



Sunshine Coast Credit Union

Right: *Kim Starnes,*
Receptionist, Sechelt Branch

Staff photos:

Page 3: left to right:
Kathy Patterson, Debra Hovey,
Erica Kay, Loretta McDonald,
Sheila Craig.

Page 4: left to right:
Jo-Ann Vickers, Anne
Mundell, Diane McKay, Jamie
Eilers, Michelle Martel.

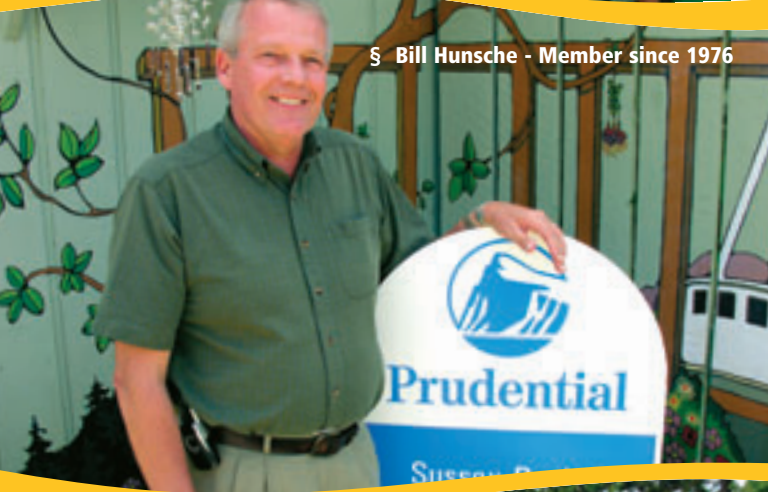
§ *Photos by Duane Burnett*
‡ *Photos by Chris Mortenson*



Serving, Sharing, Giving.



Mark and Jane Yellowley §
- Members since 1997



§ Bill Hunsche - Member since 1976



§ Dorothy and Doug Gillis - Members since 1994

NOTICE OF ANNUAL GENERAL MEETING

The 67th Annual General Meeting of Sunshine Coast Credit Union will be held on **Wednesday, April 30th, 2008** at **7:30 p.m.** at the:

Seniors Activity Centre
5604 Trail Avenue, Sechelt, B.C.

AGENDA

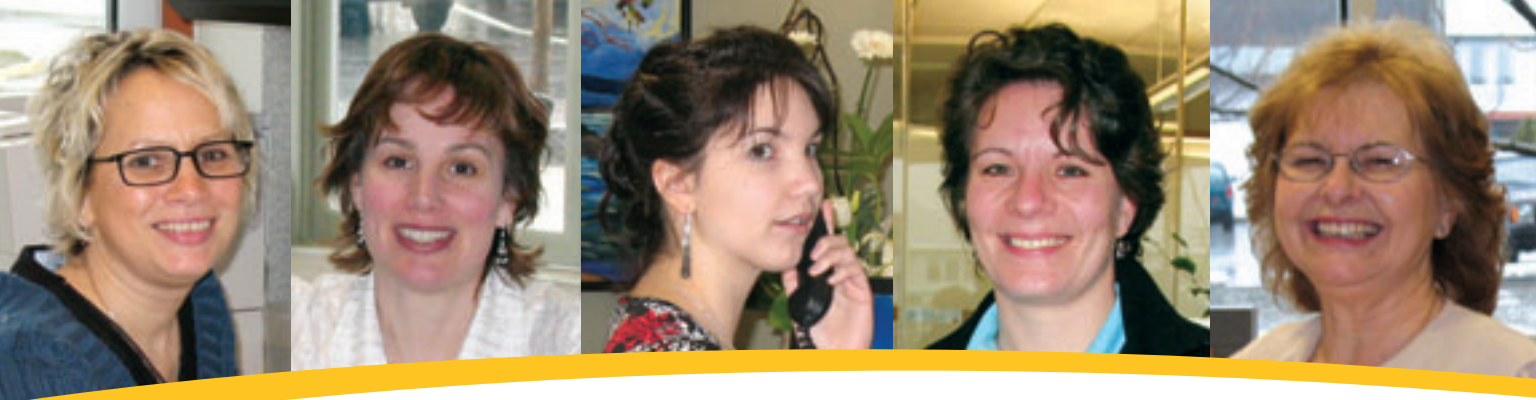
1. Call to Order
2. Introduction of Officers
3. Adoption of Agenda
4. Appointment of Recording Secretary
5. Adoption of Minutes of the 66th AGM, April 25, 2007
6. Business Arising Out of the Minutes
7. Directors' Report
8. Auditors' Report
9. Chief Executive Officer's Report
10. Adoption of Reports
11. Report on Attendance
12. Directors' Election Results
13. New Business
14. Appointment of Auditors
15. Motion to Authorize the Directors to Set the Audit Fee
16. Good and Welfare

2007 BOARD OF DIRECTORS

Brian Beecham, Chairperson
 Karen Archer, 1st Vice Chairperson
 Bernard Bennett, 2nd Vice Chairperson
 Stan Anderson
 Tim Anderson*
 Harris Cole
 Elfie Hofmann
 Robert Miller*
 Margaret Penney*

* Terms expire at 2008 Annual General Meeting

Members shared their perspectives on
The Value of Membership
with Sunshine Coast Credit Union.



Report of the Directors and Chief Executive Officer

Financial Highlights

Sunshine Coast Credit Union's total assets grew by \$13 million to \$291.4 million in 2007. Total loans to members increased \$18.7 million and ended the year at \$255.6 million, while members' deposits grew \$12.2 million to \$268.5 million. Residential mortgage loan growth was not quite as robust as in the previous year due to a slight softening in the real estate market in 2007. Earnings, however, were strong throughout the year despite higher financial expenses and loan loss provisions than in 2006. Net operating income before patronage refund/interest bonus and income taxes amounted to \$2.8 million, compared to \$2.9 million in the previous year.

SunCu Financial, our wholly-owned wealth management subsidiary, grew in 2007 to over \$42 million in assets under administration, exceeding revenue targets by over 134 percent, and ultimately contributing \$67,974 to the operating income of the organization.

The Value of Membership

As a cooperative financial institution, all members of Sunshine Coast Credit Union benefit from our success. After assessing 2007 financial results, the Board of Directors approved payment of a 3% patronage refund/interest bonus to members. In addition, a 5% dividend was declared on Class D Voluntary Equity Shares, a 3% dividend on Class C Transactions Equity Shares and a 1.25% dividend on Class B Membership Equity Shares. In total, \$850,000 was credited to members' accounts in January 2008.

Over the past five years Sunshine Coast Credit Union has paid over \$3.5 million to members in patronage refunds, interest bonuses and dividends.

Giving generously to our communities

Sunshine Coast Credit Union continued its coast-wide community support through 2007, giving over \$111,000 in charitable donations and sponsorships to 82 non-profit organizations and events.

Over \$500,000 has been contributed to our communities in the past 5 years!

The Area A Seniors Housing Society received a \$50,000 donation from the credit union for the Abbeyfield House project in Pender Harbour. \$5,000 was provided to the Gibsons Community Initiative Association in support of the economic development officer. The District of Sechelt Arts Festival received \$3,500 for their 2007 event. Scholarships totaling \$3,750 were provided to high school graduates in addition to \$10,000 that Sunshine Coast Credit Union donated to the Credit Union Foundation of British Columbia In Trust as an endowment for additional graduating secondary students on the Sunshine Coast. Musical and cultural events were also sponsored including the Pender Harbour and Sunshine Coast Jazz Festivals, the Pender Harbour Chamber Music Festival and Coast Recital Society. The Fibre Arts Festival received \$2,500 for its 2007 event and Sprockids received \$2,000 to build mountain bikes for youth who can not afford to purchase their own bikes. \$2,000 was donated to the Salmon Enhancement Society to assist with hatchery operations.

The Sechelt Aquatic Centre celebrated its grand opening in November 2007 and the Gibsons Community Centre is slated to open in March 2008. Both projects received past funding from the credit union.

Our tradition of sharing and giving demonstrates the credit union's commitment to the financial well-being of our members and communities.

Enhanced Service - New Sechelt Branch

Sunshine Coast Credit Union celebrated the grand opening of its new Sechelt Branch on March 10, 2007. Over four years in the making, this new facility, which also houses our SunCu Financial Services office, has significantly increased convenience for members. Access



and parking have been improved, as well as ATM availability at the drive thru and walk-up locations. Both members and staff are enjoying the ambiance and openness of the building, which features low energy design and engineering, as well as an atrium to enhance natural lighting. Well known local artists, Greta Guzek, Kim LaFave and Josefa Fritz Barham painted three original paintings specifically for this building. If you haven't taken a tour yet, we invite you to do so.

Human Resources—Our Most Valuable Resources

Sunshine Coast Credit Union's staff complement continued to grow in 2007 reaching 110 employees. A number of new faces will be apparent to members in all three branch locations.

Changes to our corporate structure include the newly created positions of Chief Operations Officer, Chief Financial Officer, Chief Credit Officer and Manager, Information Technology. Shelley McDade joined the senior management team as Chief Operating Officer. Shelley was previously a senior manager with Coastal Community Credit Union on Vancouver Island.

The Board of Directors and CEO would like to thank the staff and management of Sunshine Coast Credit Union for their support and significant contributions throughout 2007.

Technology/Banking System

From time to time all Credit Unions upgrade their banking system technology to ensure their services, security and processing are the most appropriate and continue to meet member demand. During 2007, Sunshine Coast Credit Union researched and chose a new system that provides state of the art technology and is used successfully by many financial institutions internationally. Over the next year we will work closely with the software supplier to develop a conversion plan. Progress reports, updates, and the actual conversion date, will be provided to members through our member newsletters.

Board Governance

Directors Brian Beecham, Bernard Bennett and Elfie Hofmann were re-elected to three year terms at the annual general meeting in April 2007. The Board of Directors elected Brian Beecham as Chairperson. Karen Archer was elected as 1st Vice-Chairperson and Bernard Bennett as 2nd Vice-Chairperson.

Valuable Support

2007 marked Sunshine Coast Credit Union's 67th year of service and commitment to the Sunshine Coast. On behalf of our Board of Directors, staff and management, we would like to thank our members for their continued support.

Dale Eichar, *Chief Executive Officer*
Brian Beecham, *Chairperson, Board of Directors*



Sitting, left to right: Dale Eichar, Chief Executive Officer; September Dixon Manager, Human Resources; Rick Cooney, Chief Credit Officer

Standing, left to right: Kim Liptak, Branch Manager, Sechelt; Barbara Wells, Senior Financial Advisor, SunCu Financial Services; Shelley McDade, Chief Operating Officer; Bonnie Lindsay, Branch Manager Pender Harbour; Cathy Elson, Manager, Administration; Sue Prasloski, Manager, Information Technology; Dawn Bezaire, Chief Financial Officer; Rena Dave, Branch Manager, Gibsons.

AUDITORS' REPORT ON SUMMARIZED CONSOLIDATED FINANCIAL STATEMENTS

To the Members of Sunshine Coast Credit Union

The accompanying summarized consolidated balance sheet and consolidated statements of earnings and retained earnings and cash flows are derived from the complete consolidated financial statements of Sunshine Coast Credit Union as at December 31, 2007 and for the year then ended on which we expressed an opinion without reservation in our report dated January 25, 2008. The fair summarization of the complete consolidated financial statements is the responsibility of management. Our responsibility, in accordance with the applicable Assurance Guideline of The Canadian Institute of Chartered Accountants, is to report on the summarized consolidated financial statements.

In our opinion, the accompanying summarized consolidated financial statements fairly summarize, in all material respects, the related complete consolidated financial statements in accordance with the criteria described in the Guideline referred to above.

These summarized consolidated financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Readers are cautioned that these statements may not be appropriate for their purposes. For more information on the credit union's financial position, results of operations and cash flows, reference should be made to the related complete consolidated financial statements.

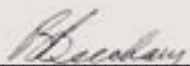
Vancouver, Canada
January 25, 2008

GRANT THORNTON LLP
Chartered Accountants

SUMMARIZED CONSOLIDATED BALANCE SHEET

December 31	2007	2006
Assets		
Cash resources	\$ 26,684,025	\$ 33,393,377
Loans	255,547,366	236,778,432
Investments and other	2,446,420	2,656,149
Premises and equipment	6,763,316	5,605,029
	\$ 291,441,127	\$ 278,432,987
Liabilities and equity		
Deposits	\$ 268,460,834	\$ 256,269,490
Payables and accruals	1,505,973	1,965,833
Equity shares	4,615,231	4,656,813
Retained earnings	16,890,436	15,540,851
Accumulated other comprehensive loss	(31,347)	-
	\$ 291,441,127	\$ 278,432,987

On behalf of the Board



Brian Beecham, Director



Tim Anderson, Director

SUMMARIZED CONSOLIDATED STATEMENTS OF EARNINGS AND RETAINED EARNINGS

Year Ended December 31	2007	2006
Financial income	\$ 16,361,629	\$ 15,027,950
Financial expense	7,962,281	6,880,580
Financial margin	8,399,348	8,147,370
Provision for credit losses	(517,330)	(244,951)
Other income	2,757,888	2,565,027
Operating margin	10,639,906	10,467,446
Operating expenses	7,856,146	7,559,744
Earnings before patronage dividend and income taxes	2,783,760	2,907,702
Patronage dividend	656,977	536,607
Earnings before income taxes	2,126,783	2,371,095
Income taxes	559,458	582,770
Net earnings	\$ 1,567,325	\$ 1,788,325
Retained earnings, beginning of year	\$ 15,540,851	\$ 13,936,689
Net earnings	1,567,325	1,788,325
Dividends on equity shares (net)	(217,740)	(184,163)
Retained earnings, end of year	\$ 16,890,436	\$ 15,540,851

SUMMARIZED CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended December 31	2007	2006
Cash flows provided by (used in)		
Operating activities	\$ 1,936,911	\$ 3,313,410
Financing activities	12,183,601	20,498,353
Investing activities	(25,275,800)	(20,370,249)
Net (decrease) increase in cash resources	(11,155,288)	3,441,514
Cash resources, beginning of year	14,893,277	11,451,763
Cash resources, end of year	\$ 3,737,989	\$ 14,893,277

A complete set of financial statements is available from the credit union.