

2022

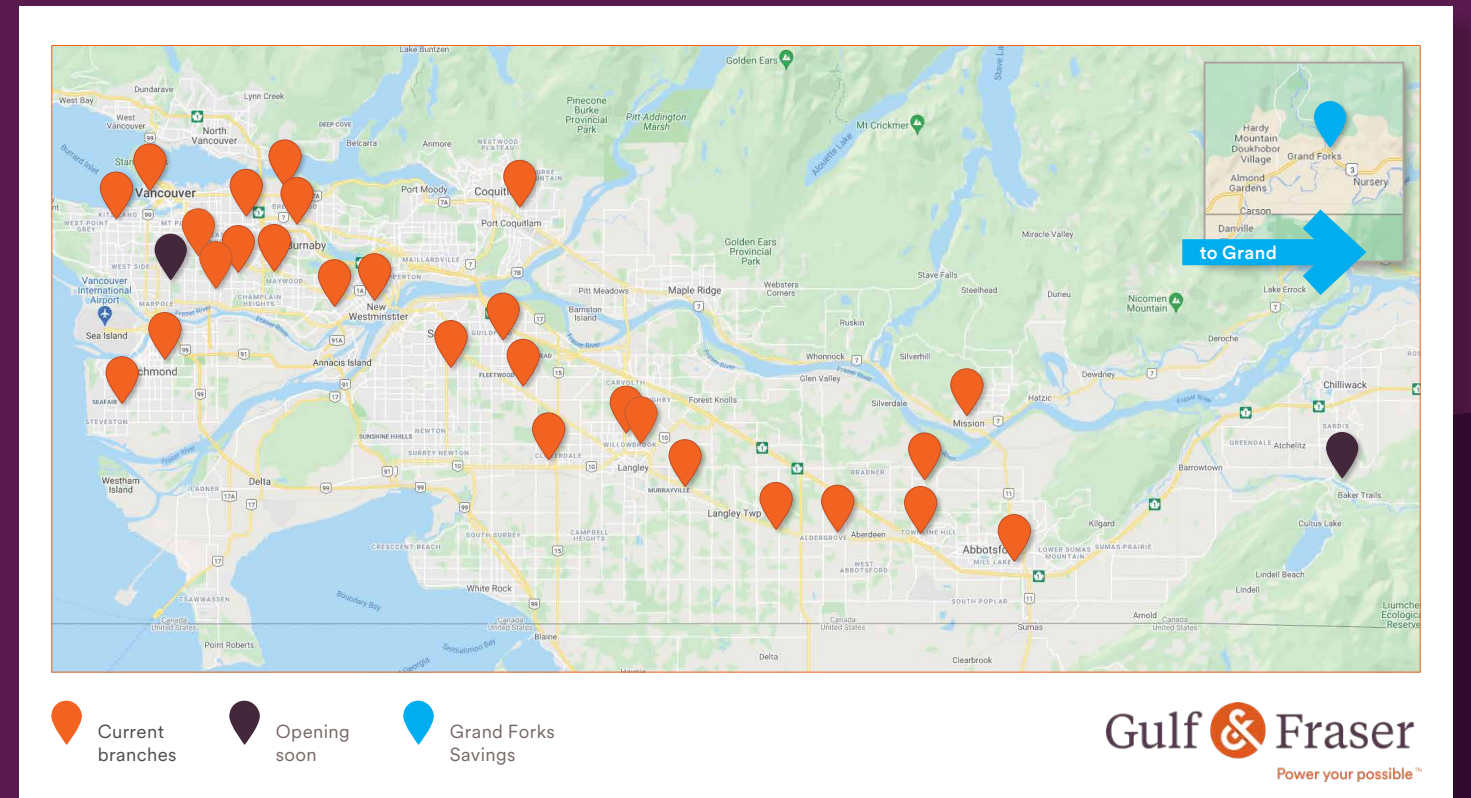
Annual Report



Gulf & Fraser

Power your possible™

Power your possible™





(Pictured left to right)

Jeff Shewfelt,
Co-Chief Executive Officer

Floyd Yamamoto,
President and Chair of the
Board of Directors

William Kiss,
Co-Chief Executive Officer

Building up and taking root locally

With each passing year comes new opportunities. Over the last 12 months our credit union experienced a fruitful and transformative period. Along the way we learned that to grow is great, but to share is better.

We witnessed new trends and expectations and expanded our products and services. We grew as a team — with more employees, promotions and branches — and formed industry and credit union partnerships, streamlining our digital banking experience and stretching into new regions in the province. As a result, we opened more doors to strengthen the credit union system in BC, build up our own credit union family and root down locally. All in all, it has been an amazing time!

One of our key values is being adaptable and accepting change as a constant; and that we need to adjust to meet and anticipate what's ahead. We do this because our business requires it, but also for the financial wellness of our members, employees and the communities we serve. The whole financial industry is facing the same balancing act. In British Columbia alone, only one third of the credit unions that existed 30 years ago remain, with many seeking partnership to fulfill their needs. It was no surprise then when Mount Lehman Credit Union and VP Credit Union — two local and established cooperatives — approached us to discuss the potential of joining forces.

From the onset, we saw synergy with Mount Lehman Credit Union. Around 600 of its members were already members at Aldergrove Credit Union (our 2021 merger partner) and we had wanted to strengthen our ties with our membership in the Fraser Valley for some time. It was a natural choice to join credit union families with Mount Lehman.

The same applied to VP Credit Union. For many years we'd been providing financial advice services to its members and feedback was positive. Many VP members were also living a great distance from their city-based branches, and so we saw that we could better serve them — whether they were in Vancouver, Abbotsford or Mission.

On January 1, 2022, we merged with both credit unions, expanded our network, welcomed 4,369 members and 20 employees from our merger — and another 127 new hires — into our family and upgraded digital banking experience. Today, we are honoured to share that we are 82 years old with 402 employees, 63,192 members, 27 branches and \$5.4 billion in assets under administration.

When we reflect on 2022, we have truly grown into something new. “While it wasn’t planned that we would undergo two mergers within a single calendar year, our strategic plan recognized that these opportunities may come along,” notes Floyd Yamamoto, President and Chair of the Board of Directors at Gulf & Fraser. “It’s an exciting time for all of us because with growth comes the ability to make a greater impact in our local communities and the confidence that we’ll continue to serve our members for generations to come.”

In many ways, we’ve reimaged what it means to grow while continuing to tend to our roots. With the merger, new opportunities have sprouted — with soon-to-be-open branches where our members can come to connect and learn. In the same vein, our employees team is more diverse, inclusive, knowledgeable and supported than ever before — offering our membership a solid financial foundation for many years.

With all this change, we went a step further and created a cohesive framework that reflected our culture and growth and retained our local community spirit. So in the fall we launched our new brand identity. We went back to our roots and updated our trade name from G&F Financial Group to Gulf & Fraser (a trade name of Gulf and Fraser Fishermen’s Credit Union). We revamped our vision — a future where everyone in our community can achieve financial wellness — and realized this by igniting the potential within our members, co-workers and neighbourhoods so they can dream and achieve their next steps. *Power your possible™* isn’t just an inspirational tagline we created. It’s in everything we do. From our products and services, branch offerings and events to in-person and online interactions — our goal is to humanize banking and make the journey to financial well-being easy to understand, simple to do and always achievable. Ultimately, we want Gulf & Fraser members to experience the credit union difference.

Better together. Our successes and highlights.

Thanks to our mergers, we welcomed two branches and thousands of members into our Gulf & Fraser family. Soon after, Grand Forks Credit Union approached us as a potential merger partner. Member voting and discussions took place throughout the year, with our partnership secured in January 2023.

Mergers are less about opportunity than the reality of the banking climate and future health of smaller financial institutions. The world is changing quickly and we must change with it; open banking is coming and competition a quick second. Weaving our assets to create a stronger foundation allows us to harmonize the credit union spirit in the province and multiply the good we can do in our local communities. This has always been our formula for success, and 2022 was no different.

While our purpose to serve our people remains the same, some things are changing. Our membership is leaving the city and moving further out in the province and on Vancouver Island. For this reason, we want to learn the unique needs of our new communities and reflect their local vibes and wants in our members' branches. This is why we aim to become a truly provincial credit union with a local focus to best serve all members, wherever they are in BC.

"This past year, Gulf & Fraser saw tremendous growth — not only through merger, but organically, as more people chose to join our credit union. To continue to serve our members, we've focused on building out our branch network and improving our products and services as well as our digital offering."

— Floyd Yamamoto, President and Chair of the Board of Directors, Gulf & Fraser

We've renovated some of our brick and mortar locations, and started construction on our seventh branch in Vancouver along the Cambie corridor. We've launched a line of spending and savings accounts, Collabria credit cards and our Member Rewards Program, inspired by Aldergrove Credit Union. This program is designed to benefit members as they strive to achieve their financial goals; members can join and earn monthly cash rewards, all while making simple and smart financial choices. Our digital banking experience was also updated with new features. To achieve this all, we hired more employees and gave current employees more opportunities through internal promotions. We thank them all for embracing these growth opportunities with us.

For future giving we invested \$1.5 million back into our Gulf & Fraser Foundation — \$500,000 more than we did in 2021. These funds will be shared among organizations in need. We also contributed to our three major campaigns: Zajac Ranch for Children through our golf tournament, BC Children's Hospital Foundation and United Way of the Lower Mainland. In total, we raised \$193,960 through the generosity of our donors, members, employees and Board.

We ended 2022 with our Gift of Giving holiday campaign. Gift of Giving is a chance for our employees to use Gulf & Fraser funds to financially support causes of their choice from November 28 to December 23. Across all branches and departments, our employees gifted \$100,000 to local organizations in need. Employees hand delivered cheques and photos were shared on our social media platforms and as part of our media communications. We also celebrated our commitment to Boundary region communities by supporting local healthcare initiatives through a donation of \$150,000 over three years, in addition to \$250,000 donated by Grand Forks Credit Union.

Throughout 2022, we donated a total of \$1,369,089.

As we enter 2023, we'll continue to focus on our members, our team players and our communities — helping them achieve their financial growth and well-being goals. We look forward to what's to come, to the year ahead, to welcoming our new members from Grand Forks Credit Union. To more abundance all around.

Open banking

Open banking will irreversibly shift the service-giving and service-receiving process, while increasing the cost of delivering quality products and services by credit unions; it will also give consumers more choice in financial services while removing barriers to international players. We've partnered with Mobetize and Doxim (see Industry Partner section) to expand our digital services and explore artificial intelligence (AI) capacities to engage in this space with more confidence.





Economy at a glance

Inflation was the central theme of 2022 with supply chain disruptions sparked by COVID restrictions — exacerbated by Russia's unexpected invasion of Ukraine which sent inflation to a peak of 8.1% in June (the highest in 39 years). In order to tame inflation, the Bank of Canada began an unprecedented rate hike cycle increasing its target overnight rate from 0.25% to 4.25% by the end of 2022, a level not seen since 2007. As the effects of higher rates continue to work through the economy, economists are forecasting a mild recession in 2023 as signaled by a present inverted yield curve. The Bank of Canada is hoping to avert a recession and navigate a soft landing for the economy with anticipated improvements in supply chains; not to mention the impacts from higher interest rates slowing household spending and business investment. Ultimately, the path of inflation and interest rates will underpin the direction of the economy which is difficult to predict with accuracy.

The 2022 real estate market in the Lower Mainland was volatile. The red-hot real estate market to springtime was subsequently cooled by housing unaffordability caused by price appreciation during COVID and rising mortgage rates. The Real Estate Board of Greater Vancouver reported 2022 residential home sales down 34% year-over-year compared to 2021 and the benchmark price down 3.3% (with a 9.9% decrease over the last six months of 2022). The rapid rise in interest rates and debt servicing costs has meant that many members with variable rate mortgages reached their trigger point — where mortgage payments no longer cover required interest payments; however, Gulf & Fraser has proactively engaged with our members to develop plans and alternative solutions.

Despite the tumultuous economy, Gulf & Fraser achieved outstanding results. We exceeded our budgeted lending and deposit growth targets for the year and combined our strengths from mergers with VP and Mount Lehman credit unions. We had over 30 projects underway, including opening our 27th branch in Guildford, completing a business case and approval for our seventh Vancouver-based branch in Oakridge, launching our new trade name, brand and Member Rewards Program and successfully completing banking system integrations for legacy Aldergrove, VP and Mount Lehman members.

Knowing that we're stronger through collaboration, we received regulatory consent and a positive membership vote from Grand Forks Credit Union to proceed with a merger and have them join our credit union family effective January 1, 2023. By combining resources, we'll be able to provide its membership with new payment technologies, enhanced products and services and access to an expansive branch network in the Lower Mainland, ensuring we meet member demands well into the future.

Despite the tumultuous economy, Gulf & Fraser achieved outstanding results. We exceeded our budgeted lending and deposit growth targets for the year and combined our strengths from mergers with VP and Mount Lehman credit unions.

At Gulf & Fraser, we invest in the future

We seek out industry partners who share our forward-thinking philosophy while demonstrating our leadership in the credit union system through representation. Both approaches help us guide strategic decisions that impact our sector.

Staying true to our member-first approach, we partnered with Mobetize — a business-to-business financial technology company that delivers modern digital banking applications — and Doxim — an industry leader in account verification, digital document storage and payment solutions. Together, we adopted a quick and seamless standalone website — an all-in-one digital platform — for members to use when opening a membership or account. Our goal was to streamline our processes, create a great experience for all involved and free up time for what matters most: the valuable conversations that allow our employees to provide the best possible financial advice to our members.

Similar to an Amazon online marketplace environment, this platform will allow members to personally choose the demand and term deposit accounts that best meet their needs — be it spending, savings or any lending products — and set them up in five to 10 minutes. We've named it the Gulf & Fraser Marketplace and it will evolve over time as we continue to add valuable products and services to it so we can meet our members' needs.

At our core we champion cooperation among cooperatives, and so we wanted our upward growth to also be reflected in our provincial and local outreach. To do this, we make sure that our leaders get a seat at the table of various industry groups and events, and that our

credit union's voice is heard by regulators and decision-makers. As such, we sat on committees promoting education, wealth management and open banking strategy, to name a few. This is especially vital in our rapidly changing financial landscape and as the Canadian government opens the door to open banking. Industry representation and collaboration are also crucial to level the playing field. Often smaller credit unions can't afford to invest in technology like their bigger counterparts and are forced to go without or are left unseen. At Gulf & Fraser, we want to bring more equity to the sector and connect with all willing cooperatives who want to share knowledge and advance the services we provide to our members because we truly believe that we're better together.

We represent our credit union, and all credit unions, through our involvement with the:

- National Community Impact Committee at the Canadian Credit Union Association (CCUA)
- Aviso Wealth Management Advisory Council for Canadian Credit Unions
- Open Banking Strategy Committee (via CCUA)
- Credit Union Foundation
- Credit Union Deposit Insurance Fund Size Review Working Group (via CCUA)
- Capital Modernization Working Group (BC Financial Services Authority)

“By partnering with Mobetize and Doxim, we'll be able to offer a fast, effortless online loan and retail/business member onboarding experience.”

— Nelson Sandhu, Chief Experience and Innovation Officer, Gulf & Fraser



“Combining our credit union resources means we now have \$5.4 billion in assets under administration, allowing for expanded services for both our personal and business members. Now everyone will be able to enjoy benefits such as tap cards, an easy-to-use banking app and access to mobile advisors and investment specialists.”

— Bill Kiss, Co-CEO, Gulf & Fraser

On the journey to financial wellness

This year, we launched products and services to connect and serve with our merged, existing and brand new members. VP and Mount Lehman's former online banking systems were retired and members were welcomed to the Gulf & Fraser digital banking experience. Throughout the transition we provided technical support thanks to our branch employees and the Gulf & Fraser Member Hub (our members' call centre).

Equally, it's important we create products and services that are needed and valued by our membership, and that will support their financial and wellness goals for years to come. To this point, we held member-led focus groups to learn how to improve our previous account lineup and future features. In the end, we produced a line of personal and business-use spending and saving accounts — Essential, Everyday, Unlimited, High Interest Savings and one for USD currency — designed by members for members. These products match the lifestyle and business needs of our members, are easy to set up and help build and maintain healthy spending and saving habits. We also built out a series of features to enhance our digital banking experience and make banking-on-the-go easier for members.

This included:

- New Gulf & Fraser branding
- Interac® Online
- Void cheque download
- The ability to reset personal access code using a two-step verification process
- Apple Pay for Gulf & Fraser Membercard debit cards (iOS only)
- Digital banking alerts

Creating a suite of useful tools is not only impactful for our membership but part of our long-term focus: when we grow, so does our whole network.

Building places to gather

While more and more members are conducting their banking online, our branches are still at the heart of what we do: community. In this light, we're investing in personal interactions. Whether it's hands-on financial coaching, investment programming or event-driven fundraising, our people-centered spaces make our community thrive.

As a benefit of our mergers, we welcomed two new branches into the Gulf & Fraser family — one in Vancouver (Graveley) and the other in Abbotsford (Mount Lehman).

We also opened a Guildford location — our fourth branch in Surrey. The 2,000 square-foot full-service branch is prime for hosting financial wellness events and will allow us to connect to the multicultural community it serves. And we're working on our seventh location in Vancouver as part of the Cambie Gardens development in Oakridge.

The branch will offer comprehensive banking services, insurance and wealth management solutions, as well as an ATM/night deposit unit, safety deposit boxes and a cash recycler. The interior of the branch will provide a welcoming and contemporary atmosphere that is found in our other locations. The Oakridge location will open in 2023.

While we're renovating the Mount Lehman branch, we're also in the midst of relocating our Mission and Aldergrove branches to more prominent and convenient locations. This is better for our current members — as the spaces are in higher density areas — which make them more visible to attract new members as well.

"We know our members will always need a human touch to listen and advise on important financial decisions. So we'll continue to invest in our branches, ensuring our members have a comfortable space to meet with us face to face."

— Jeff Shewfelt, Co-CEO, Gulf & Fraser



Our financial highlights

Despite the challenges in the economic environment, Gulf & Fraser had stellar results in 2022. We exceeded our budgeted lending and deposit growth targets for the year and experienced positive wealth management net sales growth amidst a turbulent equities market.

Most notably, Gulf & Fraser had record earnings from operations for the year of \$32.9 million (11.7% return on retained earnings) as a result of both organic growth and due to our recent mergers. Our operating efficiency for the year was 67%, well below the 76% average in the BC credit union system. Over the past 18 months, we merged and integrated systems and processes with three strong credit unions and have been able to realize efficiencies in how we operate. While the harmonization will continue into 2023, and with the additional merger of Grand Forks Credit Union, we're proud of what we've accomplished.

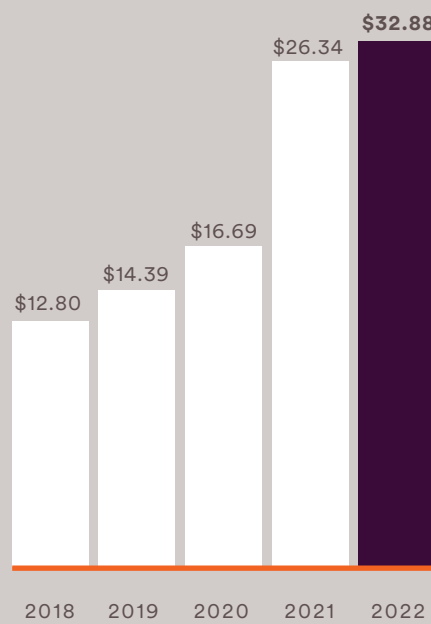
Our assets grew by \$675 million or 16.5% (11.3% organic growth) during the year to end 2022 at \$4.8 billion on the

balance sheet. Our lending portfolio grew by 12.3% and deposits grew by 15.5% which included strong organic growth of 8.3% and 10.0% respectively. Our wealth management portfolio experienced net sales growth of \$17.6 million or 3.0%, totaling \$541 million in assets under administration.

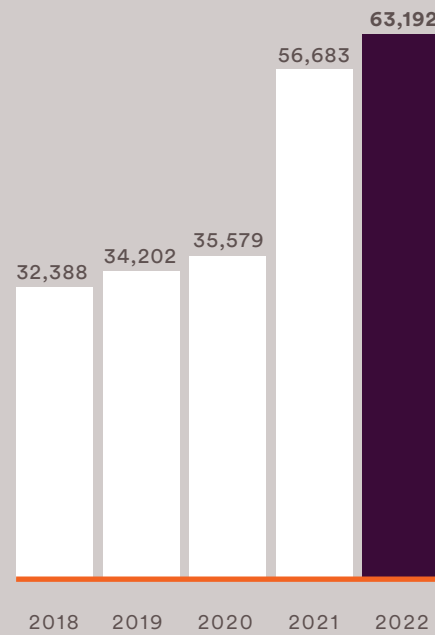
Our capital adequacy ended the year at 14.9%, well in-excess of the regulatory requirement of 8% and the supervisory target of 10%. Our total liquidity ended the year at 19.1%, considerably above the regulatory requirement of 8%. We had net growth of 6,509 members or 11.5% (3.8% organic growth) bringing our total membership to 63,192.

In recognition of our strong financial performance, the Board of Directors approved a contribution of \$1.5 million to our Gulf & Fraser Foundation. In addition, Gulf & Fraser declared dividends of 5% for member equity shares and 6.5% for investment equity shares.

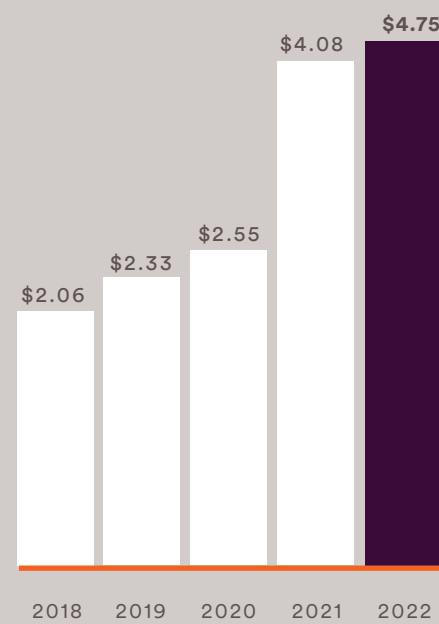
Earnings from Operations (\$M)
24.8% growth in 2022



Membership Count
11.5% growth in 2022



Consolidated Assets (\$B)
16.5% growth in 2022



\$1.3m invested
directly into our communities



48 promotions
of employees into new and exciting roles



127 new employees
joined Gulf & Fraser in 2022



75% engagement
of employees excited about working here



\$1.5m donated
to our Foundation for future community needs



14,300 hours
spent training employees



93 young leaders
under 40 active in our Inspire network



112 personal finance classes
delivered to students with Junior Achievement British Columbia (JABC)



As of
December 31, 2022:

Total employees:
402

Internal promotions:
48

Growing together. Our employees' success.

Our success lies in the hands of our employees. They deliver our culture, brand, products, services and collaborative framework so that our members are well guided on their steps towards financial wellness.

Our newly integrated employees were oriented on all things Gulf & Fraser through what we call bootcamp. During this time, they learned about our products, software, banking system and harmonization of procedures following a merger. We provided training in emerging leadership, mental health and first-aid and workplace safety and respect, as well as annual security to meet regulatory compliance. Employees also upgraded their skills in money advising, leadership, digital transformation, financial analysis and planning and management studies. In 2022, our employees clocked 14,300 training hours and 1,200 volunteer hours, resulting in a 75% employee engagement rate for the year surpassing the industry benchmark of 67%.

At Gulf & Fraser, we're an inclusive employer and encourage a supportive and diverse workplace. It's our belief that varied perspectives unpack problems and make for better solutions. That's why we developed a change advocacy group we call *Momentum*. One of its key goals is to support newly merged employees through the enormous amount of change that comes with integrating three credit unions into one. Not only that, Momentum serves to drive business strategies and gain insights into our nested team. It helps us see what challenges and opportunities we're facing and how to work together to develop approaches for future projects.

In 2022, Momentum analyzed our employee survey results to better understand how we can impact change and contribute to the social purpose statement of our work — how we show up for community, our people and the environment.

Our rebranding was key to integrate our new partnerships. It brought cohesion to our credit union family but also reaffirmed our vision, mission and values — ensuring our core essence and promise were crafted with our employees in mind. In fact, just like our new products were co-developed by our members, our revised branding was shaped by employee input. It's also why we created a Diversity, Equity and Inclusion Policy and Program. We wanted to put our values into action and ensure that those who engage with us feel heard and seen and know that they're a part of something bigger.

The Inspire Young Leaders Network (INSPIRE) also planted seeds of future growth for all to share. Formed in 2015, INSPIRE offers employees under 40 professional development opportunities in leadership through collaboration. With over 93 members, the group hosted six in-person and virtual events and held four quarterly calls with committee members — while others attended leading events such as the BC Young Leaders Leadership Conference and the NEXTGEN® Leadership Forum (part of the CUA conference). The network also engaged and consulted with credit union peers on various aspects of the program. In the end, INSPIRE hopes to enhance the skills of its membership by illustrating that you can lead from any seat.

The seeds we sow. Member engagement.

In 2022, we conducted a member survey through Sentis Research. Over 1,843 members responded and expressed their continued trust in Gulf & Fraser in these areas:

- Helping members improve their financial well-being
- Supporting the community
- Overall banking expertise and competence
- Being flexible and accommodating

Compared to 2022 benchmark results, our branch service outperformed the industry standard with 82% of members rating their overall branch experience as excellent or very good. While 78% of members rated the knowledge, expertise and personalized service they received from financial planners and investment specialists in our wealth management team as excellent or very good.

These results mean a lot to us. This year Gulf & Fraser had great financial growth but change isn't always easy. To see that our employees are learning, growing and exceeding our members' needs is rewarding. We thank our members for their patience and continued confidence, and to our employees for tending to our seeds of yesterday, today and tomorrow.

For seasons to come. Our 2023 highlights.

We continue to tend to the health and abundance of our shared assets. In doing so, we look to next year with excitement. In 2023, we'll welcome our new members and employees from Grand Forks and continue to enhance our services for our membership. We'll launch the Gulf & Fraser Marketplace — our new line of digital tools co-developed with our industry partners Mobetize and Doxim — and open our Vancouver location in Oakridge. Our Mount Lehman branch renovations will be in full swing and we'll eagerly start plans for new locations in Mission and Aldergrove.

In the meantime, we continue our work with youth by holding personal finance classes at schools across the Lower Mainland. We support our local communities through events, funding and fundraising efforts. We're equally looking at expanding further east and north into the Interior and surrounding areas, as per our pending merger with Interior Savings Credit Union. All the while, working diligently to build a sustainable and thriving credit union family that uplifts and tends to our members, employees and local communities.



"We're grateful for the opportunity to guide and support our members for many more years to come, to give you healthier, more balanced financial services and to support the communities where you live so that together, we can all thrive."

— Floyd Yamamoto, President and Chair of the Board of Directors, Gulf & Fraser

Our team, our members.

This year was marked by heartfelt farewells and warm hellos.

We thank Gus K. Hartl, former president, Lydia Johnson, former CEO of VP Credit Union and special advisor to Gulf & Fraser — and Arlet Wilde, former CEO of Mount Lehman Credit Union — for their years of service in finance, banking and the credit union system.

To our new employees, welcome! We wanted to showcase their experiences. Here's what they had to share about their roles, teams and opportunities by joining the Gulf & Fraser family:



Polina Gryshko Business Solutions Specialist

"One of the main reasons VP Credit Union merged with Gulf & Fraser is culture. Gulf & Fraser cares about its members; our teams are also working together

to build strong relationships with each member by providing efficient support.

My knowledge and abilities started growing rapidly after joining Gulf & Fraser. Every day there is new information, updates and possibilities. Along the way, I'm being supported by managers, co-workers and the learning department — who are all helping me deal with the new changes and learning curve. I'm motivated by their support."



Anna Sandhu Assistant Manager, Central Operations

"It has been a roller coaster of change, with positive and negative impacts. Overall there have been great opportunities

since the merger. I've joined a new team with a new role and it's been an exciting time to develop. My new role is Assistant Manager, Central Operations with a focus on member and centralized services.

The move to merge was the best option for VP and I believe the membership is seeing the benefits in certain aspects and will continue to benefit in the future.

At a small credit union, there are limited options or time to grow professionally so I'm very excited with the opportunity to further develop skills and obtain new skills through enhanced technologies. I'm very excited to be able to join the Gulf & Fraser network, to be part of a larger team supporting and continuing to thrive during these uncertain times."



Darcy Knoll Money Advisor

"There have definitely been challenges — a lot to absorb, as there are different systems, however, there are people across branches who are willing

to help. But the benefits to employees and members are amazing! The employees have more room to grow and opportunities with a larger credit union. There's more accessibility and support as far as courses and ongoing learning, as there is an entire department to do this. The members also have more opportunities and options. For example, tap cards were a big ask during COVID, the Gulf & Fraser app and Deposit Anywhere™, higher term deposit rates and more term options, just to name a few."



"I can't stress enough how much I appreciate the work you have done this past year, helping complete two successful mergers. Thank you to our branches for continuing to provide service excellence as you welcome and embrace new members. To our 147 new employees, thank you for your flexibility and for having an open mind as you adapt to new processes and also help improve how we do things. At the end of the day, it's our people who have risen to the challenge and have made our credit union stronger. And because of you, we're better today than we were a year ago."

— Floyd Yamamoto, President and Chair of the Board of Directors, Gulf & Fraser

We also want to thank our new, current and future members for helping us shape our credit union into what it has become. To many more years together!

"Well if Grand Forks, where I used to live, gets the same quality of service as the VP Credit Union merger, there should be smiles all around. Not one complaint from me."

— Charles Owen, Graveley branch

"Very satisfied. The employee was so helpful in moving our investments from TD Bank to Aldergrove Credit Union, and the manager is always so friendly and always available to help in any way. Those two are keepers for sure."

— Byron O'Neill, Mount Lehman Centre branch



Community Investment Report



Growing to Power your possible™

This past year was marked by new beginnings. In many ways, our growth mirrors that of a community garden and forest. Our members are the vibrant flowers, our employees the shading trees and our local communities the woven foundation which keep us all interconnected. In short, we merged, we expanded and rose to new heights. Our partnership with VP and Mount Lehman credit unions contributed to this opportunity. In connecting our geographical reach, we got the chance to branch out and welcome new organizations, community changemakers and non-profits into our giving space.

In 2022, we invested \$1.5 million into our Gulf & Fraser Foundation to support community efforts for years to come. And our strategic collaborations have allowed us to give even more. Since 2020, Gulf & Fraser has given back over 2% of the credit union's income to worthy causes annually. We set this goal with the intention of doing good in and around our branch locations, and we've exceeded it every year. In 2022 alone, we contributed \$1,369,089 to communities across British Columbia. This included our three major fundraising campaigns which raised \$193,960 and other Gulf & Fraser supported projects: local community partners, charity groups, cultural and sport organizations, educational awards and financial literacy workshops. Work we couldn't do without your trust in us.

We also committed our giving dollars to worthy initiatives beyond our current reach. We pledged \$150,000 over three years to organizations in the Grand Forks and Boundary regions of BC and gave \$15,000 to the Canadian Red Cross for hurricane relief efforts in Newfoundland. Gulf & Fraser also contributed \$20,000 towards the Red Cross for its humanitarian crisis appeal in Ukraine. Donating to these causes is aligned with our core value to support local, and whether it's here or there, local is everywhere.

We thank our members, employees and communities for allowing us to thrive as we celebrate 82 years strong with 63,192 members, 27 branches and \$5.4 billion in assets under administration. Here's to empowering our potential and to Power your possible™ too.

"We're grateful for the opportunity to guide and support our members for many more years to come, to give you healthier, more balanced financial services and to support the communities where you live so that together, we can all thrive."

— Floyd Yamamoto, President and Chair of the Board of Directors, Gulf & Fraser

“The idea of serving and giving back to the community is ingrained in the foundation of being a credit union. Our employees were passionate to come together and donate to the causes they personally valued. As a company, we’re proud to be a part of this effort and to support our employees in their drive to make a difference.”

— Bill Kiss and Jeff Shewfelt,
Co-CEOs, Gulf & Fraser

Investing in our local roots.

At Gulf & Fraser we remain true to our cooperative values and are committed to creating brighter futures via positive impact. As such, our community investment focuses on strengthening the areas we serve in alignment with our vision, values and social purpose statement by powering the possible in our communities through connection and amplified financial literacy.

Our guiding principles lead the way. We invest in initiatives that:

- **Empower.** Our communities and those they serve to improve, achieve, succeed and overcome
- **Enrich.** The lives of our members and employees to build brighter futures
- **Engage.** To bring people together
- **Educate.** Through our financial literacy programs, educational awards and scholarships
- **Support.** The environment and organizations that align with our social governance

At a corporate level, our community investment initiatives focus on empowerment. Overall, Gulf & Fraser supports organizations in these three areas:

- **Community health** — programs, schools or groups that contribute to the well-being of our communities, whether it be through sports or the arts
- **Social care** — programs or groups that support mental and physical health, diversity, equity and inclusion and financial literacy
- **Environmental impact** — programs or groups that support the education, wellness, sustainability and health and vitality of our environment

Tending to our community.

At Gulf & Fraser, we support local at every turn. In a year of two mergers, and one in 2021, our giving pool expanded. We uplifted new community advocates and past Gulf & Fraser recipients such as Ribfest, TEDxSurrey and the West End Seniors Network. We gave \$150,000 to the Phoenix Foundation; this amount will be donated over three years and mirrored the giving spirit of Grand Forks Credit Union who contributed \$250,000. The combined amount of \$400,000 will benefit communities in the Grand Forks and Boundary regions and their healthcare needs for years to come.

We also chose to keep giving to organizations previously supported by our partners Aldergrove Credit Union, VP Credit Union and Mount Lehman Credit Union. This included:

- Abbotsford BerryFest, Downtown Abbotsford Winter Jubilee, Langley Ribfest and the Mission Arts Council Children’s Festival
- Odd Squad Productions Society and the Metro Vancouver Transit Police Charity Golf Tournament
- Calendars by the Mount Lehman community in conjunction with local elementary schools

Ending the year on a high note, Gulf & Fraser donated \$100,000 to 64 local groups in the Lower Mainland and overlapping Fraser Valley as a part of our employee-driven Gift of Giving holiday initiative.

Among the recipients were:

- Abbotsford Youth Health Centre, Abbotsford
- Access Youth Outreach Services, Coquitlam
- Downtown Eastside Neighbourhood House, Vancouver
- Khalsa Aid Canada, Richmond
- Mount Pleasant Family Centre Society, Vancouver
- New Westminister Animal Shelter, New Westminister
- Robert Lee YMCA, Vancouver
- Sara for Women, Abbotsford
- Tri-City Transitions Society, Port Coquitlam



Our 27 branches were keenly aware of the financial assistance needs of local organizations. As recommended by our Gulf & Fraser employees, we contributed to groups focused on health and wellness in Mission, Abbotsford, Langley, Burnaby, Vancouver, New Westminister, Tri-Cities, Richmond and Surrey, including:

- Aunt Leah’s Place, New Westminister
- Covenant House Vancouver, Vancouver
- Greater Vancouver Food Bank, Burnaby
- Kidsport, Port Coquitlam
- Langley Youth Hub, Langley
- Refresh Mobile Shower Ministry, Abbotsford
- St. Alban Outreach and Advocacy, Richmond
- St Joseph’s Food Bank, Mission

The Foundation of our giving.

The purpose of the Gulf & Fraser Foundation is to provide financial assistance to charities and non-profits that share the same ethos and values as ours. Ultimately, groups that want to make a lasting positive impact in the community.

Since its inception in 2003, the Foundation has invested \$1,892,762 across local organizations in Metro Vancouver. This year, we invested \$1.5 million into our Foundation's fund. This exceeded our 2021 contribution by \$500,000. With these funds we know we can do legacy work in our communities and encourage others in the credit union system to do the same.

In 2022, we chose 31 organizations to support. Between them they received \$298,000 to Power their possible™. Some of these recipients were:

- Burnaby Neighbourhood House, Burnaby — \$10,000
- Cyrus Centre, Abbotsford — \$20,000
- Institute of Applied Design & Technology Education Society, Richmond — \$15,000
- Langley Care Society, Langley — \$18,700
- Lower Mainland Down Syndrome Society, Surrey — \$17,506
- SOS Children's Village BC, Surrey — \$10,000

“To have Gulf & Fraser step up and support Zajac Ranch just means the world to us. This will have a huge impact for the families. To have them come out and have the time of their life means a lot to the kids as well as to the families themselves.”

— Carmen Zajac, President, Zajac Foundation

We campaign for good.

Annually, Gulf & Fraser hosts three major fundraising campaigns. Again we supported BC Children's Hospital Foundation (BCCHF), United Way of the Lower Mainland and Zajac Ranch for Children through our annual charity golf tournament. In total, these groups received over \$193,960 in committed donations from our credit union.

More than \$21,500 was provided to the BCCHF through donations and Gulf & Fraser employee fundraising initiatives. This money will go towards research in the treatment and prevention of childhood diseases.

The Gulf & Fraser family has been a strong supporter of United Way since 2001. In 2022, our employees raised over \$40,000 through payroll and other initiatives. Our board matched this contribution and gave a total of \$81,927 to the United Way fundraiser. These funds will be used three-fold: to provide nutritious and culturally appropriate food for individuals and families in need through food hubs, to enable kids to participate in high-quality after-school activities and to combat social isolation through resident-led projects.

Lastly, 144 golfers, Gulf & Fraser employees, members, and suppliers joined us on the green to support Mission's Zajac Ranch — an inclusive summer camp for children with medical conditions and disabilities.



“At Gulf & Fraser, supporting our communities is at the heart of what we do. We're proud to continue our support for local charities, non-profit groups and organizations who truly benefit from this funding.”

— Bill Kiss and Jeff Shewfelt, Co-CEOs, Gulf & Fraser

Our future, planting seeds.

Gulf & Fraser is passionate about education. It's why we give educational awards to deserving students and institutions every year.

We also work alongside the Credit Union Foundation of BC (CUFBC) to extend our giving reach and impact. The CUFBC is a province-wide charity that is founded and funded by the province's credit unions. It distributes financial assistance to students who need support. Through CUFBC and other Gulf & Fraser initiatives, we donated over \$48,286 in bursaries and scholarships to 45 individuals attending high school and post-secondary education across British Columbia.

Rooted in your financial well-being.

At Gulf & Fraser we're a cooperative and a credit union that ignites the potential in you. We do this by harnessing the power of our people — our employees — so we can make a difference in the lives of our members, communities and the overall credit union system. As such, our employees are encouraged to inspire others, be heard and find opportunities where they can lead and contribute in a meaningful way. In twelve months, Gulf & Fraser employees logged a total of 1,200 volunteer hours.

One way they gave back is through our financial literacy programs in partnership with Junior Achievement British Columbia. In 2022, our employees delivered 112 course offerings in British Columbia — in Metro Vancouver, the interior and northern regions and on Vancouver Island. We also offered in-community and homeschool teachings and Indigenous Youth Personal Finance curriculum to Indigenous classrooms at the Neskonlith Education Center in Chase and the Xetólacw Community School in Mount Currie. We thank the eight Gulf & Fraser employees who volunteered their time and expertise and shared their knowledge with our youth.

We also partnered with Each One, Teach One to offer virtual and in-person financial education. Through this initiative, we taught grade 10 students at Rick Hansen Secondary School and senior citizens at Archway Community Services, both in Abbotsford. In total, six branch employees were trained and taught 23 financial literacy sessions, helping us bring financial wellness to a wider local audience in the Fraser Valley.

Additionally, the wealth team offered our membership financial meetups and advice on our Smart Money™ tools— Smart Money Score, Smart Money Check and Smart Money Calculators— and produced 91 new Smart Money Plans™. A Smart Money Plan is one of Gulf & Fraser's key offerings on our members' journey to financial wellness. By creating a new plan instead of revising an old one, members can actively participate in what steps they want to take to achieve their money goals.

Financial wellness is a part of our newly expanded vision: a future where everyone in our communities can achieve financial well-being. With this in mind, our classes aim to simplify the ever-changing and sometimes confusing world of finances. It's our hope that our online and in-person visits show our communities the benefits of planting their own financial seeds and growing into the credit union family that is Gulf & Fraser. To another year of seeds planted, new branches and continued abundance together!

Summarized Consolidated Financial Statements



Management's responsibility for financial reporting

These summarized consolidated financial statements have been prepared by the management of Gulf and Fraser Fishermen's Credit Union who are responsible for their reliability, completeness and integrity. The summarized consolidated financial statements were prepared in accordance with requirements of the Financial Institutions Act of British Columbia. The financial information presented in the annual report is consistent with the consolidated financial statements.

Systems of internal control and reporting procedures are designed to provide reasonable assurance that financial records are complete and accurate so as to safeguard the assets of the Credit Union. These systems provide assurance that all transactions are authorized and proper records are maintained. Internal audit procedures provide management with the ability to assess the adequacy of these controls.

The Board of Directors has approved the consolidated financial statements. The Audit and Risk Committee of the Board has reviewed the statements with the external auditors, in detail, and received regular reports on internal control findings. KPMG LLP, Chartered Professional Accountants, the independent external auditors appointed by the membership, examined the consolidated financial statements of the Credit Union in accordance with Canadian generally accepted auditing standards. They have had full and free access to the management and staff of the Credit Union and the Audit and Risk Committee of the Board.

William Kiss
Co-Chief Executive
Officer

Jeff Shewfelt
Co-Chief Executive
Officer

Ron Lee
Chief Financial
Officer

Report of the Independent Auditors on the Summarized Consolidated Financial Statements

To the Members of Gulf and Fraser Fishermen's Credit Union:

Opinion

The summarized consolidated financial statements of Gulf and Fraser Fishermen's Credit Union (the Credit Union) which comprise:

- the summarized consolidated statement of financial position as at December 31, 2022
- the summarized consolidated statement of comprehensive income for the year then ended
- the summarized consolidated statement of changes in members' equity for the year then ended

are derived from the complete audited consolidated financial statements of the Credit Union as at and for the year ended December 31, 2022.

In our opinion, the accompanying summarized consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the criteria disclosed in Note 1 in the summarized consolidated financial statements.

Summarized Consolidated Financial Statements

The summarized consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summarized consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the Credit Union's audited consolidated financial statements and the auditor's report thereon.

The summarized consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements. the Credit Union's financial reporting process.

Management's Responsibility for the Summarized Consolidated Financial Statements

Management is responsible for the preparation of the summarized consolidated financial statements in accordance with the criteria disclosed in Note 1 in the summarized consolidated financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summarized consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standards 810, Engagements to Report on Summary Financial Statements.



Chartered Professional Accountants
Vancouver, Canada

February 27, 2023

Gulf and Fraser Fishermen's Credit Union

Summarized Consolidated Statement of Financial Position

(Expressed in thousands of dollars)

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Assets		
Cash	\$ 34,886	\$ 45,995
Financial investments	791,423	535,362
Derivative assets	1,168	1,820
Loans	3,840,196	3,419,054
Asset held-for-sale	2,297	2,297
Premises and equipment	62,273	66,302
Intangible assets	2,702	2,723
Deferred income tax asset	1,217	10
Other assets	17,929	5,556
	\$ 4,754,091	\$ 4,079,119

Liabilities and Members' Equity

Deposits	\$ 4,313,815	\$ 3,735,085
Members' shares	15,257	13,378
Secured borrowings	129,438	77,305
Derivative liabilities	34,035	-
Other liabilities	29,441	27,771
	4,521,986	3,853,539
Members' equity:		
Accumulated other comprehensive loss	(31,702)	(792)
Contributed surplus	10,926	70,331
Retained earnings	252,881	156,041
	232,105	225,580
	\$ 4,754,091	\$ 4,079,119

See accompanying notes to the summarized consolidated financial statements.

Gulf and Fraser Fishermen's Credit Union

Summarized Consolidated Statement of Comprehensive Income (Loss)

(Expressed in thousands of dollars)

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Interest income	\$ 156,199	\$ 97,321
Interest expense	66,456	33,103
Net interest income	89,743	64,218
Other income	20,334	18,843
Hedge ineffectiveness on cash flow hedges	81	13
Provision for credit losses	(3,027)	(601)
Operating margin	107,131	82,473
Operating expenses	74,253	56,135
Earnings from operations	32,878	26,338
Loss on sale of premises	(105)	-
Distribution to members	(806)	(562)
Income before income taxes	31,967	25,776
Provision for income taxes	5,458	4,791
Net income	26,509	20,985
Net unrealized losses from cash flow hedges, net of tax	(26,456)	(2,157)
Net unrealized losses from financial instruments held at FVOCI, net of tax	(4,454)	(1,212)
Total comprehensive income (loss)	\$ (4,401)	\$ 17,616

See accompanying notes to the summarized consolidated financial statements.

Gulf and Fraser Fishermen's Credit Union

Summarized Consolidated Statement of Changes in Members' Equity

(Expressed in thousands of dollars)

Year ended December 31, 2022, with comparative information for 2021

	Accumulated other comprehensive income (loss)	Contributed surplus	Retained earnings	Members' equity
Balance, January 1, 2021	\$ 2,577	\$ -	\$ 135,056	\$ 137,633
Cash flow hedges	(2,157)	-	-	(2,157)
Financial instruments held at FVOCI	(1,212)	-	-	(1,212)
Impact of business combination	-	70,331	-	70,331
Net income	-	-	20,985	20,985
Balance, December 31, 2021	(792)	70,331	156,041	225,580
Reclassification of contributed surplus to retained earnings	-	(70,331)	70,331	-
Cash flow hedges	(26,456)	-	-	(26,456)
Financial instruments held at FVOCI	(4,454)	-	-	(4,454)
Impact of business combination	-	10,926	-	10,926
Net income	-	-	26,509	26,509
Balance, December 31, 2022	\$ (31,702)	\$ 10,926	\$ 252,881	\$ 232,105

See accompanying notes to the summarized consolidated financial statements.

Gulf and Fraser Fishermen's Credit Union

Note to Summarized Consolidated Financial Statements

(Expressed in thousands of dollars)

Year ended December 31, 2022, with comparative information for 2021

1. Basis of presentation:

The accompanying summarized consolidated financial statements have been prepared in accordance with Section 128 (4) of the Financial Institutions Act and are derived from the complete audited consolidated financial statements of Gulf and Fraser Fishermen's Credit Union, prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), as at and for the year ended December 31, 2022.

Readers are cautioned that these summarized consolidated financial statements do not include all the disclosures necessary for complete and fair presentation. Complete audited consolidated financial statements for the year ended December 31, 2022, together with the auditor's report thereon, were authorized for issue by the Credit Union's Board of Directors on February 27, 2023 and is available online at gulfandfraser.com and at any of our branches.



Board of Directors

(front row) Lee Varseveld, Director; Linda Archer, Director; Bill Nohr, Director; Nate Hampson, Director

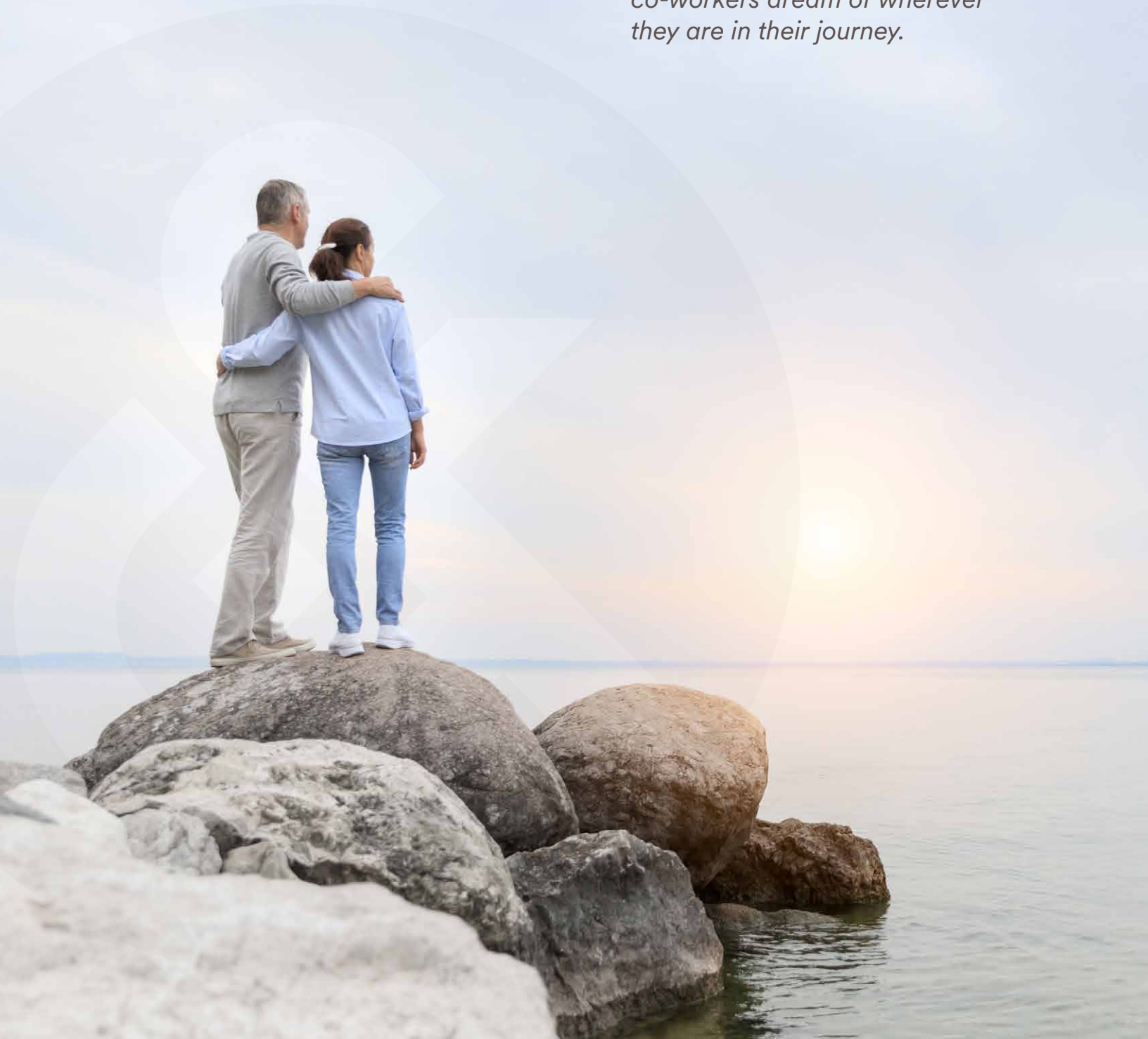
(back row) Christine Dacre, Director; Sonia Virk, Director; Doug Sweeting, Vice Chair; Lewis Bubl , Director; Floyd Yamamoto, President and Chair; David Sawatzky, Director; Tracey Scott, Director
Missing: Daniel Drexler, Director

Executive Team

Bill Kiss, co-CEO
Jeff Shewfelt, co-CEO
Bobby Dhillon, CMO
Ron Lee, CFO
Mary Lynn Baker, CIO
Scott Betts, CRO
Nelson Sandhu, CE&IO
Diane Sullivan, CP&CO

Our Mission

We ignite the potential that our members, communities and co-workers dream of wherever they are in their journey.



Website
gulfandfraser.com

Member Hub:
604-419-8888

Gulf & Fraser Hub
401-7300 Edmonds St
Burnaby, BC V3N 0G8
604-517-5100

Gulf & Fraser
Power your possible™