



G&F
FINANCIAL
GROUP

life beyond banking

**Annual Report
2019**

Future at work



Together we enrich lives by creating and nurturing financially empowered communities.

G&F FINANCIAL GROUP ANNUAL REPORT 2019

VISION

Together we enrich lives by creating and nurturing financially empowered communities.

MISSION

We financially empower our members by connecting them to personalized advice and solutions. With passion and innovation, together we go beyond banking to create a thriving credit union and build brighter futures.

OUR FUTURE AT WORK

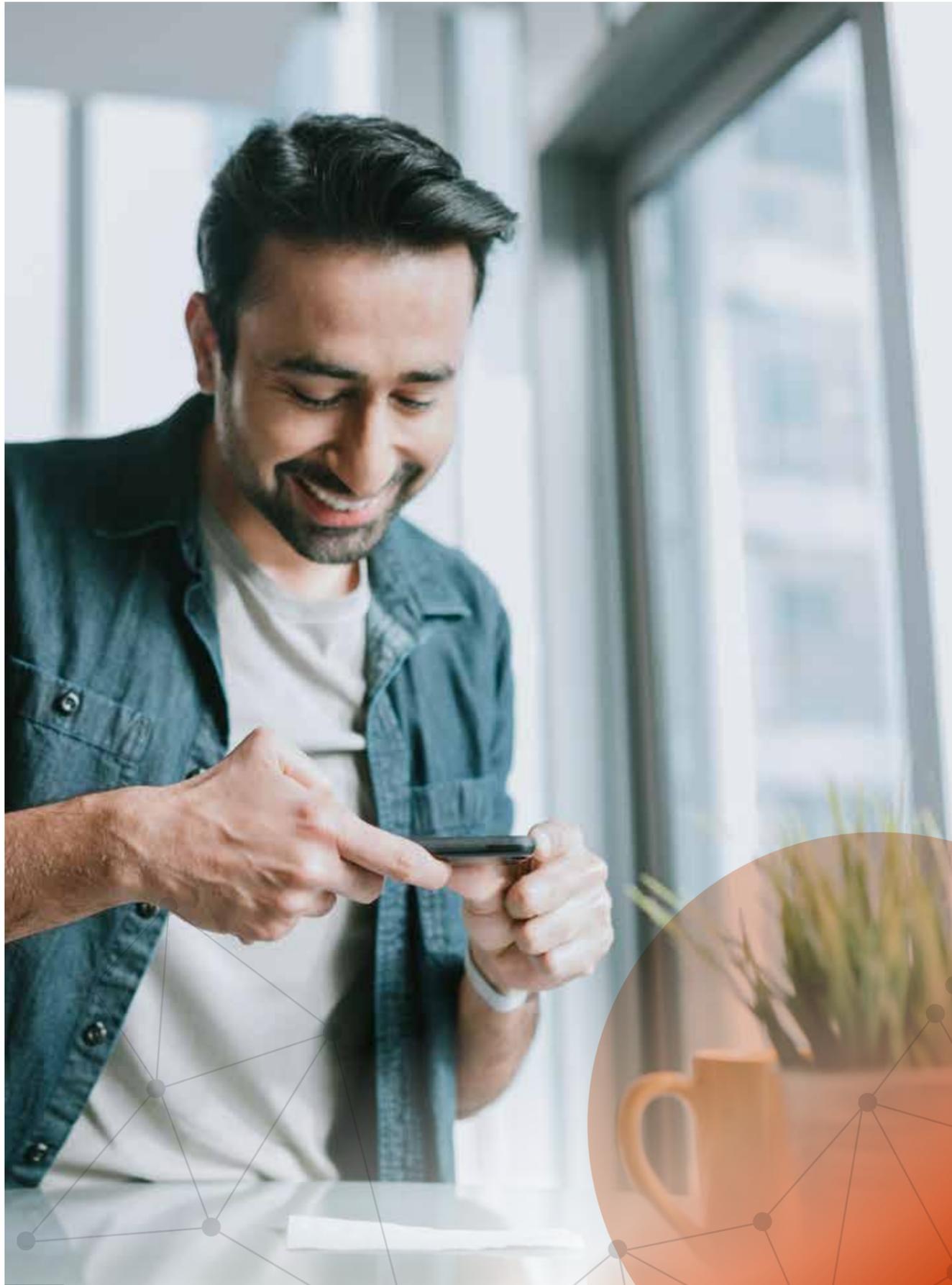
G&F Financial Group had a successful and productive year in 2019. We continued our work on the future of our credit union—improving our service to our members. As a result of long-term planning and strategic decision-making, we were in a position to make significant investments in new technology, in new tools for members—such as our website—and in training our entire employee group on a new Customer Relationship Management system. We aligned more branches to reflect our brand and continued work on our future home, the G&F Hub. All while providing the personalized service that our members rely on.

With over 34,000 members, 16 locations (*soon to be 17), and \$2.7 billion in total assets under administration, we provide a full range of personal and business banking, investment and insurance solutions to our credit union members. Our 210 employees proudly represent G&F and live and breathe our values in their every day interactions. As we reflect on our future at work, how we interact with and advise our members today will set the stage for future years as those relationships strengthen and as our employees work with our members to design and achieve their financial goals. The time we invest today building healthy and vibrant communities can also be seen as our future at work. Together, G&F, our Board of Directors, and our employees, are firmly committed to giving back to our local communities. We demonstrated this in 2019 through our support for organizations and initiatives such as The Centre for Child Development, BC Children’s Hospital Foundation, and United Way of the Lower Mainland. Above all that we do, we are deeply committed to financial empowerment—helping people experience financial well-being and achieve their future goals. In 2019, we delivered even more financial literacy sessions, sharing valuable knowledge to over 2,600 attendees. We partnered with Junior

Achievement and Telus Community Board Vancouver to deliver personal finance classes to 16 high schools over the next year.

This annual report allows us time to reflect on what we have learned and accomplished in 2019. We look forward to continuing our work, collaborating and innovating with our cooperative peers, and seeing more growth and success as we enter our 80th year in operation. It is only together that we can build our future, so we owe our heartfelt thanks to our members for trusting us to be a part of their *life beyond banking™*.





(pictured left to right)
William Kiss, Co-Chief Executive Officer;
Lewis Bubl , President and Chair, Board of Directors;
Jeff Shewfelt, Co-Chief Executive Officer

*At the intersection of innovation and expertise,
G&F is passionate about empowering members
for their life beyond banking™.*

A MESSAGE FROM THE BOARD OF DIRECTORS AND OUR CO-CEOS

**CONTINUED COLLABORATION
WITH INDUSTRY PARTNERS**

G&F has deepened our investment in technology in response to anticipated member demands for how they want to bank. We recognize how important it is that we provide not only face-to-face, but also digital banking solutions to help make it easier for our members to carry out their banking transactions and manage their money. This investment is not only monetary, but an investment in time spent working closely with other credit unions, knowledge leaders (Traction on Demand) and finance technology experts (Fincuro) to share knowledge and develop technical solutions that will ensure the credit union system stays relevant in the coming years.

In 2019, we worked with credit unions near and far, exploring opportunities, participating in discussions about how we can work together to achieve the economies of scale we need to transform our services to meet rapidly changing needs of our members and be ready to meet the needs of millennials. We attended and participated in industry conferences in preparation for open banking, which could open up in Canada in the next few years.

We collaborated on a new online tool (the first third party widget) for the Central 1 Forge platform. Additional widgets are being developed and support is being built for a national collective approach to the Forge project, with 65 credit unions signed on and many more anticipated to join.

LAYING THE FOUNDATION FOR OUR DIGITAL FUTURE

Digital transformation is an ongoing experience that affects everyone from community to business to government. The way people work is changing; the way people bank is changing. As people spend more time online, as more choose Interac, PayPal, Apple Pay or Alipay, and other solutions, they come to hold higher expectations for their interactions with service providers, especially financial institutions. So the need for us to understand and respond to our members is more important than ever before.

“Canada is among a top tier of countries where proximity mobile payments have become a common method of transacting in retail stores.” Paul Briggs. Canada Mobile Payment Users 2019.

G&F’s “digital future” is at work in the present day. It is at work in our implementation of the Customer Relationship Management system, Salesforce, which is helping us to improve service to members from the moment they interact with us, to better anticipate what our members need to get done, and when. We are focused on building the base infrastructure to support new ways we will deliver financial services

We’re seeing the redefinition of what a financial institution is. Enabling the lifestyle of the member, in a broader sense than specifically doing a transaction. There’s a select group of credit unions in Canada that have that level of future thinking and, to be leaders themselves, who are thinking through these concepts independently.

Rob Palin, General Manager Canada - Fiserv

online. This is seen in our work as a Champion of the omni-channel Forge project together with Central 1 and 64 other credit unions in Canada. We are constantly asking how we can provide the services our members need, in an easy and accessible way. To achieve this requires that we listen to our members and collaborate with other credit unions and industry partners to ensure that G&F remains competitive and able to offer the services our members need.

All along the way, we remain committed to providing personal service for our members, no matter what advances in technology come about. You will always connect to a person when you contact G&F, someone who is ready to listen and to help you achieve your *life beyond banking™*.

Collaborating with our peers, G&F continued our work on enhancing risk management practices which will be implemented in eight credit unions in BC. We partnered with Vancouver-based Traction on Demand to ensure Salesforce is implemented as a tool for employee empowerment, streamlining processes and connecting departments in a manner that will ultimately improve our members’ experience.

We stepped forward as leaders and demonstrated our support for the credit union system as a whole through our work in a number of credit union regulatory working groups and in committees such as the Open Banking Strategy Committee and the National Community Impact Committee at the Canadian Credit Union Association; and Aviso’s Wealth Management Advisory Council for Canadian Credit Unions. While Co-CEO Bill Kiss continued as Board Chair at Central 1, and as a Director with The Co-operators, Co-CEO Jeff Shewfelt was involved in industry advocacy at various



One of the things we’ve noticed with the G&F team, everyone has a very unified vision of what they want to achieve. They’re really focused on member health from a wealth perspective. The group at G&F really embraces that collaborative nature, a very community-driven approach internally.

Aaron Zuccolin, VP, Industry Solutions; Head of Financial Services Practice, Traction on Demand

levels of government. We recognize how important it is that credit unions have a say and we want to be assured that our representatives in government are staying up to date on how open banking is developing in Canada, giving us a voice and ensuring the cooperative financial services sector is able to stay competitive with larger financial institutions.

BRANCHES, CHANNELS, PRODUCTS

Time spent with industry peers led us to set the bar higher for our internal goals and build our credit union’s future. During the last year, we made improvements to our products and services as well as to our branches and other real estate.

We partnered with Manulife to launch two insurance products – Vitality with Manulife and Smart Wellness Health & Dental Plan. We offered members a new and improved MarketWise investment product, with a guaranteed return and higher participation levels. We worked with our credit card partner, Collabria, to enable Apple Pay on

our member’s Collabria credit cards – giving them more choice and ease of use in their day to day transactions.

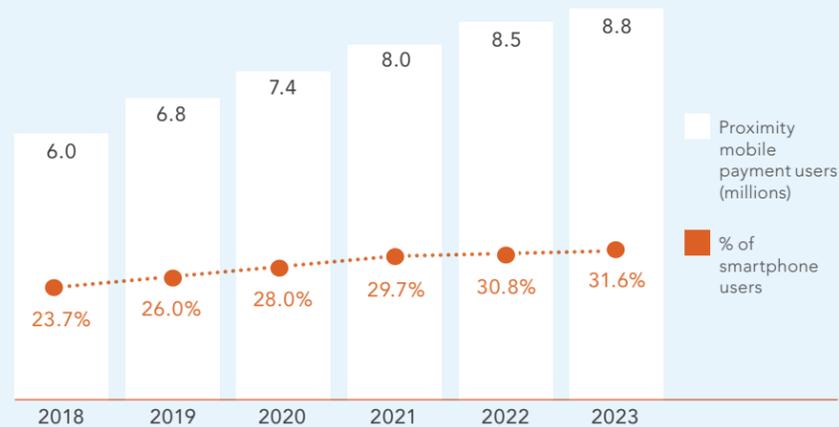
We continued to add to our team of mobile specialists who are available to meet members where and when they are needed. Over the year, G&F mobile specialists attended 4,830 meetings outside of our branches, bringing G&F’s personalized service to members and prospective members.

As we were meeting with members throughout the Lower Mainland delivering the individualized service we’re known for, we were working to continuously adapt to the way that members are embracing technology and making transactions easier for our members. We increased Interac e-Transfer limits and provided enhancements like the convenient Interac feature, AutoDeposit. We enhanced the competitiveness of our offering to meet the increasing need for digital payments. An example of this is the PaymentStream Automated Funds Transfer service which streamlines payroll for businesses and aids organizations such as building stratas in the collection of monthly dues.

As part of our digital strategy, we launched a new public website with a How To library focused on providing financial advice. During the second half of the year, we saw an average of 13,500 people visit G&F’s website each month—that number is expected to increase steadily.

Importantly, we continued to re-invest and improve our physical locations, enhancing the member experience in our branches and preparing our back of house support services for expansion to meet future member demands as part of our long-term strategy.

PROXIMITY MOBILE PAYMENT USERS IN CANADA, 2018-2023*
millions, % change and % of smartphone users



Note: ages 14+; mobile users who have made at least one proximity mobile payment transaction in the past six months; includes point-of-sale transactions made using mobile devices as a payment method; excludes transactions made via tablet. SOURCE: *eMarketer, October 2019.

G&F Salesforce integration and training teams



OVER 740,000 LOGINS TO ONLINE BANKING IN 2019



G&F BY THE NUMBERS

.....
\$2.3 Billion
in assets
.....

.....
34,000+
Members
.....

.....
200+
employees
.....

.....
\$765,000+
Invested in local
communities
in 2019

With a shared vision we proudly support the future growth of our credit union, and employees.

FUTURE HEAD OFFICE TAKES SHAPE

Several years ago, our Board of Directors saw the need for a new building to support G&F's future growth. Following time spent in strategic planning, the Board made the decision to establish the new location in Burnaby, a city that is central to our operations, and where we have been active in the local community for many years. When we merged with United Savings Credit Union in 2004, we brought in a great legacy of cooperative work in Burnaby that can be traced back to the 1930s.

We chose the Kings Crossing development at Kingsway and Edmonds as the location of our new

head office and named it the "G&F Hub". The G&F Hub is a place for employees to interact as several departments will be brought together under one roof. This new head office allows us to plan for future growth and acknowledge our roots in Burnaby.

In 2019 we continued the work in constructing the office and branch. We neared completion on the designs for all four floors, including a new community meeting space on the first floor. We obtained the building permit, started construction for the interior of the branch and offices and we anticipate moving in summer 2020.



proud to be your community credit union

I would like to thank you for the invaluable financial information you provided and presented to us. When I came to Canada, I had almost no idea how Canada's, and especially BC's, financial system worked. The guidance and information you gave made the governmental financial services plans crystal clear to me.

Student, Vancouver MOSAIC Language Centre

FINANCIAL LITERACY

As in years past, G&F Financial Group was active in the community, at high schools, in community centres, and in libraries, teaching financial literacy to people of all ages and walks of life. We reached hundreds of people at G&F events held in our branches, such as financial seminars, events like the West End Branch anniversary and community BBQ, holiday arts and crafts, News1130 Around the City forums, and more.

We reached over 2,600 members and non-members throughout our communities, teaching financial literacy topics at high schools, in libraries, and at community centres. We introduced students to the collaborative principles

of credit unions, we taught budgeting for young people, the basics of home ownership, how to use credit cards, and how to make a financial plan, among many other topics.

We formed a partnership with Junior Achievement and Telus Community Board Vancouver to deliver personal financial classes to 16 schools in the Lower Mainland in 2020. Our employees will be volunteering their time to the program.

We launched four new podcasts in 2019, for a total of 14 G&F Smart Money Podcasts since inception. We had 3,545 plays of our Smart Money Podcasts—an increase of 18% from the previous year.

Over 870 people completed a Smart Money Check at community events in 2019, a tool that helps people understand where they are at with saving, borrowing or protecting their money. Our Smart Money Calculators were used 975 times, helping people with budgeting, mortgage calculations and retirement planning.



2,600+ ATTENDEES AT OUR FINANCIAL LITERACY SESSIONS



(left) Celebrating at our West End Grand Anniversary Event



(right) Smart Money Seminar on Wills and Estate Planning at West Richmond Branch



Junior Achievement Personal Finance Class with Tyler MacLean, CFP® and Rick Sahota, Manager, Wealth Management



Business owner Shannon Garraway, pictured here on International Women's Day with Christine Caruso

SHANNON GARRAWAY, CO-OWNER, LIFESTYLE EQUIPMENT CANADA

BUSINESS MEMBER, PORT COQUITLAM BRANCH

Shannon Garraway is Co-owner and Chief Operating Officer of Lifestyle Equipment Canada, based in Delta. She was one of the first women to own a fitness equipment business in the province.

"When I started there was only one other female locally that was in the fitness business. I started as a secretary... people had a hard time taking me seriously as an owner."

Shannon joined Lifestyle Equipment in 1995. She worked her way up from secretary to co-owner of the business in 2001. She succeeded through perseverance and her commitment to learning everything she could about business leadership and the complexities of running a successful fitness club in a competitive market.

How you conduct yourself, what you do, what you say, is a mark of who you are. My reputation is everything. You don't get second chances, you get one chance to do it right.

Shannon Garraway, Co-owner, Lifestyle Equipment Canada

Today, Shannon brings her business expertise to fitness clubs, offering training and strategic planning. She is dedicated to maintaining a high standard of service.

G&F is proud to be the credit union of choice for Shannon and Lifestyle Equipment Canada. We are excited for the future of Shannon's business and have no doubt that she will continue to achieve great things.

EARNINGS FROM OPERATIONS

12.4% increase from 2018

2019	\$14.39M
2018	\$12.80M
2017	\$11.43M
2016	\$6.38M
2015	\$2.65M

CONSOLIDATED ASSETS

12.9% growth in 2019

2019	\$2.33B
2018	\$2.06B
2017	\$1.90B
2016	\$1.71B
2015	\$1.40B

MEMBERSHIP GROWTH

5.6% growth in 2019

2019	34,202
2018	32,388
2017	30,969
2016	30,027
2015	29,247

FINANCIAL HIGHLIGHTS

From a financial perspective, G&F had another outstanding year in 2019. We surpassed \$2.3 billion in assets on balance sheet and grew our assets by 12.9%.

Through our member's trust in us, loans grew by 11.1%, or \$206 million, and deposits grew by 14.3%, or \$269 million. Our Wealth Management team offered advice and expertise to our members which led to Wealth Management net sales growth of \$7.5 million, or 3.4%.

This translated to a record year of earnings from operations in 2019 of \$14.4 million. Total comprehensive income was \$12.1 million resulting in a 11.0% growth in members' equity.

Our capital adequacy was 13.93% at the end of 2019, well exceeding the regulatory requirement of 8%.

Our membership grew as well by 1,814, or 5.6% to 34,202.

This financial success led G&F to make a \$100,000 contribution to the G&F Financial Group Foundation. In addition, members received dividends of 4.25% for member equity shares and 5.25% for investment equity shares.



WE GREW TO 34,000+ MEMBERS, REPRESENTING A YEAR-OVER-YEAR INCREASE OF 5.6%

G&F's IGNITE 2nd Annual Career Fair



EMPLOYEE SUCCESS

G&F had strong employee engagement in 2019, measured at 85% and well above the industry benchmark as reported in the 2019 Employee Engagement Survey conducted by Sentis Research.

We promoted 20 employees during the year and added 10 new positions to help us better serve our members, expand our digital capabilities, and help build the framework for a solid future.

G&F values the hard work of our young leaders who run IGNITE, a group that is key to developing the future leadership of our credit union. IGNITE sent several young representatives to industry conferences hosted by Central 1, the Canadian Credit Union Association, and the Back Office Collaborative. They attended a conference hosted by BC Young Leaders, which provides opportunities to build leadership capacities, networks, and professional relationships. Whether at conferences or intermixing at other industry events, IGNITE members worked towards their 2019 goal to establish better



38% OF WOMEN IN MANAGEMENT POSITIONS AT G&F
—
5,000+ HOURS DEDICATED TO EMPLOYEE TRAINING

relationships with young leader groups at other credit unions. They achieved this by assisting young leaders outside of G&F with planning events and by creating a network to share ideas and potentially collaborate on future events.

As a demonstration of their talent for encouraging interaction and career growth amongst younger G&F employees, our young leaders reported a larger turnout at their 2019 events than in previous years. Events included a financial literacy program webinar, a presentation skills workshop, the annual IGNITE Out social, a "Dragon's Den" style competition, and a career fair. As a result of their tenacity and commitment to engaging with new employees, IGNITE had amassed 50 members at last count, or 41% of employees under the age of 40.

BRAND AWARENESS, MEMBER ENGAGEMENT, SOCIAL MEDIA

We heard from 1,366 members in our 2019 Member Survey which was carried out independently by Sentis Research. Results re-affirmed the need to stay the course in our Forge project and meet the demands of our younger demographic. Survey respondents aged 19-34 said it was a top priority that G&F improve its online banking services (22%).

G&F's social media channels grew more popular over the year. Our Facebook posts and advertisements saw a 15% increase in interaction (likes) and engagement with G&F on Facebook was 2.7 times higher in 2019

I believe the growth opportunities at G&F are much greater than at other financial institutions... you always get more exposure and you can readily show your potential.

Aarti Lal, Wealth Management Coordinator

than in the previous year. Our number of followers on Instagram increased year over year by 86% since 2018. Next to Facebook, which is used by 88% of Canadian millennials, Instagram is the second most used platform by this demographic, an estimated 59% of millennials are using the platform. (McKinnon, 2019)

"We're helping credit unions to position themselves for the future, to be able to target those millennials that are looking at digital as the primary platform to interact with credit unions. So Forge is that digital platform—that digital capability—that enables credit unions to effectively compete with the new realities of today." ~ Henrique Godhino, VP of Platforms, Central 1.

Whilst dealing with my father's estate we had to visit many banks for various reasons, multiple times. Every time we visited G&F... it was always fast, easy and most importantly, they provided real human empathy and knew how to guide us in the right direction despite our stress. It may seem like a small act of kindness but to us it was huge and unique.

2019 Member Survey

HIGHLIGHTS TO LOOK FORWARD TO

Looking into 2020, our members have much to look forward to as we continue to invest in – and improve on – our products and services. We will open the doors to a new branch in the Sunset community on Vancouver's Fraser Street. We will welcome members to what will soon be our flagship branch, the Edmonds Branch (formerly South Burnaby Branch), on the ground floor of the G&F Hub. We will resize and renovate the large Main Street and Richmond Centre branches, redesigning the branches in line with our contemporary style. Through these efforts we will ensure we are available to our members for face to face interaction and to share our financial expertise in a comfortable, inviting environment.

We will continue to work closely with Junior Achievement to teach personal finance skills to students at 16 high schools in the Lower Mainland. This, in addition to the many financial literacy sessions we will host at community centres and libraries as well as in our own branches.

We expect to see more members conducting business online and so will continue our momentum in the Forge project, making investments in your digital experience. Members can expect to see a new experience in online banking and with G&F's mobile app.

We will soon open the doors to the G&F Hub at Kingsway and Edmonds. Approximately 90 employees will be moving into the building, including our Member Hub which is being relocated from Surrey and our IT department, which is being relocated from Vancouver. The G&F Hub will offer a community space, where community members can meet and engage more with G&F.

Finally, we thank our members and our communities for being part of, and believing in, G&F. We maintain our commitment to your financial wellbeing and to helping you achieve your *life beyond banking*™.

We look forward to continued success and an exciting future together.



Lewis Bublé
President and
Board of Directors Chair



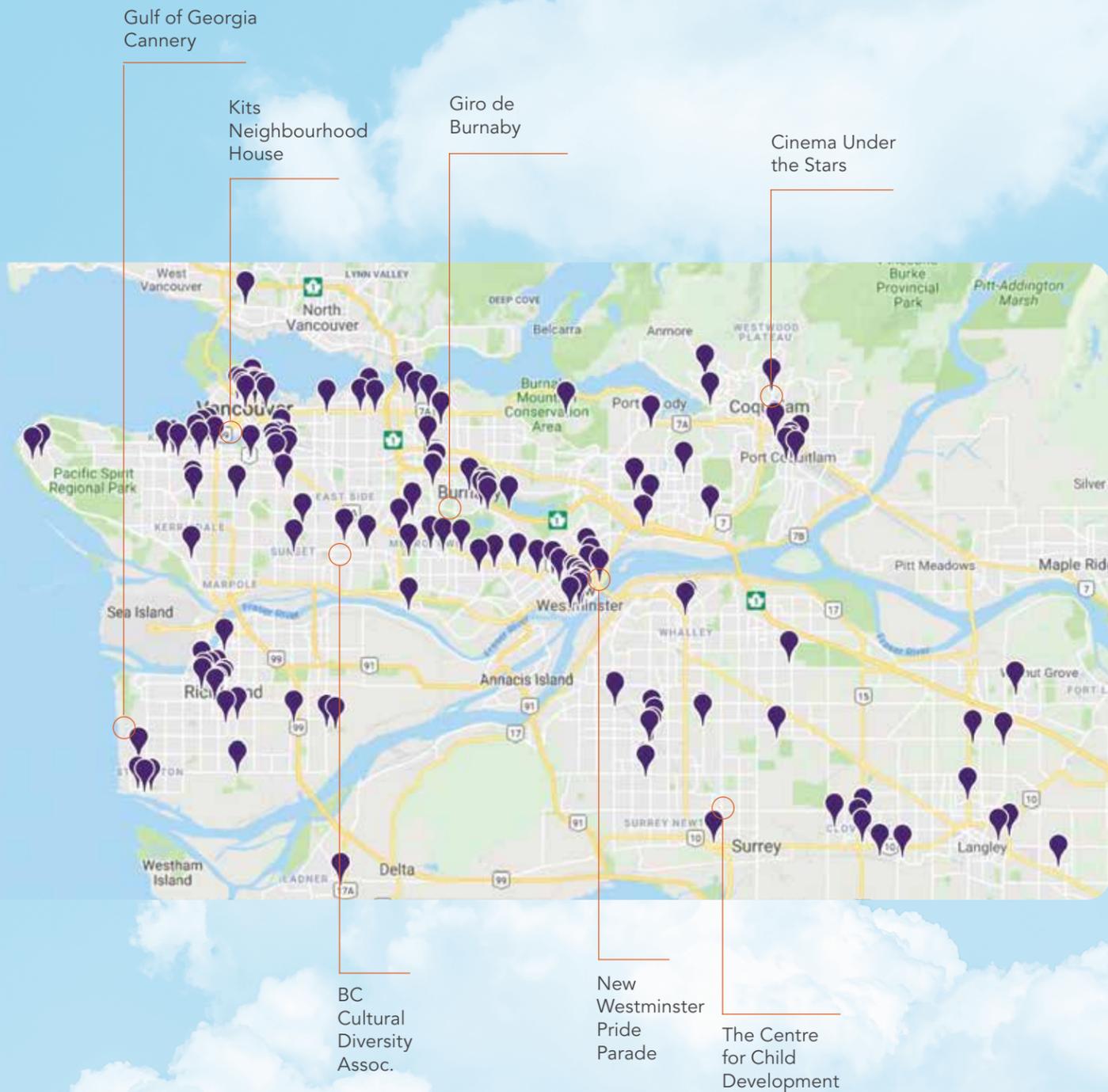
William Kiss
Co-Chief Executive
Officer



Jeff Shewfelt
Co-Chief Executive
Officer



Community
Investment
Report



Credit Unions are Helping Here Map of Giving 2012-2019



Make A Wish cheque presentation

Giving is a part of what we do every day; it is how and why we exist as a credit union.

2019 COMMUNITY INVESTMENT REPORT

OUR COLLECTIVE FUTURE AT WORK

For nearly 80 years, G&F Financial Group has invested in what we value most: our members, partners, employees and community. Year over year, we demonstrate our commitment to community by participating at events, holding fundraising activities, and hosting financial literacy events at our branches across the Lower Mainland. We show our support not just through the funds we give, but also through the personal connections we make with community partners, members and businesses.

We see the community we operate within as our collective "future at work". We believe that what we give back to

our community can help lead us all towards a brighter future. We recognize that the future of our credit union will not be determined solely by financial gain, but by how we stay true to our cooperative values, how we enrich and strengthen our bonds in community. We will do this through sharing knowledge, supporting diversity, preparing our youth for academic success, as well as donating funds to help protect and nourish our most vulnerable.

Continuing our commitment to community investment, the success of 2019 enabled us to make a real impact in our community. Together, G&F employees, the Board of Directors, and the G&F Financial Group Foundation donated a total of \$765,220 to local



Royal Columbian Hospital Foundation cheque presentation

community partners, charity groups, cultural and sports organizations, and students. We supported 20 organizations, investing in a variety of projects that empowered and uplifted people. Recipients included BC Children's Hospital Foundation, Royal Columbian Hospital Foundation, Easter Seals House Society, YWCA Metro Vancouver, and The Centre for Child Development—organizations creating a significant and positive effect in the province. In December 2019, we reached a significant milestone, raising \$1 million for the United Way of the Lower Mainland since we started our fundraising efforts in 2001. This is of particular importance to G&F and our employees as we believe strongly in the impact the United Way has in Metro Vancouver.

Reflecting on our efforts over 2019, we recognize that giving back to our community is not a one-time project. Rather, it is part of what we do every day; it is how and why we exist as a credit union. This year and for each year that follows, we will continue to invest in our community and work towards a brighter future for all.

WHY WE INVEST IN COMMUNITY

One of G&F's core values is to create positive and meaningful change in our communities. In 2019, we demonstrated our commitment to enriching and strengthening our communities through the support we gave to students, local charities and organizations. We did this in a number of ways:

- Giving through our G&F Financial Group Foundation
- Sponsoring and donating to local causes
- Internal fundraising for three charities
- Providing educational awards
- Staff volunteering through in-kind support

As per our mandate, we focused on three main areas: community health, financial literacy and the environment. We invested in programs, training, vital equipment—and you—by supporting the well-being of our neighbourhoods through the arts and health initiatives. We supported efforts to break the cycle of poverty through education. We backed hard-working organizations who provide skills development and housing services. We funded outreach for seniors in need. We are proud of the impact our contributions have had on communities across the Lower Mainland.

A FOUNDATION FOR COMMUNITY GROWTH

One of the ways we give back to our communities is through our charitable fund, the G&F Financial Group Foundation (the Foundation). The Foundation is a way for G&F to provide financial assistance to charities, non-profit agencies and educational institutions that build on our shared values: to have a positive impact in the communities where we work. Since its inception in 2002, the Foundation has contributed over \$1,397,000, supporting local initiatives as they work towards a brighter future.

Through the Foundation, we supported 17 organizations and contributed \$115,500 in local initiatives in 2019. Funds were directed toward a variety of purposes, including including skills development and housing for persons with mental health issues, meals for the elderly, a new playground, bedding and supplies for at-risk youth, and kitchen renovations at a community hub.

Foundation recipients for 2019 included:

- Fraserside Community Services Society
- Institute of Applied Design & Technology Education Society
- Langley Care Foundation
- Make a Wish Foundation of BC & Yukon
- Mount Pleasant Neighbourhood House
- Queen's Park Healthcare Foundation
- The Arts Club of Vancouver Theatre Society
- Westerman Elementary School
- YWCA Metro Vancouver
- Community First Foundation
- Covenant House Vancouver
- 3H Craftworks Society
- Canadian Lifeboat Institution Inc.
- Easter Seals House Society
- Environmental Youth Alliance
- Pathways to Education Canada
- Western Institute for the Deaf and Hard of Hearing

Additionally, G&F assisted a number of community organizations through in-kind donations and staff volunteerism, valued at \$149,274.

It's organizations like G&F that really support the concept of our vision, which is to create communities of belonging. We can't do that in isolation. But we can do that with our partners, like yourselves. So that's really a crucial part of our being able to make this all happen. So, thank you!

Linda Edmonds, CEO, Fraserside Community Services Society

FRASERSIDE COMMUNITY SERVICES SOCIETY

Fraserside is an organization working to create communities where all people feel they belong and have purpose. The society supports people in need of housing, seeking work, living with developmental disabilities, mental health, substance use issues, and low income. Fraserside provides these services in New Westminster and five neighbouring communities.

In 2019, the Foundation donated funds toward Fraserside's goal to purchase a new work truck. The truck will transport Fraserside's mobile work crew to sites where they'll do landscaping and collect recycling. The work crew employs people with disabilities who otherwise would be at home and isolated. Coming to work each day, they say, makes them feel happy and friendships have struck up between crew members. Bill, one such work crew member, tells us that the best part about being on the crew is their annual camping trip to Stave Lake.



Cheque presentation to Fraserside Community Services Society

In 2019 G&F donated \$243,000 towards these hard-working local charities and organizations that have a significant impact on community health and wellbeing.

SUPPORTING THE WELFARE AND DEVELOPMENT OF CHILDREN, FAMILIES AND COMMUNITIES



BC Children's Hospital Foundation

This year we raised \$26,000 for the BC Children's Hospital Foundation. Funds raised by our credit union and others went towards the purchase of a flexible neuro-endoscope and a surgical laser. The neuro-endoscope helps neurosurgeons diagnose and treat diseases such as brain cancer without needing to perform invasive surgery while the surgical laser is essential for treating birthmarks in a safe manner.



United Way of the Lower Mainland

In just over a week, in pledges and a 50/50 draw, G&F employees raised \$41,908. The pledged funds were then generously matched by our Board of Directors to total \$86,981. With that match of funds, we reached a huge milestone of \$1 million donated to the United Way. The funds we raised in 2019 were directed towards growing strong, inclusive and empowered communities, with a specific focus on the welfare of children and breaking the cycle of poverty. "It is partners like G&F that help ensure everyone in our local neighbourhoods are connected, resilient, and have the chance to succeed." ~Kris Gibson, Director of Workplace Campaigns, United Way of the Lower Mainland.



The Centre for Child Development

In 2019, G&F committed to raise funds for The Centre for Child Development through our annual golf tournament for three successive years. Established in 1953, The Centre provides physiotherapy, family services, childcare, communication and occupational therapy, and recreation services to thousands of children in Metro Vancouver.

In the first of three golf tournaments, G&F far exceeded our fundraising goal of \$50,000. Thanks to the generosity of the 132 golfers, sponsors, and an anonymous donor, we raised \$129,800 for The Centre for Child Development.

The three years of investment that G&F is putting into this will really raise the bar for future families. This isn't just a space that families come to once in a while. Our children don't visit us for an hour and we don't see them again. We see them every couple of weeks for years and years and years. This [gym] will be well loved – and well worn again!

Gerard Bremault, CEO, The Centre for Child Development



I'm hoping to learn that I can manage my money successfully in the future and also be aware of spending patterns.

I feel like learning about money is such an important skill, 'cause we all have, we all earn it, and we all use it!

I'm hoping to go to university so I think I'll probably need money for that. But also small expenses and maybe a bunch of travelling, that sounds fun!

Sophie Price, Grade 10, R. A. McMath Secondary School

PREPARING OUR YOUTH FOR ACADEMIC SUCCESS

G&F is dedicated to supporting students as they pursue their educational goals. In 2019, we are proud to have donated \$23,200 in scholarships and bursaries. Through our branch network, we give community scholarships to high school students, as well as two out-of-province awards for those studying outside of BC.

We support students who are in financial need through our partnership with the Credit Union Foundation of BC, a province-wide philanthropic organization that is funded by credit unions. Awards are also given to students who need to upgrade their skills to enter the workforce.

G&F offers many education awards to students who are beginning or continuing their full-time studies at

an accredited university or technical institute in BC. Institutions include, but are not limited to:

- British Columbia Institute of Technology
- Kwantlen Polytechnic University
- Simon Fraser University
- University of British Columbia
- University of the Fraser Valley



Supporting the Canucks Autism Network at the Rubber Ducky Race

OUR EMPLOYEES ARE ACTIVE IN OUR COMMUNITIES

We are very proud of our high employee engagement, which was measured at 85% in 2019. This is in no small part due to the alignment of our employee's values with those of our credit union as a whole. Our employees have demonstrated their care and compassion for people in their community—through the work they do providing financial services and also through volunteerism.

In 2019, G&F employees logged many hours fundraising and raising pledges, attending events like BC Children's Hospital Miracle Weekend as well as silent auctions and conferences. They volunteered at branch celebrations and

G&F-sponsored events. They worked alongside community partners and fellow credit union employees, building connections that will last long into the future.

The following are some of the events our employees gave their time to:

- Christmas Decorating at The Centre for Child Development
- Pride Festivals (New Westminster, Burnaby, and Vancouver)
- SFU Week of Welcome
- Steveston Salmon Festival
- Cinema Under the Stars
- Hats off Day
- Willoughby Dayz
- Ride Don't Hide
- Relay 4 Autism
- Hyacks Football Games

- Giro Di Burnaby
- Kitsilano Autumn Fair (Kits Neighbourhood House)
- Lumiere
- Seniors Day Luncheon, BC Cultural Diversity Assoc.
- Game of Apps
- Car Free Day (West End, Main Street)
- Mt Pleasant Day
- Ruben's Shoes
- Greek Days
- Vancouver Cherry Blossom Festival's Big Sing
- Vaisakhi



G&F volunteers at Sports Day

GULF OF GEORGIA CANNERY SOCIETY – HONOURING STEVESTON'S FISHING HISTORY

MEMBER, WEST RICHMOND BRANCH

Over its 85 years in operation, the Gulf of Georgia Cannery employed thousands of people in the Richmond area. At peak production, workers were processing 2.5 million pounds of salmon per year.

After cannery operations ceased, Steveston residents formed the Gulf of Georgia Cannery Society to protect this important heritage building. They built a museum within the cannery where visitors would learn about the fishing and canning history of Steveston. The Society chose a credit union to do their banking: G&F Financial Group.

G&F has supported the Gulf of Georgia Cannery Society in a number of ways over the years. We donated funds for renovations to the museum archives and library. We help to support the museum's connection to the community, bringing people together during seasonal events at the cannery, such as the winter farmer's market and musical performances. In 2013, we donated a heritage anchor to the Society as a tribute to the Steveston community's deep historical roots in fishing.

G&F Financial Group commends the Society's efforts to preserve and share their local history. We are proud to have the Gulf of Georgia Cannery Society as our member.

Gulf of Georgia Cannery Museum



OUR MEMBERS. OUR FUTURE.

As a community-based and member-owned credit union, everything that we do is with our members in mind.

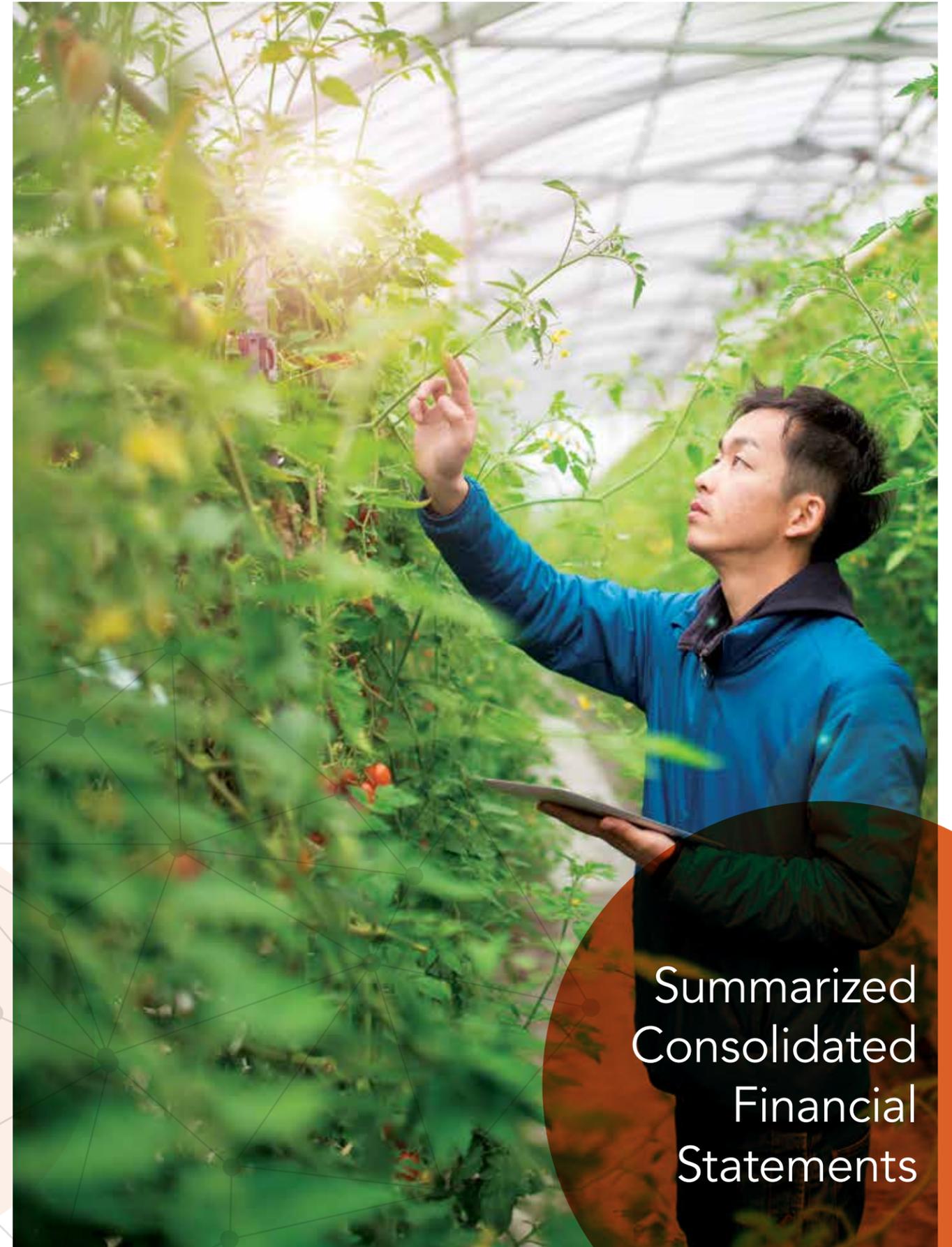
We take great interest in our members' activities in the community—whether they are non-profit organizations renovating their facilities to better serve the public or business owners and entrepreneurs working tirelessly to build strong, independent operations. We are proud when we see what our members achieve through sound financial planning and perseverance and we have shared some of those stories with you here.

The Halloween Bag Decorating event was a great success! Kids (and adults) had so much fun decorating their very own custom Halloween bags and enjoyed the treats we had prepared for them (tricks included). We even had a couple who decided to come to our event for their date and they absolutely loved it!

Dina Soboutizanjani, Money Advisor, Brentwood Branch



The Brentwood Branch team getting ready for Halloween trick or treating



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 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 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, 2019
- 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, 2019.

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 auditors' 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.

OTHER INFORMATION

Management is responsible for the other information. Other information comprises:

- the information, other than the summarized consolidated financial statements and the auditors' report thereon, included in the Annual Report.

Our opinion on the summarized consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the summarized consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the summarized consolidated financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the consolidated financial statements and the auditors' report thereon, included in the Annual Report as at the date of this auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information,

we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on whether the summarized consolidated financial statements are consistent, in all material respects, 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
February 12, 2020
Vancouver, Canada

SUMMARIZED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in thousands of dollars)

December 31, 2019, with comparative information for 2018

	2019	2018
Assets		
Cash	\$ 16,512	\$ 5,622
Financial investments	202,250	181,228
Derivative assets	902	732
Loans	2,068,805	1,862,404
Premises and equipment	36,096	7,376
Intangible assets	486	592
Investment property	797	797
Deferred income tax asset	1,303	1,214
Other assets	2,055	3,657
	\$ 2,329,206	\$ 2,063,622
Liabilities and Members' Equity		
Derivative liabilities	\$ -	\$ 484
Deposits	2,156,900	1,887,475
Members' shares	8,854	8,047
Secured borrowings	25,419	51,455
Other liabilities	15,972	6,192
	2,207,145	1,953,653
Members' equity:		
Accumulated other comprehensive income	600	152
Retained earnings	121,461	109,817
	122,061	109,969
	\$ 2,329,206	\$ 2,063,622

See accompanying note to the summarized consolidated financial statements

APPROVED BY THE DIRECTORS:

Lewis Bubl ,
President and Chair, Board of Directors

Christine Dacre,
Chair, Audit Committee

Note 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 at and for the year ended December 31, 2019. 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, 2019, together with the auditors' report thereon, were authorized for issue by the Credit Union's Board of Directors on February 12, 2020 and is available online at gffg.com and at any of our branches.

The 2019 Community Investment, Governance, as well as the Management Discussion and Analysis Reports are also available online.

SUMMARIZED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Expressed in thousands of dollars)

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Interest income	\$ 82,087	\$ 70,028
Interest expense	42,488	31,170
Net interest income	39,599	38,858
Other income	10,767	9,148
Hedge ineffectiveness on cash flow hedges	84	(47)
Provision for credit losses	(597)	(697)
Operating margin	49,853	47,262
Operating expenses	35,461	34,459
Earnings from operations	14,392	12,803
Distributions to members	(369)	(315)
Income before income taxes	14,023	12,488
Provision for income taxes	2,379	2,126
Net income	11,644	10,362
Net unrealized gain from cash flow hedges (net of tax)	448	603
Total comprehensive income	\$ 12,092	\$ 10,965

See accompanying note to the summarized consolidated financial statements

SUMMARIZED CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' EQUITY

(Expressed in thousands of dollars)

Year ended December 31, 2019, with comparative information for 2018

	Cash flow hedging reserve	Accumulated other comprehensive income	Retained earnings	Members' equity
Balance, January 1, 2018	\$ (451)	\$ 99,455	\$ 99,004	\$ 99,004
Cash flow hedges	603	-	-	603
Net income	-	10,362	10,362	10,362
Balance, December 31, 2018	152	109,817	109,969	109,969
Cash flow hedges	448	-	-	448
Net income	-	11,644	11,644	11,644
Balance, December 31, 2019	\$ 600	\$ 121,461	\$ 122,061	\$ 122,061

See accompanying note to the summarized consolidated financial statements

GOVERNANCE AND LEADERSHIP



BOARD OF DIRECTORS

(seated, left to right) Lee Varseveld, Director; Jennifer Phipps, Director; Lewis Bubl , President and Chair. (standing, left to right) Linda Archer, Director; Floyd Yamamoto, Vice Chair; Bill Nohr, Director; Christine Dacre, Director; Sonia Virk, Director; absent: Howard Normann, Director.



SENIOR MANAGEMENT TEAM

(seated, left to right) Lisa Boyle, Corporate Secretary; Nelson Sandhu, Chief Experience and Innovation Officer; Bill Kiss, Co-Chief Executive Officer; Michael Atkinson, Senior Vice President, Wealth and Advice; Lesley Lamb, Vice President, Digital Solutions. (standing, left to right) Johnny Yeap, Associate Vice President, Retail Banking; Bobby Dhaliwal, Associate Vice President, Retail Banking; Chris Goodman, Chief Information Officer; Peter Kobayashi, Vice President, Member Experience; Diane Sullivan, Chief People and Culture Officer; Jeff Shewfelt, Co-Chief Executive Officer; Bobby Dhillon, Senior Vice President, Marketing and Planning; Ron Lee, Chief Financial Officer; Peter Unadkat, Vice President, Commercial Credit; Kelly Campbell, Associate Vice President, Retail Banking; Scott Betts, Vice President, Risk Management, Credit and Compliance; absent: Paul Bhangoo, Associate Vice President, Retail Banking.

VANCOUVER

41st Avenue
2735 East 41st Avenue

Main Street
1–2949 Main Street

West Broadway
2951 West Broadway

West End
1003 Denman Street

Fraser Street
6332 Fraser Street
COMING SOON

BURNABY

South Burnaby
7375 Kingsway

North Burnaby
105–4191 Hastings Street

Brentwood
3–4465 Skyline Drive

Metrotown
1003 McKay Avenue

Edmonds
3710 Kingsway
COMING SOON

WEBSITE

gffg.com

MEMBER HUB

604-419-8888

NEW WESTMINSTER

New Westminster
760 6th Street

PORT COQUITLAM

Port Coquitlam
400–2748 Lougheed Highway

RICHMOND

Richmond Centre
7971 Westminster Highway

West Richmond
120–8900 No. 1 Road

SURREY

Cloverdale
500–6456 176th Street

Fleetwood
101–15910 Fraser Highway

Nordel Crossing
101–12020 Nordel Way

LANGLEY

Willoughby
120–20780 Willoughby Town
Centre Drive

CORPORATE

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Burnaby BC V3N 3B5
604-517-5100