

Statement of transitional coverage

(Pursuant to the *Canada Deposit Insurance Corporation Deposit Insurance Information By-law*)

To: Members of Coast Capital Savings Federal Credit Union (“Coast Capital Savings”)

As of November 1, 2018, when Coast Capital Savings became a federal credit union, all eligible pre-existing deposits and any new eligible deposits with Coast Capital Savings are protected by the Canada Deposit Insurance Corporation (“**CDIC**”). This statement provides information about CDIC deposit protection during the transition period following November 1, 2018, and after that transition period is over.

What is the transition period?

The transition period applies to eligible pre-existing deposits (that is, funds on deposit with Coast Capital Savings before November 1, 2018). For pre-existing demand deposits the transition period begins on November 1, 2018 and ends 180 days later. For pre-existing deposits that are to be paid out on a fixed day (ie. term deposits), the transition period begins on November 1, 2018 and ends on the date of maturity or cashing out.

CDIC deposit protection during the transition period

During the transition period, CDIC deposit insurance coverage for pre-existing eligible deposits will be the same as that provided prior to continuance to members of Coast Capital Savings by the Credit Union Deposit Insurance Corporation of British Columbia. For greater certainty, deposits in foreign currency are not covered by CDIC during the transition period.

Any eligible pre-existing demand deposit, less any withdrawals made during the transition period, will have this coverage until April 30, 2019. Any eligible pre-existing term deposits, will have this coverage until its date of maturity or cashing out.

Any new deposits made with Coast Capital Savings from November 1, 2018 onward that are eligible for CDIC insurance will be separately covered by CDIC up to a maximum of \$100,000 per depositor CDIC coverage category.

CDIC deposit protection following the transition period

After the transition period ends, all eligible deposits, whether they were made before November 1, 2018 or after, will be combined by CDIC coverage category and will benefit from the deposit protection set out in the *CDIC Act*.¹ CDIC provides deposit protection for eligible deposits up to \$100,000 per member institution per depositor in each of the following deposit categories:

- Deposits Held in One Name
- Deposits in a Trust Account
- Deposits in an RRSP
- Deposits in an RRIF
- Deposits in a TFSA
- Deposits Held for Paying Realty Taxes on Mortgaged Property
- Deposits in More Than One Name (Joint Deposits)

To be eligible for CDIC protection, deposits must be in Canadian currency and payable in Canada.

For any questions you may have regarding deposit insurance coverage or the changes to the CDIC Act introduced on June 21, 2018, please visit the CDIC website at www.cdic.ca.

¹ On June 21, 2018, “An Act to implement certain provisions of the budget tabled in Parliament on February 27, 2018 and other measures” received Royal Assent. It includes a number of important changes to the CDIC Act that will modernize and enhance the Canadian deposit insurance framework. These changes will be proclaimed in force by order of the Governor in Council. As at November 1, 2018 these changes are not yet in force.