

2015 Annual Meeting CEO Report



As a financial cooperative, our success is your success. When you participate in the credit union, you are contributing to its growth. And because of our cooperative structure, we are able to return earnings back to you, the owners and members, by offering competitive rates, new products, and state of the art services, right here in your own community.

As a locally owned and governed financial institution, CSCU has a strong connection to the community, and we are well positioned to support our membership's growing demand for a financial institution that cares about its community's financial future.

Let me begin by saying that 2014 was a significant year, not just for our credit union but also for our state and the nation. The credit union movement weathered another round of banker attacks on our credit union tax exemption, cyber security became an even higher-profile matter, and regulatory compliance continue to be hot-button topics that demand significant time and resources to ensure that CSCU is well prepared for issues and operating in a sound financial manner as well as in compliance with state and federal regulations.

As our membership grows, so do our assets, which indicates that you are taking full advantage of the products and services we have to offer. Our assets, as of December 31, 2014, are \$84 Million Dollars. Membership grew from 8,662 at the beginning of 2014 to 9,386 at the end of 2014.

I am pleased to report that loan demand was a little lower than what we had hoped, but loans grew 14 % from 2014 to 2015. As of December 31, 2014, the credit union had \$51 million dollars in loans and \$74 million in deposits. Delinquencies remain very low at .41%. This tells me that you value the competitive rates you are able to obtain at the credit union and that, as members, you have a strong commitment to honoring financial obligations with your credit union.

Just as you are committed to CSCU, we are committed to you, and the following are but a few highlights from 2014 that demonstrate this: Checking accounts have grown tremendously from 4,294 to 5,104; an increase of 724 accounts, primarily due to word of mouth referrals and the closing of a local large bank.

- CSCU provided 2 to 3.5 Million dollars per month in loans to members
- Access to account information:
 - December 2014 7,310 calls made to the Tele-Access Unit or 205 hours – an average of 236 calls per day. (71,000+ calls for 2014)
 - Call Center Calls – 2,755 calls or 139 hours. Add in the web chats and we have 185 hours of service provided just in the month of December.
- Mobile Deposit, POP Money, Bill Payment and our Mobile Online Banking App continue to grow as members desire to have faster modern services, just like the “giants do”.
- Shared Branching – by the end of the year we hit over 2000 transactions per month using CSCU as an outlet and our members used shared branching locations elsewhere over 1,200 times. Your access to over 5,000 shared branch locations nationwide, keeps CSCU close at all times.

Our 2014 results illustrate that CSCU is a strong, sustainable, and efficient financial institution. Indeed, we are confident in our ability meet all of your financial service needs.

We have a team of talented professionals who report to work every single day with one objective: to help you meet your financial goals. Our accomplishments would not have been possible without the heartfelt commitment and unified effort of our dedicated credit union staff, board of directors, and committees. Their passion is truly inspiring, and I am continuously moved by their steadfast desire to serve the credit union movement. I thank them for their

continuous commitment and I thank you, our members, for having the confidence in these individuals who help drive the success of your credit union.

- We also have a highly capable volunteer board of directors who share their expertise and knowledge to guide this organization toward continued success. In 2014, our board of directors completed numerous training hours to ensure they are a highly skilled and educated governing body.
- And, we have a unique business model that empowers every single member to have a voice. *One member, one vote.*

As we grow, we will keep our focus on doing what's right. We will continue to provide better services and more convenience for our members. We will seek to help more people in our community get on solid financial ground and support the community through our charitable activities.

Through it all, we will continue to focus on people first. It's what makes your credit union different, and what makes us strong.

As we embark on the year ahead, my commitment to you today is that CSCU will continue to:

- Grow responsibly, while listening and responding to your needs;
- Explore innovative product/service solutions to enhance your financial life, such as continued modernization 24 hour depository ATM's and access to services;
- Develop our staff and board so they can confidently serve you.

Many thanks for being an integral part of our credit union family. On behalf of the entire staff, we look forward to a happy and successful 2015 for us all.