

2017 State of the Credit Union

Good morning and thank you all for your attendance. On behalf of the BOD and management of FCFCU it is privilege and pleasure to stand before you. Because of your trust and support, your credit union is able to thrive and provide so many important benefits, not only to our members but to our community.

FCFCU, that has been our name since 2014 and it not only says who we are but it says what we are. 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 our profits back to you, the members, by offering competitive rates, new products, enhanced services, and additional points of service.

- Credit unions are not-for-profit financial cooperatives. As you know, we exist to serve our members, not to make a profit. We return our earnings to you our members through lower loan rates, higher interest on deposits and lower fees for your financial services.
- Credit unions are an economic democracy, where every member has one vote and every member is an owner, regardless of how much money they have on deposit.
- Credit unions are governed by a volunteer board of directors, elected by and from the membership.
- Credit unions provide valuable financial education to their members and lead efforts to improve the financial literacy of our young people to help them develop good habits that will last a lifetime.
- Credit unions exist to help people, not make a profit. It's our people-first philosophy that motivates us to work hard and provide better services all the time for you our members.

Now, it is my privilege to tell you about the state of our credit union.

I'm happy to report that the state of this credit union, YOUR credit union is strong...and getting stronger.

Let me begin by saying that in the year that has passed since our 2016 Annual Meeting there have been several very significant happenings for FCFCU.

As an outgrowth or extension of the Black Lives Matter movement, 2016 was the birth year of the Bank Black Movement. In the wake of a string of violent and deadly acts, more and more of our people come to realize that the political strength and social well-being of our community is tied directly to our economic empowerment. Ujamaa was no longer viewed as just the 4th principal of Kwanzaa but it became a call to action and an immediate need. FCFCU was in the center of it all if not at the forefront as our name and popularity spread across the county via social media and various websites. And we were even mentioned on a popular radio talk show. While we were not in a position to become a national entity, we ARE proud that our good work is being noticed and that there is a growing demand for our organization and the services we provide.

In 2016, our membership did grow however and grow tremendously, so did our assets, which indicates that you are taking full advantage of the products and services we have to offer.

When I stood before you last year our assets were \$548,677.89. **I am very pleased to announce** that our assets have MORE than doubled and as of COB on 4/30 our total assets stand at **\$1,189,172.10**

Membership at FCFCU was at 605 in 2016 and now stands at 909 as of the end of April 2017. That represents a 50% increase!

I am also pleased to report that our loan demand has grown tremendously since last year. Following April's close of business our loans stood at 292,559.59. A year later our loans are at \$671,736.20.

And while our loan portfolio has grown by 230%, I'm proud and relieved to say that our delinquency has not. Our April report only showed 11 loans in delinquent status with a total amount of just over \$10,000 in delinquent payments. This tells us that you value the competitive rates we're able to offer and that you have a strong commitment to honoring your financial obligations with your credit union. More importantly it tells you that not only are we making more loans but we are making better loans. These efforts demonstrate that **we are redefining FICO as Fairness in Credit Opportunity.**

Just as you are committed to FCFCU we are committed to you, and the following are but a few highlights from 2016 that demonstrate this:

- Improvement of our online record keeping
- Reporting credit information to Experian Credit Bureau
- Continued participation in the West Wall Street economic empowerment initiative

In addition to that, I'm extremely proud to point out that FCFCU is a well-capitalized financial institution. At the end of 2016 our net worth ratio was 9.15%. To put that in perspective, 7 percent is the industry standard. But perhaps the most visible indicator of our growth and success is our banking center which had its grand opening on March 19th.

These results illustrate that FCFCU is a strong, sustainable, and efficient financial institution. We are moving in the right direction and as we strive to be the bank of first choice and not of last resort we will continue increase our presence.

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, and when I say staff, I really mean Stephanie Johnson. And because of our growth in 2017 we are more committed than ever before to doing something about that. Stephanie has been the driving force for our success and growth. Her attitude, dedication and competence have steered us into much calmer waters as it relates to our day to day operations. I thank you Stephanie for your continuous commitment and I thank you, members, for having the confidence in her 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. **(have board stand)** In 2016, our board of directors stepped up to assist Stephanie when needed, complete reports, review and update policies and seek out business partnerships and opportunities to grow the credit union.

As we grow, we will keep our focus on doing what's right. Locally, 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 ground through financial education. Nationally and on the state level, we will remain vigilant in making sure our elected officials know that the payday loan industry is not a positive impact on our community but rather a parasitic one that must be highly regulated and corrected (if not eliminated altogether.)

Through it all, we will continue to put people first. It's what makes this credit union different, and it's what makes us strong. As we embark on the year ahead, my commitment to you today is that FCFCU will continue to:

- Grow responsibly, while listening and responding to your needs;
- Explore innovative product/service solutions to enhance your financial life, such as:
 - partnering with community organizations for increased deposits,
 - adding new products and services like mortgage loans
 - executing our "growth through inclusion" business model
- Develop our staff and board so they can confidently serve you.
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In closing, let me reiterate that while our banking center is located inside the F-West campus FCFCU operates as a separate entity. We are a credit union and not a charity. We operate as a bank and not as benevolence, but it is YOUR bank so we will continue to put our members first and provide the service you deserve (with confidence, confidentiality and courtesy)

FCFCU remains strong and is getting stronger and we thank you for your continued support and we look forward to another successful year.