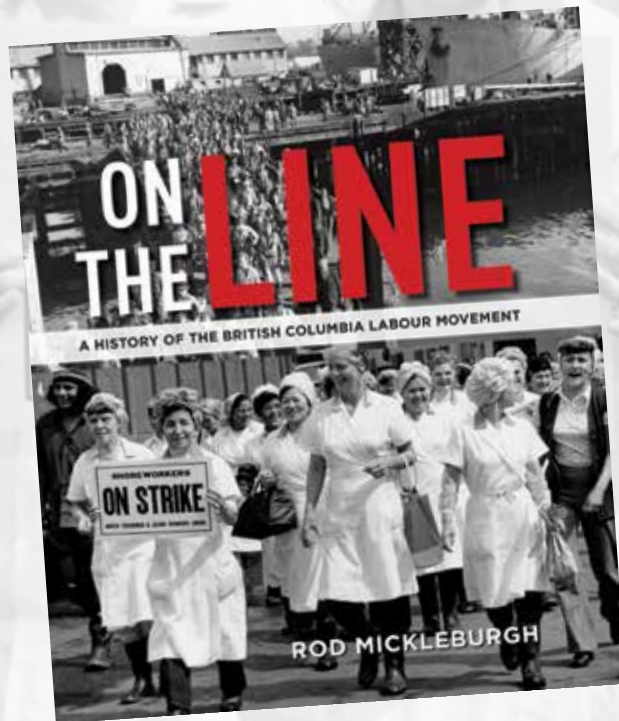
In 2018, Community Savings helped Share Family & Community Services with \$7500 in funding for their ongoing efforts to establish a Rent Bank in the Tri-Cities area.

The staff at CSCU donated \$3,380 to the United Way of the Lower Mainland, and the credit union wholeheartedly matched the staff donations for a total of \$6,760.

Community Savings Credit Union is grateful we could support the organizations listed to the right. These organizations are instrumental in helping create a better and stronger community.

- BC Building Trades
- BC Professional Firefighters Association
- BC Labour Heritage Centre
- Burnaby Firefighters Association
- Burnaby Seniors Outreach
- Canadian Red Cross
- Child Find BC
- CLC Pacific Region Scholarships
- CUPE BC
- Floor Layers Union Local 1541
- Fraser Valley Labour Council
- Friends in Need Food Bank
- The Union Protein Project
- Labour Community Christmas Dinner
- Leukemia & Lymphoma Society of Canada
- Local 258 IBEW
- MoveUp
- Network Solutions - monarchplace.org
- Open Doors BC Educational Awareness Society
- Our Lady of Mercy Parish
- Pathfinder Youth Centre Society
- Pile Drivers Local 2404
- Royal City Rotary Club
- Simon Fraser University
- Share Family & Community Services
- 2018 BC Pension Forum
- Surrey Board of Trade
- Surrey Crime Prevention Society
- The BC Labour Heritage Centre Society
- The Youth Excellence Society
- UFCW Local 247
- United Way of the Lower Mainland
- Vancouver & District Labour Council
- Victoria Labour Council

Celebrating Labour History



BC LABOUR
HERITAGE
CENTRE

Community Savings Credit Union was the Funding Sponsor of *ON THE LINE*, a historically important book produced by the BC Labour Heritage Centre.

ON THE LINE was launched at the Hilton Metrotown on May 1, 2018 and was attended by over 400 guests including Premier John Horgan, several lower mainland MLAs, and the trade union community. Speakers at the book launch included Premier John Horgan, Irene Lanzinger, President of BC Federation of Labour, and Phillip Legg, Chair, Community Savings Board of Directors.

ON THE LINE chronicles British Columbia's labour movement from pre-confederation to today. In doing so, it celebrates BC workers' strong record of fighting back against unfair pay and unsafe working conditions—one rooted in the resilience, tenacity and innovative thinking of these local workers and their communities. For 150 years and counting, labour organizations have influenced B.C.'s economic, political and social fabric. *ON THE LINE* celebrates how far we've come in the fight for equality and democracy, and shares informed perspectives on where we go from here.

Proceeds from *ON THE LINE* books purchased at Community Savings or The BC Labour History Centre will be used by the BC Labour Heritage Centre to purchase books for the BC School system and public libraries.



Community Savings ⁷⁵ the unions' credit union

Personal & Small Business Banking

Burnaby

4590 Hastings Street
Burnaby
V5C 2K4

Surrey

7380 King George Blvd.
Surrey
V3W 5A5

New Westminster

1188 8th Avenue
New Westminister
V3M 2R6

Vancouver

5108 Joyce Street
Vancouver
V5R 4H1

Port Coquitlam

111-2020 Oxford Connector
Port Coquitlam
V3C 0A4

Victoria

2750 Quadra Street
Victoria
V8T 4E8

Corporate Office

1600-13450 102nd Avenue, Surrey, V3T 5X3

604-654-2000 or Victoria: 250-385-8431

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