

Statement of Financial Condition

As of December 31, 2016

ASSETS

Loans (Net)	\$ 78,352,778
Cash on Hand	1,585,921
Investments	39,963,016
Accrued Income	253,378
Fixed Assets (Net)	2,443,564
Deferred Assets	341,385
Other Assets	1,428,278
TOTAL ASSETS	124,368,319

LIABILITIES & EQUITIES

LIABILITIES

Accounts Payable	1,316,639
Accrued Interest Payable	2,635
Other Liabilities	391,456
Member Deposits	114,078,689

EQUITY

8,578,900

TOTAL LIABILITIES

AND EQUITY

124,368,319

Income Statement

As of December 31, 2016

Loan Interest Income	2,954,054
Investment Income	600,523
Dividend / Interest Expense	24,941
Net Interest Income	3,529,636
Fee and Other Income	1,782,422
Gross Operating Income	5,312,058

Operating Expenses	4,323,857
Provision for Loan Loss	153,067
Total Operating Expenses	4,476,924

Net Operating Income	835,134
Non-Operating Income (Expense)	(84,707)

Net Income Before NCUSIF	750,427
Stabilization Expense	-
NCUSIF Stabilization Expense	-
Net Income	750,427

Products & Services

- Deposit Accounts
- Capitol Savings
- Kasasa Saver
- Kasasa Cash
- Kasasa Cash Back
- Kasasa Tunes
- Kasasa InControl
- Capitol Plus Money Market
- Capitol Business Plus Checking Account
- Capitol Business Savings Account
- Capitol Business Checking Account
- Certificate of Deposit
- Individual Retirement Account

Message from the Treasurer

Capitol Credit Union ended 2016 serving 11,147 members. In particular, we are very proud that last year, we experienced the highest loan volume in the 63-year history of the credit union! Total loans grew by 31.58%, from \$60 million to \$79 million. That's your money working for you! In addition to growing loans we did it responsibly. Our credit quality is strong with a net charge-off ratio of 0.32%, and delinquency ratio of 0.20%. We continue to remain well below the PEER average of 0.46% and 0.85%, respectively.

The Board of Directors engaged the CPA firm of Clifton Larson Allen to perform a comprehensive audit of the financial statements, policies, and procedures of the credit union. The firm's review showed that the financial statements of Capitol Credit Union fairly represent the financial position, its operations, and its cash flows in accordance with Generally Accepted Accounting Principles (GAAP). Some of the financial highlights include:

- Assets grew by 1.14%, ending the year with \$124 million in total assets.
- Return on average assets was 0.61%, with a net income of \$750 thousand.
- We are adequately capitalized, with a net worth ratio of 6.94%.

In closing, we would like to thank our members for their trust and support, and for allowing Capitol Credit Union to be your financial institution of choice. You can count on us to make financially sound decisions to ensure that your credit union is always here for you.

Caroline Beyer

Capitol Credit Union Board of Directors, Treasurer

Loans

- Auto Loan
- Fully Collateralized Loan
- Personal Loan
- Share Secured Loan
- CD Share Secured Loan
- Line of Credit
- Home Equity Loan
- Home Equity Line of Credit
- Mortgage Loan
- Credit Card

Convenient Products & Services

- Wealth Management
- Visa® Debit Card
- Visa® Gift Card
- Visa® Reloadable Card
- Visa® Youth Card
- MasterCard® Travel Card
- PC Capitol Access
- Telephone Capitol Access
- Online Bill Pay
- Mobile Banking
- SnapCheck Mobile Deposit
- E-Statements
- Safe Deposit Boxes
- Wire Transfer
- Western Union Wire Transfer
- Notaries Public
- Money Order
- Cashier's Check
- Direct Deposit
- Payroll Deduction
- Automatic Transfer
- Night Deposit
- Courtesy Pay
- Overdraft Protection
- Skip-a-Pay
- Merchant Services
- TruStage® Insurance Products
- Guaranteed Asset Protection
- Mechanical Breakdown Insurance



CAPITOL
CREDIT UNION

Moving On Up



The Best is Yet to Come!

63rd Annual Meeting

Thursday, April 20th at 6:00 pm
Capitol Grill

(Inside the Texas State Capitol)

1400 Congress Avenue
Austin, Texas 78701

Agenda

- I. Call to Order
- II. Determination of Quorum
- III. Invocation
- IV. Appointment of Parliamentarian
- V. Reading and Approval of the Minutes of the 62nd Annual Meeting of the Membership
- VI. Report of the Chair
- VII. Report of the Treasurer
- VIII. Report of the President
- IX. Old Business
- X. New Business
- XI. Report of the Nominating Committee
- XII. Election of Directors
- XIII. Question and Answer Period
- XIV. Drawing for Door Prizes
- XV. Adjournment of Meeting

Capitol Credit Union Membership

Capitol Credit Union is an ever growing full-service financial institution that is proud to be 11,147* members strong!

**Total Number of Members as of December 31, 2016*

2016 Board of Directors

- Position 1 - Colin Parrish, Director 2016-2019
- Position 2 - Jaime Lynn, Vice Chair 2016-2019
- Position 3 - Nancy Hrin, Director 2016-2019
- Position 4 - Karim Hirani, Director 2014-2017
- Position 5 - Michael Jones, Chair 2014-2017
- Position 6 - Kevin Cooper, Secretary 2014-2017
- Position 7 - Andrew Weber, Director 2015-2018
- Position 8 - Lewis Roland, Director 2015-2018
- Position 9 - Caroline Beyer, Treasurer 2015-2018
- Position 10 - Joel Bennett, Director 2014-2017
- Position 11 - Wayne Hamilton, Director 2015-2018

Management

Pierre Cardenas, President/CEO
Weatherli Holt, Chief Financial Officer
Lisa Malesky, Chief Risk Officer

There were no management changes in 2016

Message from the Chairman

As we enter the last years of this decade, Capitol Credit Union is acting to meet the changing financial needs of our members. Last summer, your credit union introduced a robust new online banking service. After overcoming some road bumps during the transition, our members now have access to improved online banking, mobile banking and bill payer services.

The credit union also issued new chip-embedded debit cards that will improve security and lower the risk of fraud for members. Near the end of the year, we also introduced a new checking account product for members who prefer to conduct most of their business online. We closed the year with \$79 million in loans to credit union members, an increase of \$19 million over the previous year.

On behalf of the 11 volunteers who serve on your board of directors, I thank you for continuing to make Capitol Credit Union your financial institution of choice.

Michael Jones

Capitol Credit Union Board of Directors, Chair

Message from the Nominating Committee

The Board of Directors appointed us to the Nominating Committee and tasked us with reviewing candidates who wish to fill vacant and expired positions on the Board. This said, the Nominating Committee unanimously recommends the following candidates to serve on the 2017 Capitol Credit Union Board of Directors:

- Position 4 - Karim Hirani, Director
- Position 5 - Michael Jones, Director
- Position 6 - Kevin Cooper, Director
- Position 10 - Joel Bennett, Director

We appreciate the opportunity to serve the Board of Directors of Capitol Credit Union.

Brett Bray, David L. Davis and Aaron Demerson

Capitol Credit Union Nominating Committee, Chair

Message from the President

While 2015 proved to be a record lending year for Capitol Credit Union, 2016 was just as abundant. We were able to place approximately \$54 Million dollars into the hands of our members to help them achieve their goals and dreams. The Capitol Credit Union Team considers it a privilege to have been able to help so many members in 2016. We are excited to be able to help even more members in 2017. A few other highlights for 2016 such as the Wealth Management Program which has been able to financially advise and invest over \$3.5 Million dollars of our members' money into higher yielding returns for their future family needs. Many members have personally thanked me for this new service that helps provide true strategic, highly advanced financial planning with our own in-house CFP (Certified Financial Planner). In addition, in 2016 we launched our new Online Banking and Mobile solution. While the transition was hard for all of us to learn a new system, it is flowing nicely today. We have a more robust mobile capability; our online bill pay is easier to use with better support and the credit union saved thousands of dollars in annual cost. In 2016 we also continued to automate our services by rolling out our "new" online new account/new membership program that allows you to open additional accounts or have friends & family join Capitol Credit Union all at the convenience of their online device of choice! This is a great alternative to fighting Austin traffic. Another big initiative in 2016 was the deployment of our new checking account "Kasasa."

We are now able to offer Free ATMs anywhere and Cash Back to anyone opening a new checking account. We are the first Credit Union in Austin to provide such a great checking account product and are proud to bring it to you first. While there are so many other things in the background taking place every day, we continue to be committed to providing you better service, better quality and a positive "Delightful" experience every time you interact with your Credit Union. Suffice it to say that we want to deliver "VALUE" to our membership and we will continue to work hard to do this for you!

We hope you love the design of our new "chip" debit cards and show them off to your friends and family because we are proud of them ourselves. There is only one place to get them, Capitol Credit Union. Here is to looking for even greater things in 2017 - for we continue to believe the Best is yet to come!

Pierre Cardenas

Capitol Credit Union President / CEO



CAPITOL
CREDIT UNION



©2017 Capitol Credit Union. All rights reserved. Capitol Credit Union is in accordance with the Federal Fair Housing Law and the Equal Credit Opportunity Act. Your savings are federally insured to at least \$250,000 through the National Credit Union Share Insurance Fund (NCUSIF) managed by the National Credit Union Administration, a U.S. Government Agency.

