

CHAIRPERSON / PRESIDENT'S MESSAGE:

As the arrival of 2017 was sure to bring in even more excitement and many new opportunities over 2016; little did we know just how exciting that would be! We continued to broaden our loan program to include new and exciting products in the consumer and real estate area. Both our auto and real estate loan promotions have been very successful in 2017 in which our Auto Loan Portfolio took in \$12.6M new loans over last year and our Home Equity Line of Credit (HELOCs) increased by \$2.36M in new money! We also moved forward with Loan Participations in order to diversify our loan portfolio as well as increase our loan income and ultimately our bottom line. We closed on two loan participation pools in 2017 from two mid-west Credit Unions – both totaling close to \$9M!

For 2017, we continued our work on launching our "Relationship Pricing" program which rewards members who have entrusted CCFCU with their financial well-being. Rollout came on March 15, 2017 with the GEM SELECT REWARDS PROGRAM. Added benefits to our DIAMOND MEMBERS and building relationships with our Emerald and Sapphire members as we both, CCFCU and our valuable members, strive for everyone to reach the Diamond level. We hope your 'box of Lula's chocolates' put a smile on your face and brightened your day – as we wanted to wish our Diamond Members a heartfelt "Happy Anniversary" with CCFCU!

We continue to forge ahead in our technology and have garnered continual success in 2017 with our Mobile Banking - its look, feel and ease of use! Online banking has hit over 8218 member-use! Whether our members prefer Online or Mobile Banking use within the leisure of their home, on the road, or on vacation, our branches were always open with the availability of use in our lobbies as well as working with our knowledgeable and professional staff in helping out with all your needs.

Overall in 2017, Central Coast Federal Credit Union proudly provided services for 12,127+ members, including closing the year with \$33.9M in home loans and \$15.4M in auto loans. Members also deposited close to \$11.3M

in new checking and savings accounts, all new money. CCFCU also experienced over 27,548 of bills that were paid online and an increase of 20% adoption of our Mobile Banking over 2016 figures! Four branch locations with 36 employees served our membership and 100% of our employees continuing to volunteer their time at CCFCU sponsored events such as the Relay for Life, Together with Love Walk, American Heart Association, Alzheimer's Walk, United Way events to include 'Stuff the Bus' as well as the California International Airshow - just to name a few. There have been many other events throughout our community that our staff and board continue to support and show up for! Not only have we raised a generous amount of funds to benefit our local non-profits, but thank you, our Valuable Members, for being so generous when approached with the 'ask' and contributing to the community!

We are proud and appreciative of our staff, our dedicated volunteer Board of Directors, and YOU, our loyal membership. Your active support of our local, community-minded Credit Union is what allows Central Coast Federal Credit Union to make a real difference in the financial lives of those we serve in our community.

As we begin our 69th year of service, we are grateful for the confidence and trust you have placed on us.

Thank you!

Sincerely,

Juanita Casiano-Ferrante,
Board Chair

Leinette Limtiaco,
President/CEO

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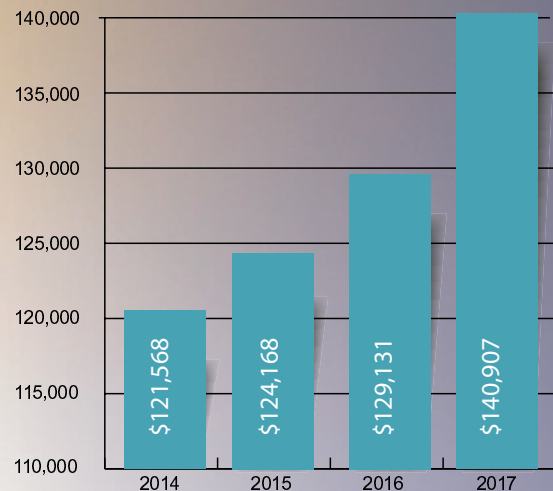


CENTRAL COAST
FEDERAL CREDIT UNION
Community Minded.™ Just Like you!

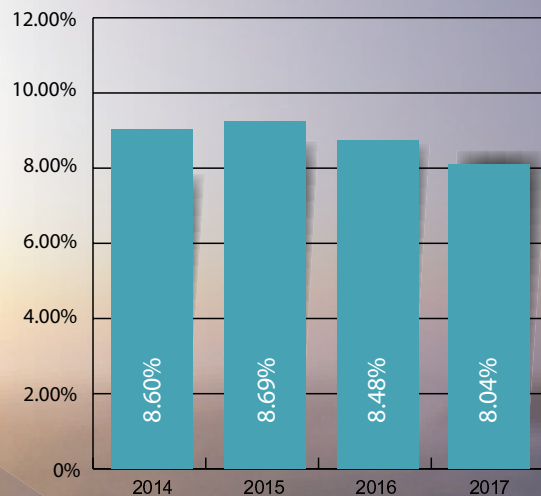
ANNUAL REPORT

2017

ASSETS (000'S OMITTED)



RESERVE TO ASSETS



BOARD OF DIRECTORS

Juanita Casiano-Ferrante, Chair
 COL. John Turner (USA Ret.), Vice Chair
 Joan Johnson, Secretary
 Gary Bever
 LTC. Tom Hendricks (USA Ret.)
 Vince Ferrante
 Joe Gunter

STATEMENT OF FINANCIAL CONDITION

	2016	2017
ASSETS		
Loans-Net	\$47,933,778	\$61,088,836
Cash	\$8,829,340	\$6,327,862
Investments	\$69,204,204	\$70,883,891
Fixed Assets- Net	\$766,313	\$661,396
Other assets	\$2,397,259	\$1,944,753
	<u>\$129,130,719</u>	<u>\$140,906,738</u>
LIABILITIES		
Accounts Payable	\$682,277	\$833,961
Accrued Dividends	\$2,547	\$8,706
Other Liabilities		
EQUITY		
Shares	\$54,123,243	\$61,435,850
Money Market	\$18,214,091	\$18,547,377
IRA's	\$8,837,740	\$8,146,499
Term Certificates	\$20,220,388	\$20,131,541
Share Drafts	\$17,310,330	\$21,374,842
Undivided Earnings & Reserves	\$9,740,103	\$10,427,962
	<u>\$129,130,719</u>	<u>\$140,906,738</u>
OPERATING STATEMENT		
GROSS INCOME		
Interest on Loans	\$2,358,485	\$2,650,673
Investment Income	\$1,128,993	\$1,227,394
Other Income	\$1,351,704	\$1,467,627
TOTAL GROSS INCOME	<u>\$4,839,182</u>	<u>\$5,345,694</u>
EXPENSES		
Operating Expenses	\$4,806,701	\$4,632,978
Provision for Loan Losses	\$(218,197)	\$(98,053)
NCUA Ins Fund		
	<u>\$4,588,790</u>	<u>\$4,731,031</u>
Income (loss) from Operations	\$250,393	\$614,663
Gain (Loss) on Disposition of Assets & Investments	\$105,181	\$1,936
Restoration of NCUSIF		
Shareholder Dividends	\$(197,264)	\$(227,963)
TOTAL NET INCOME	<u>\$158,309</u>	<u>\$388,636</u>
Reserve To Assets	8.48%	8.04%