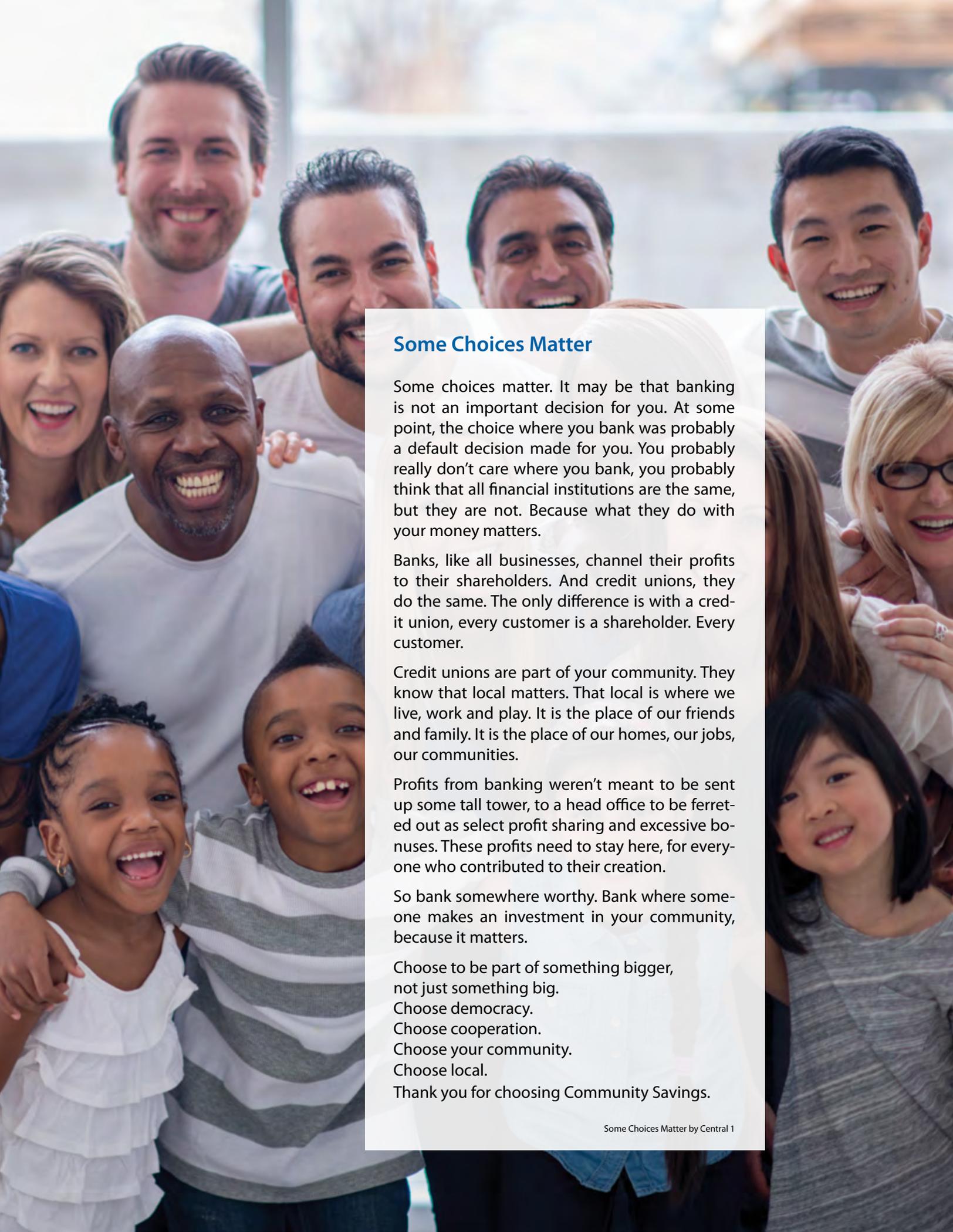




Community *Savings*

the unions' credit union

2017 Annual Report



Some Choices Matter

Some choices matter. It may be that banking is not an important decision for you. At some point, the choice where you bank was probably a default decision made for you. You probably really don't care where you bank, you probably think that all financial institutions are the same, but they are not. Because what they do with your money matters.

Banks, like all businesses, channel their profits to their shareholders. And credit unions, they do the same. The only difference is with a credit union, every customer is a shareholder. Every customer.

Credit unions are part of your community. They know that local matters. That local is where we live, work and play. It is the place of our friends and family. It is the place of our homes, our jobs, our communities.

Profits from banking weren't meant to be sent up some tall tower, to a head office to be ferreted out as select profit sharing and excessive bonuses. These profits need to stay here, for everyone who contributed to their creation.

So bank somewhere worthy. Bank where someone makes an investment in your community, because it matters.

Choose to be part of something bigger,
not just something big.

Choose democracy.

Choose cooperation.

Choose your community.

Choose local.

Thank you for choosing Community Savings.

Community Savings

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 communities by supporting local charities and non-profit organizations to help create stronger and more vibrant communities.





Message from the Interim Co-CEOs

This Community Savings Annual Report chronicles the 73rd reporting year of our credit union. While immense change has occurred since that first communication, our fundamentals endure as we remain committed to our members, the communities we serve and our social responsibilities.

Community Savings maintained strong performance in 2017 despite continued pressure on margins; as a result of the persistent low interest rate environment. We were also pleased to welcome the addition of Wealth Management to our suite of member services. Retirement and insurance planning, as well as a broad spectrum of investment options, are now available to our members - at a time and place convenient to their schedule.

In 2017 Community Savings members and staff responded to the BC wildfires emergency with a fundraising endeavour that yielded \$17,200 for BC Red Cross wildfire relief efforts. This collaborative achievement demonstrates the true nature of a member-owned financial co-operative, and how a community with common goals can come together and support each other.

In June we were challenged by the provision of a new nation-wide regime of verification, compliance and reporting requirements. Our systems department responded to this demanding task with remarkable skill and agility, while both our front line and back office personnel demonstrated commendable expertise in adapting rapidly. We are proud to report that Community Savings staff showed true initiative in meeting these legislative obligations, notably before the externally imposed deadline! We know it is our devoted staff that are key to delivering outstanding service to our members and we thank each and every employee of Community Savings for all that you do.

Community Savings continues to strengthen and grow our partnerships within the labour movement. Our motto: "The Unions' Credit Union" is much more than a tag line. It speaks to a philosophy of commitment to working people and the unions that defend their interests. This mandate includes our dedication to provide exceptional financial services to the working community, as well as our ongoing support of their initiatives. It is with the latter in mind that we look forward to the culmination of a significant Community Savings' sponsored project. The spring of 2018 will herald the publication of a History of BC's Working People. This much anticipated book is a project of The BC Labour Heritage Centre and Community Savings Credit Union has been its' financial sponsor. It is our hope that a better understanding of the struggle to achieve workplace and human rights legislation will lead to a greater appreciation of their value.

In the coming year we shall continue to seek new and innovative revenue sources and technologies. We do this mindful of the benefit to our members of increased convenience and competitive product offerings that remain true to our core values. We are grateful for our partners and loyal members who keep us strong and focused on our mission to improve the lives of working people.

In closing, we thank our Board of Directors for their unfailing guidance and commitment. We also sincerely appreciate our members; whose continuing participation and support gives meaning to our co-operative enterprise. Thank you to all those who chose membership in Community Savings; it is a choice that has a positive impact in communities both near your home and throughout BC.

Respectfully,

Naz Kullar
Vice President Human Resources

Robin Medelko
Vice President Finance



Message from the Board of Directors

At the end of my first year as the Board's Chair, I take note that this annual report provides an opportunity to reflect on both the past year's performance and the legacy your Credit Union entrusts to the future.

The Canadian economic forecast can best be described as uncertain, as forces beyond our borders have created new challenges to decades old trading relationships. Closer to home, the changing nature of work and the spiraling cost of living continues to test the mettle of our Members. Given these realities it is comforting to report that amid the shifting tides, Community Savings' course remains stable and true.

We owe our positive circumstance to the fortitude of our hard-working Membership and the multi-skilled dedication of our staff. Many a seasoned worker has warned, "Never underestimate the little guy!" And so it is with Community Savings. While we might appear small among the towering financial giants, each one of our employees possesses myriad skills that would be the envy of our compartmentalized competitors.

On behalf of the Board of Directors, I sincerely thank the women and men of Community Savings; those behind the scenes and on the front line, for your exceptional efforts and fidelity. You make us all proud!

2017 marked the 150th Anniversary of Canadian Confederation. This milestone inspired many to think back to the roads our forbearers walked and the legacies they left in our care. Similar reflection is especially apt for 74-year-old Community Savings. Thousands of unseen legacies live in the fulfillment of our Member's dreams; like a mortgage for a family's first home or a loan for that long-awaited RV. Other legacies are more evident in the larger community; with initiatives such as our advocacy for a Living Wage or the scholarships we grant each year.

The coming year will bring to fruition a Community Savings Legacy Project of very special note: The BC Labour Heritage Centre's publication of *The History of BC's Working People*. As the sole financial sponsor, and admittedly enthusiastic cheerleader, Community Savings will join with the Labour Heritage Centre at the book's official launch in the spring of 2018.

Community Savings started life as the IWA Credit Union and continues the labour movement tradition as "The Unions' Credit Union". Among the many working-class heroes of our past and present Membership, none stood taller than Jack Munro, former President of IWA Canada. *The History of BC's Working People* was Jack's initiative in his retirement years but sadly, he passed away before the writing began. It was both in tribute to Jack Munro and the importance of the story, that Community Savings became this book's sponsoring partner.

Through the legacy of ongoing community initiatives, we hope to not only help, but to convey a sense of our united spirit of appreciation. Put simply, we thank you for your continued support.

Sincerely,

A handwritten signature in black ink that reads "Phillip Legg". The signature is written in a cursive, flowing style.

Phillip Legg
Chair, Board of Directors



I am hungry



Community Need

Community Savings' annual donations fulfill a fundamental operational requirement established at our inception; 74 years ago. But ledger entries don't personify the expression of human spirit behind the numbers. The motivation for each gift is a collective compassion that shines ever bright.

Elsewhere in this year's annual report you will read a listing of community organizations your credit union's has supported in 2017. These numbers represent our support of various activities that enhance the lives of those with whom we share our corner of the world. The beneficiaries' needs range from the most basic, to legacy projects like the History of BC's Working People. Each found a place on the list because someone in the community – often a member of Community Savings - brought the request forward.

If one were to look back over the years, the listing would change with social evolution and unique events. In example, since 1944 many diseases have been eradicated and universal health care was instituted. There was a time when campaigns to provide braces and wheelchairs for survivors of polio appeared on the list.

This year many interior BC communities were ravaged by wildfires. Community Savings responded with both an institutional donation and a fundraising campaign. Sadly, we can't say with any confidence that we won't be faced with a similar need again.

Alarmingly, there is one list item that has never changed. In fact, the need seems to have grown, and it is the most fundamental need of all; food! It might not immediately become apparent when reading the list, because the beneficiary organization's name appears, rather than the cause. But in some cases that organization was raising funds for a school breakfast/lunch program, or a senior's meals program or a mother and infant nutrition enhancement effort. When you add those less obvious recipients to our annual gifts to organizations like Food Banks and the Labour Community Christmas Dinners, the breadth of the need becomes almost frightening. In 2017, amid much apparent wealth and often astonishing growth, children, families, seniors and the disabled are going hungry!

From 2008 to 2016 BC Food Bank use was up 32.5%. From 2015 to 2016 there was a 3.4% increase. One third of those who depend on their local food bank are children. It is also telling to note that 1 in every 4 households pay more than they can afford for housing. We suspect that number is significantly higher in the Lower Mainland and Victoria areas of our province.

Thirty-six years ago, the first Canadian food bank opened. That year, 1981, saw a significant recession in Canada and the home of the first food bank; Edmonton, was hard hit. As other communities followed suit it was thought to be a temporary measure to see people through a difficult period. That hopeful assumption proved tragically false. At the end of 2016 there were 550 food banks in Canada running 3000 programs. Almost 1 million Canadians depend on them. The 3 largest groups using food banks are working poor, disabled individuals and those receiving social assistance. In the last reported year (2015–2016) BC's annual food bank usage had increased 2% more than the national average and, as stated previously, food banks are only one of many agencies feeding hungry Canadians.

In recent years Community Savings' annual reports have detailed the growing income inequality that plagues the economic lives of Canadians. By now we are all familiar with the vast concentrations of wealth amassed by the "one percent." This year we report the single most appalling result – hunger in our communities.

Like all co-operative organizations with the capacity to give, Community Savings pledges to continue to support food provision charities. But we all know this is not the solution. Unlike the affect of wildfires or disease, food security for all Canadians is a challenge well within our country's ability to meet; it is but a matter of political will. In accepting the challenge of ensuring food security those elected to lead the Canadian people would be well served by reflecting on an ancient African proverb:

If you want to travel fast, go alone.
If you want to travel far, go together!

Marie Decaire
Community Savings Union Liaison Officer

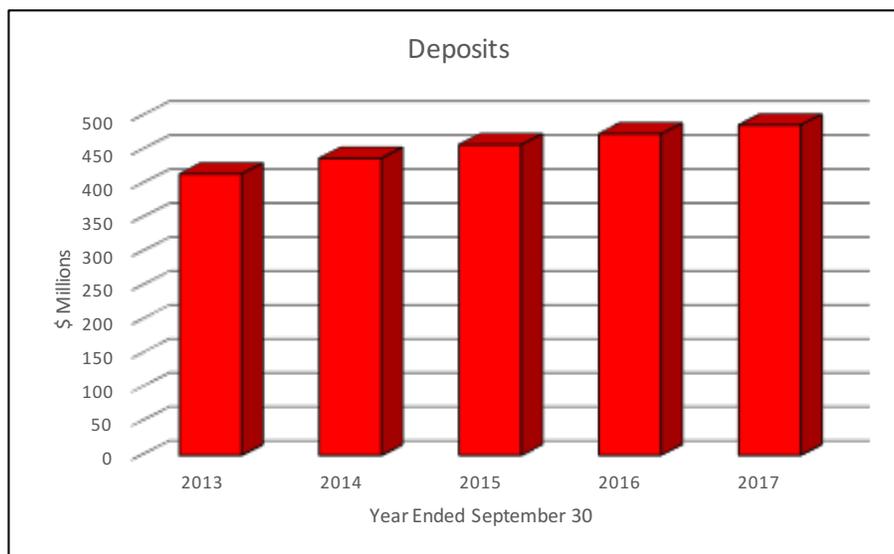
Year In Review

2017 Management Discussion and Analysis

The BC Government introduced a new tax in August 2016 of 15 per cent on sales of real estate in the Greater Vancouver Regional District to foreign buyers. The new tax was intended to have a cooling effect on rapidly rising house prices. The current fiscal year started with uncertainty as to the expected impact on the housing market of the new tax. There were wide spread media reports about possible housing price corrections and continued news stories about concern over increasing debt levels carried by Canadian households. Long held expectations of interest rate increases materialized when the Bank of Canada implemented two successive increases of 25 basis points each in the Bank Rate in the summer of 2017.

Deposits

Member deposits continued the steady growth experienced in the past five years, with deposits growing by \$12.5 million or 2.6% in the past year. Deposit growth has been supported by our dedicated Union Liaison Officers who focus their efforts on growing our relationships with unions and organizations affiliated with the labour movement in alignment with our mission statement. Our Union Liaison Officers continued to have success in opening new accounts for union business operations during this past year. We plan to continue this core strategic focus to continue growth in this segment in the future.

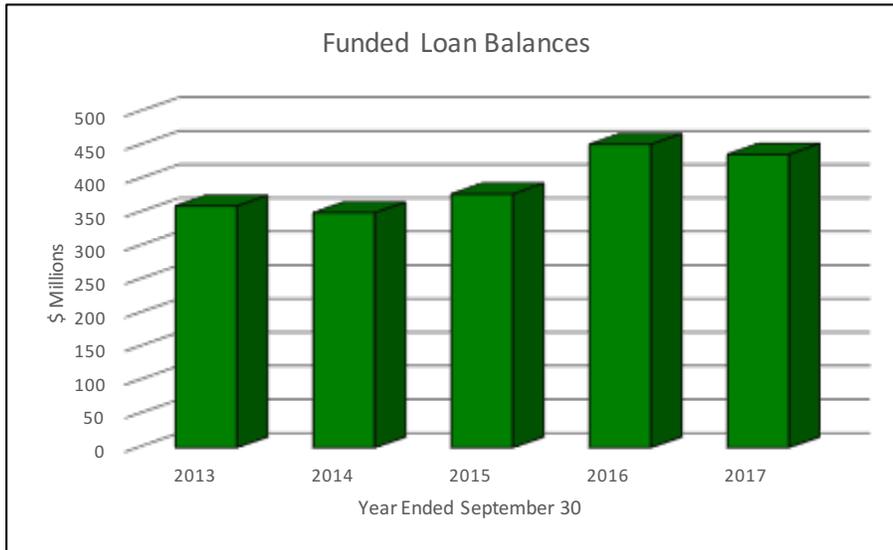


Net Income

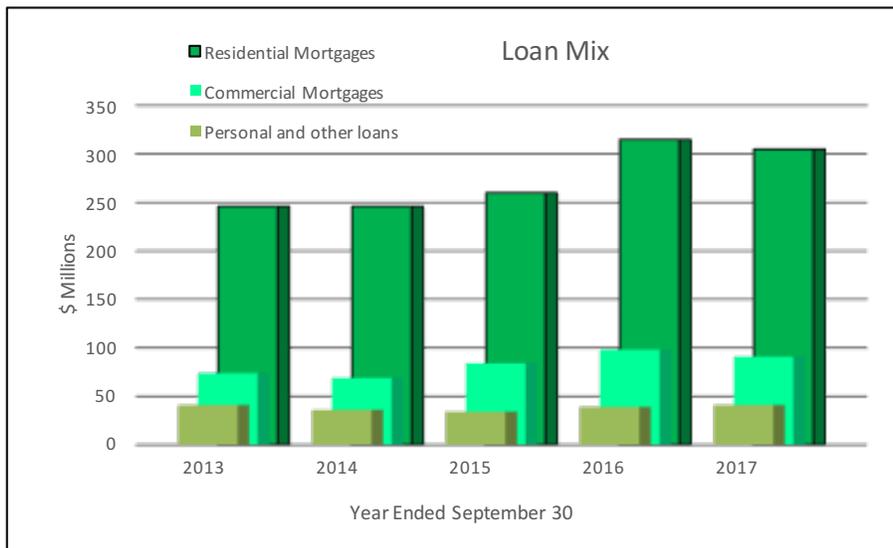
At the start of our fiscal year the credit union took advantage of changes in interest rates by selling a \$23 million portfolio of term deposits back to Central 1 Credit Union to realize a gain of \$625 thousand. The proceeds from the sale of the term deposits were used to repay borrowings from Central 1 Credit Union and the gain helped to achieve an increase in our Net Income to \$2.3 million for the year.

Loans

In response to the changes in the economic back drop in our economy, Community Savings Credit Union took the strategy of cautiously lowering our approval of new loans to reduce our exposures to the economic uncertainties. Prior to the introduction of the new foreign buyer's tax Community Savings Credit Union had experienced very strong growth in mortgages, as reflected in the chart below on Funded Loan Balances. With loan payouts and principal repayments during the year, our loan portfolio declined \$15 million or 3.3% year over year in the current fiscal year.



In addition to the modest reduction in the loan portfolio we experienced a shift in the mix of loans as shown in the chart below. The proportion of lower risk residential mortgages increased slightly while the proportion of relatively more risky commercial mortgages decreased slightly, resulting in a lower risk profile in our loan portfolio. In addition we experienced a decrease in impaired and delinquent loans year over year. These factors lead in a reduction in our specific and general loan loss provisions that resulted in realizing a \$132,628 recovery of credit losses on our Statement of Comprehensive Income.





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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, 2017, 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, 2017. We expressed an unmodified audit opinion on those financial statements in our report dated December 12, 2017.

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, 2017 are a fair summary of those financial statements, in accordance with the basis described in note 1.

Chartered Professional Accountants

December 12, 2017
Vancouver, Canada

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

COMMUNITY SAVINGS CREDIT UNION

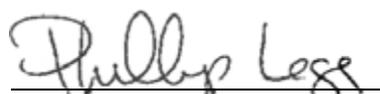
Summarized Statement of Financial Position

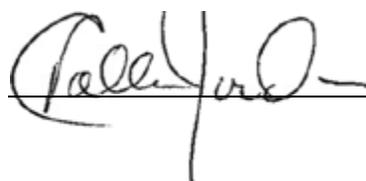
September 30, 2017, with comparative information for 2016

	2017	2016
Assets		
Cash and cash equivalents	\$ 18,251,347	\$ 8,616,997
Investments	59,291,419	60,394,843
Loans	436,595,632	451,688,070
Derivatives	-	407,503
Premises and equipment	1,399,354	1,665,046
Intangible assets	33,412	62,810
Deferred income tax assets	535,413	520,440
Other assets	1,311,321	1,491,913
	<u>\$ 517,417,898</u>	<u>\$ 524,847,622</u>
Liabilities and Members' Equity		
Deposits	\$ 486,760,750	\$ 474,277,235
Borrowings	-	21,504,954
Derivatives	372,189	-
Members' shares	1,262,958	1,307,363
Income taxes payable	11,613	184,822
Other liabilities	2,643,912	2,922,945
	<u>491,051,422</u>	<u>500,197,319</u>
Members' equity:		
Contributed surplus	2,851,000	2,851,000
Retained earnings	23,856,992	21,548,026
Accumulated other comprehensive income (loss)	(341,516)	251,277
	<u>26,366,476</u>	<u>24,650,303</u>
	<u>\$ 517,417,898</u>	<u>\$ 524,847,622</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, 2017, with comparative information for 2016

	2017	2016
Interest income:		
Loans	\$ 14,235,347	\$ 13,638,221
Cash and cash equivalents and investments	905,252	1,423,449
	<u>15,140,599</u>	<u>15,061,670</u>
Interest expense:		
Deposits	4,299,068	4,170,216
Borrowings	23,498	74,446
	<u>4,322,566</u>	<u>4,244,662</u>
Net interest income	10,818,033	10,817,008
Provision for (recovery of) for credit losses	(132,628)	103,040
Net gain on sale of financial assets	625,834	-
Non-interest income	1,447,861	1,494,725
	<u>13,024,356</u>	<u>12,208,693</u>
Total operating income	13,024,356	12,208,693
Non-interest expense:		
Salaries and benefits	6,108,191	5,876,040
Administrative	3,744,469	3,698,901
Depreciation	328,663	408,350
	<u>10,181,323</u>	<u>9,983,291</u>
Income from operations	2,843,033	2,225,402
Distribution to members	6,661	6,193
	<u>2,836,372</u>	<u>2,219,209</u>
Income before provision for income taxes	2,836,372	2,219,209
Provision for (recovery of) income taxes:		
Current	542,379	413,269
Deferred	(14,973)	(59,162)
	<u>527,406</u>	<u>354,107</u>
Net income	2,308,966	1,865,102
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 (\$136,978) (2016 - \$(25,674))	(592,793)	(118,805)
Total other comprehensive income, net of income taxes	<u>(592,793)</u>	<u>(118,805)</u>
Comprehensive income	<u>\$ 1,716,173</u>	<u>\$ 1,746,297</u>

See accompanying note to the summarized financial statements.

COMMUNITY SAVINGS CREDIT UNION

Summarized Statement of Changes in Members' Equity

Year ended September 30, 2017, with comparative information for 2016

	Contributed surplus	Retained earnings	AOCI (loss)	Total members' equity
Balance on September 30, 2015	\$ 2,851,000	\$ 19,682,924	\$ 370,082	\$ 22,904,006
Net income	-	1,865,102	-	1,865,102
Other comprehensive income:				
Hedging reserve - cash flow hedges:				
Net unrealized losses	-	-	(118,805)	(118,805)
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

Summarized Statement of Cash Flows

	2017	2016
Cash resources provided by (used in):		
Operating activities	\$ 30,569,690	\$ (55,992,440)
Investing activities	609,065	17,307,648
Financing activities	(21,544,405)	21,446,667
Increase (decrease) in cash and cash equivalents	9,634,350	(17,238,125)
Cash and cash equivalents, beginning of year	8,616,997	25,855,122
Cash and cash equivalents, end of year	\$ 18,251,347	\$ 8,616,997

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, 2017. Those audited financial statements were approved by the Credit Union's Board of Directors on December 12, 2017 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 interests 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

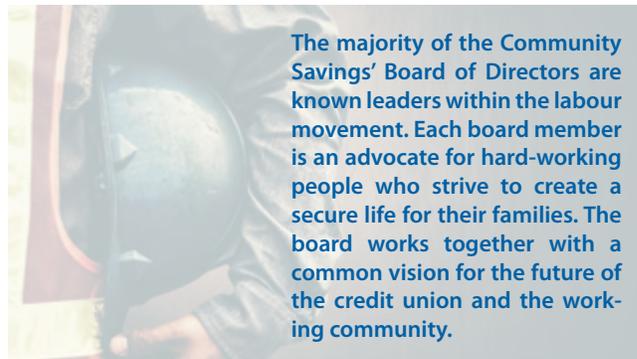
The purpose of the Nominations Committee is to ensure that there is the appropriate number of nominees for the election of the Board of Directors and to oversee and administer the election of the Directors to the Board on behalf of and reporting to the credit union membership. The Nominations Committee 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.



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.

Corporate Governance Disclosure

For the fiscal year 2017, CSCU Directors and backgrounds are as follows:



Phillip Legg **Chair of the Board**
Director since: 1992
Committees: Board Executive (Chair); Personnel (Chair); Audit (Chair); Investment and Lending; Enterprise Risk Management; Community Involvement.

Mr. Legg has served as Director of Research and Legislation for the BC Federation of Labour.



Colleen Jordan **Vice-Chair**
Director since: 1998
Committees: Board Executive; Personnel; Investment and Lending; Community Involvement; Corporate Governance (Chair); Audit.

Ms. Jordan has spent 16 years as Secretary-Treasurer of CUPE BC Division. Among other directorships she is currently in her fifth-term on Burnaby City Council.



Gary Kroeker **Secretary**
Director since: 1975
Committees: Board Executive; Personnel; Enterprise Risk Management (Chair); Conduct Review; Audit.

Mr. Kroeker has held positions with the IUOE at both the local and international levels including General Vice-President. He was also on the Executive Board for the BC Federation of Labour.



Ken Isomura **Director**
Director since: 1996
Committees: Community Involvement; Enterprise Risk Management.

Mr. Isomura has held many union roles including Labour Staff Representative for the United Way, and member of the Executive Committee for the IWA during his 35-year career in the forestry industry.



Dave Wilson **Director**
Director since: 1997
Committees: Community Involvement (Chair); Nominations (Chair); Corporate Governance; Investment and Lending.

Mr. Wilson's experience ranges from the International Brotherhood of Electrical Workers, UFCW, to the Telecommunications Worker's Union, to his current role as Vice- President of UFCW 1518.



Ken Bauder **Director**
Director since: 2005
Committees: Conduct Review; Enterprise Risk Management; Audit.

Mr. Bauder was the Secretary-Treasurer of the ILWU Canada and also worked for the Provincial Government in the Ministry of Labour.



Mary La Plante Derksen **Director**
Director since: 2006
Committees: Investment and Lending (Chair); Nominations Committee; Community Involvement; Audit.

Ms. La Plante Derksen was the Financial Secretary for the Hospital Employees Union for 22 years prior to joining the Community Savings' Board of Directors.



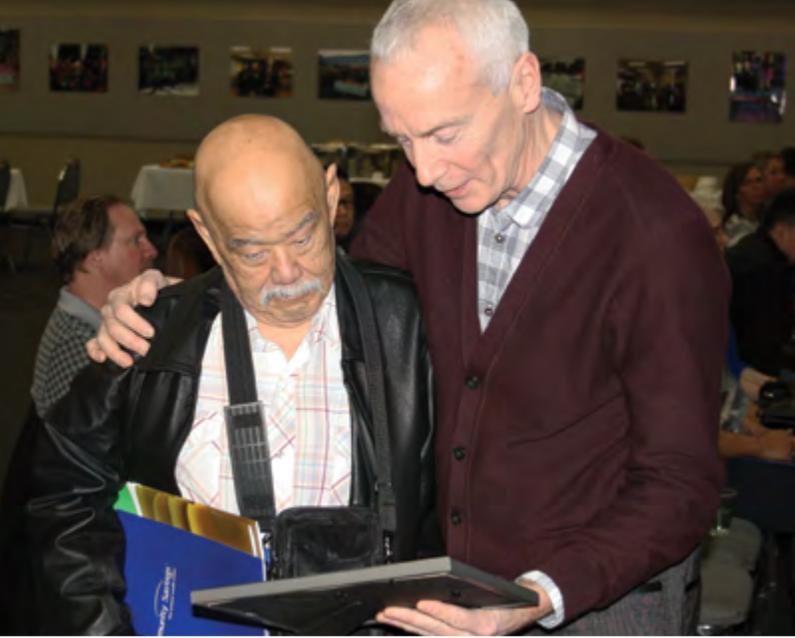
Rick Sieb **Director**
Director since: 2015
Committees: Enterprise Risk Management; Corporate Governance; Community Involvement.

Mr. Sieb 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.



Leslie Roosa **Director**
Director since: 2016
Committees: Audit; Corporate Governance; Conduct Review (Chair); Nominations.

Ms. Roosa is currently employed with the Vancouver School Board, is very active with the BC Teachers Federation and is on the BCTF Pension Committee.



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 2017, 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	\$7,850	7 of 7	30 of 30	\$46	\$7,896
Colleen Jordan	Vice Chair	\$6,400	7 of 7	26 of 30		\$6,400
Gary Kroeker	Secretary/ Treasurer	\$5,750	7 of 7	22 of 23		\$5,750
Ken Isomura	Director	\$2,600	4 of 7	1 of 8		\$2,600
Ken Bauder	Director	\$4,100	7 of 7	11 of 11		\$4,100
Mary LaPlante Derksen	Director	\$5,150	7 of 7	17 of 18		\$5,150
Dave Wilson	Director	\$5,150	7 of 7	20 of 20	\$11	\$5,161
Rick Sieb	Director	\$4,450	7 of 7	12 of 13		\$4,450
Leslie Roosa	Director	\$4,500	7 of 7	15 of 15	\$132	\$4,632
Brian Cochrane *	Director	\$1,650	1 of 3	1 of 6		\$1,650
Dennis Van den Hooff **	Director	\$1,750	1 of 3	2 of 6		\$1,750
TOTAL		\$49,350			\$189	\$49,539

* Brian Cochrane stepped down from the Board on February 8, 2017 ** Dennis Van den Hooff stepped down from the Board on February 8, 2017

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 in support of 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 positions total compensation including benefits, 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 Directors 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. The CEO also receives a car allowance for a total of \$9,000 per annum.

Retirement Income Program

The CEO participates in Community Savings' RRSP plan whereby employees are paid a percentage of their base salary into an RRSP. The annual CEO contribution to the RRSP is included in the pension, benefits, perquisites amount shown below.

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, 2017, the CEO received the following compensation:

Base Salary:	\$214,783.07
Pension, benefits, perquisites:	\$54,156.35
Variable-based Pay (Bonus):	\$41,006.24
Total Compensation Paid:	\$309,945.66

Supporting our Communities

Supporting our communities has been a way of life at Community Savings Credit Union for over seven decades. Being a member owned financial organization, we understand that being local truly matters. Local is where we work, live, play and it is the place of our friends, families and credit union members.

Through sponsorships, donations, educational bursaries, and scholarships in 2017, we proudly supported over 50 community groups and organizations.

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.

Community Event Participation

Hats Off Day - Burnaby
Hyack Festival - New Westminster
Collingwood Days - Vancouver
Quadra Village Day - Victoria
SurreyFest - Surrey
Vaisakhi Parade - Surrey
Poco Car Show - Port Coquitlam
Community Leader Awards - Surrey

Community Savings Is Proud to Support:

Angels for Autism
BC Building Trades
BC Children's Hospital
BC Federation of Labour Community Christmas Dinner
BC NDP
British Columbia Regional Council of Carpenters
Burnaby Citizens Association
Burnaby Firefighters Charitable Society
Burnaby Heights Merchant Association
Canadian Centre for Policy Alternatives
Canadian Labour Congress Pacific Region Scholarships
Canadian Red Cross
Camosun College
Canuck Place Children's Hospice
Child Find BC
Columbia Institute
Counter Current Media Ltd
Crossroads Hospice Society
Family Support Institute of BC
Fraser Valley Labour Council – Labour Day Picnic
Greater Victoria Acting Together
Kwantlen Polytechnic University Foundation
Labour Heritage Centre
Leukemia & Lymphoma – light the night
Local 258 IBEW
Lower Mainland Purpose Society
100 Year Journey
MoveUp
Pacifica Housing Advisory Association
Pacific Community Resources
Pathfinder Youth Centre Society
Pile Drivers, Divers, Bridge, Dock & Wharf Builders Local 2404
Protein for People
Royal Columbian Hospital Foundation
Royal City Rotary
Shareholder Association for Research & Education
Simon Fraser University
South Asian Business Association
Special Olympics
St. Mary's Parish
Surrey Firefighters Charitable Society
Surrey Crime Prevention
Surrey Food Bank
Tri Cities Rent Bank
UFCW Local 247
Unifor Local 333 BC
United Way of the Lower Mainland
Vancouver & District Labour Council
Variety Club
Victoria Community Response Network
Victoria Cool Aid Society
Victoria Labour Council – Labour Day Picnic

Community Savings

the unions' credit union

Burnaby

4590 Hastings Street
Burnaby
V5C 2K4

Port Coquitlam

111-2020 Oxford Connector
Port Coquitlam
V3C 0A4

Vancouver

5108 Joyce Street
Vancouver
V5R 4H1

New Westminister

1188 8th Avenue
New Westminister
V3M 2R6

Surrey

7380 King George Blvd.
Surrey
V3W 5A5

Victoria

2750 Quadra Street
Victoria V8T 4E8
250-385-8431

Corporate

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

604-654-2000 or Toll Free: 1-888-963-2000
comsavings.com

 @communitysavings  @comsavings

A field of tall grasses in a field, with a dark, blurred background. The grasses are in the foreground, and the background is a dark, out-of-focus field of similar grasses.

Community *Savings*

the unions' credit union