

2024

ANNUAL REPORT

*Banking the
Central Coast Way*





CHAIRMAN'S AND PRESIDENT'S REPORT

We are proud to report that 2024 was a successful year for CoastHills, marked by growth, innovation and an unwavering commitment to our members and the communities we serve. Through our dedication to our vision of Making a Difference in our Neighbors' Lives, we have continued to provide trusted financial solutions, invest in local communities, and empower our members to achieve their goals.

CoastHills has maintained a strong financial position, ensuring stability for our members while investing in technology, security, and new products that enhance the banking experience. In 2024, we successfully converted to a federal charter, opening membership beyond our previously approved five counties. By expanding membership eligibility, economies of scale have reduced costs and allowed CoastHills to give more back to our members and to our community.

In continuing our commitment to providing exceptional member service at every touchpoint, we enhanced our consumer mobile and online banking platforms to provide more intuitive navigation, additional resources, and a cleaner design. And in September of 2024, we proudly celebrated the reopening of our Atascadero branch, which closed in January 2023 due to significant storm damage. During the construction process, CoastHills continued serving the Atascadero community from a temporary branch location.

For many, 2024 was a time of great financial need, and CoastHills was honored to support over 8,000 members with consumer loans, for a total of more than \$256 million dollars. This includes helping nearly 500 members save money by lowering interest and securing a fixed rate through

a debt consolidation loan. Additionally, we helped 268 members with a new mortgage or to access valuable equity in their homes. We also launched CashPlease® Loans – a safe and secure alternative to payday lending, that allows members to quickly and easily access their Overdraft Privilege limit without hefty fees.

At CoastHills, rewarding our members with leading dividend rates is always a top priority. In 2024, we offered generous returns across several savings products, including our consumer and business checking accounts, promotional certificates, and our new Peak Money Market account – a perfect solution for those seeking both accessibility and the flexibility to earn high dividends.

One of our greatest honors is supporting the local community through donations and sponsorships – and in 2024, we were able to contribute more than \$400,000 to 202 different non-profit organizations. Additionally, we're proud to continue to be one of the only certified Community Development Financial Institutions on the Central Coast, a designation that allows us to provide additional critical support to low-to-moderate income households in our community.

As we enter 2025, we will continue to invest in the resources that make banking with CoastHills easy and secure. On behalf of our volunteer Board of Directors and Supervisory Committee, and our more than 300 employees, thank you for your membership and trust in CoastHills, we look forward to serving you for many years to come.

HOMERO CONTRERAS

Chairman, Board of Directors

JAMES LEDFORD

Interim President/CEO

TREASURER'S REPORT

The 2024 financial statements accompanying this annual report reflect the period of January 1, 2024 through December 31, 2024. Your Credit Union finished the year with a positive net income of more than \$391 thousand. We ended at \$1.81 billion in assets, an increase of \$26.4 million or 1.5 percent compared to December 31, 2023.

Our regulatory net worth ratio, a key measure of financial security, was at 7.58 percent, which indicates that we are well capitalized as we move into 2025.

Our 2024 financial statements were audited by an independent accounting firm and were accepted as proposed with no adjustments. The results of our examination by our federal regulator, the National Credit Union Administration (NCUA) indicated that we are operating as a safe and sound Credit Union. As a federally insured Credit Union, our member deposits are still insured up to \$250,000 per member by the NCUA.

We strategically slowed loan growth in 2024 in response to the economic conditions, but continued to focus on diversified lending, comprised of home mortgages, credit cards, auto loans, and business loans. We can attribute our across-the-board lending strength to efficient systems, underwriting expertise, competitive rates, and the willingness to find lending solutions.

Our balance sheet remains strong through our ability to offer outstanding deposit product options, including our competitive certificate rates, and our interest-bearing checking account options that are second to none in our industry.

We continue to support the local businesses in our communities with our dividend-bearing business checking accounts, and also have 253 business loans for a total of \$191 million in outstanding balances, and 16 commercial loans with outstanding balances of \$49.1 million, to non-member businesses in participation with other credit unions.

As a shareholder and member-owner of CoastHills Credit Union, you can feel confident and secure about your Credit Union's future viability and ability to make a positive difference in our neighbors' lives.

I wish to thank all of the CoastHills Credit Union employees and volunteers for their outstanding achievements in 2024, and for the excellent service we continue to provide our more than 79,000 members.

BEEJAY JONES

Treasurer, Board of Directors

CONDENSED FINANCIAL STATEMENTS

ASSETS	2024	2023
	(in thousands)	
Loans to Members Net	\$ 1,244,487	\$ 1,266,815
Cash & Cash Equivalents	207,637	124,688
Investments	233,379	272,724
Property & Equipment Net	44,307	43,213
Accrued Interest Receivable	5,052	5,085
Share Insurance Deposits	13,947	13,691
Other Assets	61,110	57,289
Total Assets	\$ 1,809,919	\$ 1,783,505

LIABILITIES & MEMBERS' EQUITY

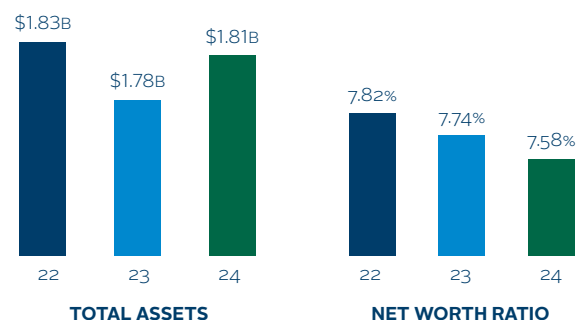
Other Liabilities	\$ 224,949	\$ 236,152
Members' Shares and Savings	1,452,486	1,416,300
Members' Equity	132,484	131,053
Total Liabilities & Equity	\$ 1,809,919	\$ 1,783,505

INCOME

Interest on Loans to Members	\$ 70,356	\$ 67,573
Investment Income	12,306	7,561
Other Income	20,087	21,780
Total Income	\$ 102,749	\$ 96,914

EXPENSES

Dividends on Members' Shares & Savings	25,042	15,560
Salaries & Benefits	31,706	31,300
Operations	20,570	21,576
Occupancy	5,207	5,326
Interest on Borrowed Funds	7,991	8,149
Provision for Loan Losses	11,842	10,938
Total Expenses	\$ 102,358	\$ 92,849
Net Income	\$ 391	\$ 4,065



TOTAL ASSETS **NET WORTH RATIO**

Financial statements as of December 31, 2024



2024 BOARD OF DIRECTORS



HOMERO CONTRERAS
Chair



JEREMY MORENO
Vice Chair



EARL MURRAY
Secretary



BEEJAY JONES
Treasurer



BILL ANDERS
Director



KRIS ANDREWS
Director



R. BRUCE COGGIN
Director



JEANNE PIPER
Director

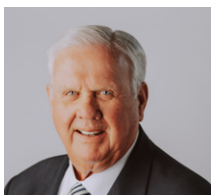


CHUCK SCHEITHAUER
Director



HUGH RAFFERTY
Board Emeritus

2024 SUPERVISORY COMMITTEE



DAL WIDICK
Chair



SERGEI SANDERS
Secretary



MARCUS BALDACCHINO
Member



BRIANNE JORY
Member



COLLEEN SCOTT
Member



DARRELL GABEL
Supervisory Emeritus



PETE MOELLER
Supervisory Emeritus

SUPERVISORY COMMITTEE CHAIRMAN'S REPORT

The Supervisory Committee consists of Credit Union members who volunteer their time to help make your Credit Union a safe and viable place for you to manage your financial affairs.

We focus on these two primary responsibilities:

- 1) To ensure that management meets its financial reporting objectives.
- 2) To ensure that management and the board's practices and procedures comply with state and national regulations, thereby safeguarding your assets.

In order to meet these responsibilities, your Supervisory Committee engaged an independent audit firm that performed an audit covering the period of January 1 and December 31, 2024. This included a review structure of your Credit Union's internal controls and verified the accuracy of your Credit Union's records. The committee also employed an audit firm to cover quarterly

compliance audits and to provide outsourced internal audit functions.

As a way of staying abreast of Credit Union activities, the Supervisory Committee members attend monthly board meetings, and participate in your Credit Union's annual strategic planning session.

We attend education seminars, annual financial training, and conduct monthly meetings with the CEO and other senior executive officers.

On behalf of the Supervisory Committee, I am pleased to report to you that all audits confirm the safety and soundness of your Credit Union's financial position.

Thank you for the honor and privilege of serving the more than 79,000 members that make up CoastHills Credit Union.

DAL WIDICK
Chairman, Supervisory Committee