Chairman’s Report

You are a member of very unique financial institution, a credit union. Did you know that you own our credit union? Did you know that our purpose is not to make a profit? Rather, our purpose is to serve you. This past year we focused on 2 things to serve you better.

First, we tried to make it easier for you to do business with the Credit Union (e.g., we rolled out our mobile app).

Second, we tried to increase the yield on our investments by putting your money to work more wisely.

We will continue to focus on these 2 things, but in 2017 we will also focus on implementing a new core software system that will enable us to serve you better while reducing costs and increasing efficiency at the same time.

If you have any other ideas for improving the credit union, please contact anyone on the staff or the board.

Thanks for being a member.

Ivor J. Longo
Chairman of the Board

CEO/President’s Report

2016 proved to be yet another year of change and transformation. We made a promise to you that we would add value and conveniences that you expect and need. Our goals every day are to meet your financial needs with products and services that improve your life and save you money. Our commitment to you has resulted in many enhancements, products, services and conveniences.

I am pleased to announce some of the following enhancements we implemented in 2016:

- Mobile deposits
- Depository ATM
- Call Center software upgrade
- Conversion of Debit cards and chip technology
- Member educational seminars
- Staff training university (on-line)
- Lending upgrades
• Guaranteed Asset Protection (GAP) and Mechanical Breakdown insurance (MBI)
• And many other internal (staff) upgrades

In addition of the mentioned accomplishments, your Credit Union also met and exceeded many financial goals in 2016. Some of these are as follow:

- Total net worth grew 6.32% $16,332M
- Market (share) growth: 7.71% $164,144M
- Loan growth was 5.60% $115,931M
- Asset growth was 7.30% $182,043M
- Return on Average Assets was .55% $920,001
- Delinquencies were managed at 0.60%
- Net Charged-off loans were at 0.28%

These are outstanding numbers and accomplishments. Many of the Key statistics are above our peers nationally.

Last year we also promised that we will develop a service distribution strategy that improves convenience for all of our members. I am very pleased to announce that in October of 2017, we will be upgrading our core banking computer software to a much better system that will improve convenience and efficiencies both for you, our members and also our staff. We will be communicating these enhancements in the coming months.

We are very proud of our Credit Union team and our journey to make it easier for all of our Members to do business with us through refreshing enhancements to our infrastructure and culture.

On behalf of the Board of Directors, the management team and our outstanding staff, we are honored to have the privilege of serving you.

Sincerely,

Rob Hatefi, CCE
President/CEO