Bank-Fund Staff Federal Credit Union
2013 Annual Report
Federally Insured by NCUA

We are focusing on the future
so you can focus on yours
The 67th Annual Meeting of Bank-Fund Staff Federal Credit Union is scheduled for Thursday, April 3, 2014 at 3:00pm, at the J.W. Marriott®, 1331 Pennsylvania Avenue, NW, Washington DC, 20004.

Copies of the minutes of BFSFCU’s 66th Annual Meeting will be available at the 2014 Meeting. Copies may also be obtained from the Credit Union by written request to BFSFCU, 1725 I Street, NW, Suite 150, Washington, DC 20006.
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## Summary Financial Statements

(In Thousands, US$)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STATEMENTS OF FINANCIAL CONDITION</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$550,732</td>
<td>$491,847</td>
<td>11.97</td>
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<tr>
<td>Investments</td>
<td>1,084,275</td>
<td>953,100</td>
<td>13.76</td>
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<tr>
<td>Loans (Net of Allowance for Loan Losses)</td>
<td>2,071,264</td>
<td>2,076,853</td>
<td>(0.27)</td>
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<tr>
<td>Loans Held-for-Sale</td>
<td>285</td>
<td>14,192</td>
<td>(97.99)</td>
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<tr>
<td>Loans in Process</td>
<td>9,586</td>
<td>—</td>
<td>—</td>
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<tr>
<td>Other Assets</td>
<td>54,730</td>
<td>57,886</td>
<td>(5.45)</td>
</tr>
<tr>
<td>Total Assets</td>
<td>3,770,872</td>
<td>3,593,878</td>
<td>4.92</td>
</tr>
<tr>
<td>Deposits</td>
<td>3,321,920</td>
<td>3,142,866</td>
<td>5.70</td>
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<tr>
<td>Other Liabilities</td>
<td>35,262</td>
<td>44,361</td>
<td>(20.51)</td>
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<tr>
<td>Members’ Equity</td>
<td>413,690</td>
<td>406,651</td>
<td>1.73</td>
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<tr>
<td>Total Liabilities and Members’ Equity</td>
<td>3,770,872</td>
<td>3,593,878</td>
<td>4.92</td>
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<tr>
<td><strong>STATEMENTS OF INCOME</strong></td>
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<tr>
<td>Interest Income</td>
<td>$79,224</td>
<td>$84,250</td>
<td>(5.97)</td>
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<tr>
<td>Interest Expense (Dividends)</td>
<td>16,277</td>
<td>19,945</td>
<td>(18.39)</td>
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<tr>
<td>Net Interest Income</td>
<td>62,947</td>
<td>64,305</td>
<td>(2.11)</td>
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<td>Provision for Loan Losses</td>
<td>9,400</td>
<td>8,493</td>
<td>10.68</td>
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<td>Noninterest Income</td>
<td>13,445</td>
<td>21,507</td>
<td>(37.49)</td>
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<tr>
<td>Noninterest Expense</td>
<td>61,384</td>
<td>62,893</td>
<td>(2.40)</td>
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<tr>
<td>Net Income</td>
<td>5,608</td>
<td>14,426</td>
<td>(61.13)</td>
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<tr>
<td><strong>KEY EQUITY RATIOS</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Members’ Equity to Deposits</td>
<td>12.45%</td>
<td>12.94%</td>
<td>(3.75)</td>
</tr>
<tr>
<td>Members’ Equity to Total Assets</td>
<td>10.97%</td>
<td>11.32%</td>
<td>(3.04)</td>
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<td><strong>OTHER HIGHLIGHTS</strong></td>
<td></td>
<td></td>
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<tr>
<td>Mortgage Servicing Portfolio</td>
<td>$470,700</td>
<td>$493,388</td>
<td>(4.60)</td>
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<tr>
<td>Members</td>
<td>81,945</td>
<td>79,266</td>
<td>3.38</td>
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<tr>
<td>Employees</td>
<td>297</td>
<td>301</td>
<td>(1.33)</td>
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Fully audited financial statements are available at BFSFCU.org.
Message from the President and the Managing Director

For the past 5 years—since the onset of the Global Financial Crisis (GFC)—financial institutions, including our Credit Union, have faced significant challenges. The headwinds from these challenges have generally forced all lending institutions to function in a fundamentally altered environment and manner. Many have not been able to make the requisite changes, while others needed substantial government support. Your Credit Union has successfully managed in an environment characterized by four key challenges:

- The sharp decline in interest rates: Since the onset of the GFC, vigorous actions from the U.S. Federal Reserve have reduced both short-term and long-term interest rates to historic lows. For our Credit Union and most financial institutions, this has meant not only that lending spreads came (and remain) under pressure, but also that our retained capital earned far less than normal. To put this in perspective, BFSFCU capital at the beginning of 2013 was $407 million. While in more normal times (that is, with short-term U.S. Treasury rates in the 3-5% range), this capital would have earned between $12 and $20 million. In today’s ultra-low short-term rate environment, with the average yield on 1–3 year Treasuries at historic lows, these earnings have been much lower. For example, at the beginning of 2013, the average yield on 1–3 year Treasuries was only 0.25% or 1/16 of the more normal yield of 4%—cutting this source of interest income dramatically.

- The need to meet new regulatory challenges: Several regulations, including the Dodd-Frank Act and the subsequent establishment of the Consumer Financial Protection Bureau (CFPB), have forced the redesign of several processes and systems. Your Credit Union has focused many of its staffing resources on meeting these requirements. The most impactful changes involved mortgage lending reform and extensive changes to wire transfer procedures and disclosures. Meeting these challenges has not only involved a significant demand on our staff time, but additional up-front and ongoing expenses.

- Extraordinary regulatory assessments: While most financial institutions went through the crisis without facing significant financial surcharges, credit unions did not. Our regulator, the National Credit Union Association (NCUA), initiated an assessment on all credit unions based on insured share deposits in 2009 to recover the costs of the losses incurred by the credit union share insurance fund as a result of the GFC. These assessments have resulted in payments to the NCUA from BFSFCU of approximately $18 million since 2009.
A surge in deposits: While management and the Board appreciate the vote of confidence in our well-capitalized and secure credit union, a large inflow of deposits has also presented significant financial challenges. The inflow of funds in a period of low loan demand resulted in a sharp decline in our loan-to-deposit ratio. Our Credit Union has two basic options for deploying member deposits: to maintain them in safe, highly liquid investments that, due to the aforementioned ultra-low interest rate environment, provide very low returns, or to lend them to members at interest rates that provide borrowers with exceptional value and much higher returns to our cooperative. However, in an environment of “flight-to-quality” and limited loan demand, your Credit Union—together with other high quality financial institutions—has faced headwinds on the utilization of our balance sheet strength, resulting in lower profitability than what would be achieved in a more normal environment.

Despite the depth of the attendant challenges associated with the environment created by the GFC, your Credit Union has performed well (though below what is achievable in a more normal environment). Over the past several years, costs have been restrained and numerous new initiatives (such as the expansion of our ATM Surcharge Rebate Program worldwide, improved eServices including eTransfer, Popmoney® and Online Membership and Account Opening, new products and services such as private student lending through CU StudentChoice, insurance services, and a Cash Rewards Visa® Platinum credit card) have been introduced. Throughout this time, the health and performance of BFSFCU has remained strong, with your Credit Union remaining profitable and therefore able to pay supplemental dividends in all years since the onset of the GFC.

2013 was no exception. In 2013, your Board and Management continued to focus on restraining operating expenses which declined by over $1.4 million as a result of strict cost control. As a result of this effort, your Credit Union remained profitable, earning $5.6 million, and our solid financial results allowed us to distribute a supplemental dividend of $10,000,000. As importantly, our capital position—just shy of 11% at year-end 2013—also remained exceptionally strong.

2013 Initiatives

Your Board and Management undertook several important initiatives in 2013:

First and most importantly, the Board completed its search for a new Managing Director and Chief Executive Officer. After a comprehensive search, which included both internal and external candidates, the Board of Directors appointed Eli Vazquez to lead BFSFCU into the future. Eli joins BFSFCU with over 16 years of credit union leadership experience at American Airlines Federal Credit Union (AAFCU). His experience includes serving as a member...
of the Board of Directors, leading the areas of finance (as CFO), lending, community relations, and wealth management. Prior to AAFCU, he held positions at American Airlines that included corporate finance and analysis, as well as leadership of business planning and financial reporting both domestically and internationally. As an expatriate in Mexico, he led operations, sales and government relations, giving him insight into and appreciation for the financial services required by BFSFCU members.

During the search process, Mr. George West, former President of the Board, was able to serve as interim CEO, providing the Board with the requisite time to ensure a successful search. The Board would like to take this opportunity to thank George for all that he has contributed to BFSFCU, both in 2013 and over his many years of service. The Credit Union is on solid footing thanks to George’s stewardship. We are very grateful for his management of- and commitment to- the organization and the staff.

Second, at the start of 2013, BFSFCU introduced chip technology for our Visa® Platinum, Visa Platinum Member Rewards, and Visa Platinum Cash Rewards Cards – the encrypted security chips embedded into the cards help to reduce the chance of credit card fraud, thereby providing stronger security for our members. We were one of the first credit unions in the United States to begin offering chip credit cards, as we understand the importance of account security and peace of mind. With the growing popularity of chip technology around the world, our chip enabled cards provide significantly greater acceptance of the card for our members who travel or live internationally.

Third, in an effort to streamline our domestic and international wire transfer processes, BFSFCU introduced eWires – an enhanced custom-built platform within Online Banking which provides a user-friendly experience on the front-end of a wire transfer request, a more accurate and efficient process on the back-end, and stronger security measures to protect our members’ funds. Since the successful implementation of eWires in March, BFSFCU has processed over 56,000 outgoing wires in excess of $1.2 billion dollars, to over 196 countries.

Fourth, in October 2013, we reduced our mortgage origination fee from $2,250 to $500. This made our mortgage products even more affordable and therefore more accessible to our broader group of Credit Union members, and made our Credit Union a price leader in low mortgage fees.

Fifth, our Free Financial Seminars Series continued for its 8th year in 2013, and with feedback from our members, we introduced new seminar topics that are specifically designed to meet the needs of our membership: Retirement and Financial Planning for G4 Visa Holders, Understanding Your World Bank and IMF Pension Plans, Tax Efficient Investing for G4 Visa Holders, and U.S. Income Taxation for G4 Visa Holders.
Sixth, our foreign exchange provider, Travelex, expanded its exclusive benefits to BFSFCU members including foreign currency discounts worldwide and the introduction of the multi-currency Cash Passport Prepaid MasterCard™—offering multiple currencies on a single card enhanced with chip technology.

Finally, on BFSFCU.org, we steadily developed the financial literature of our Resource Center to help guide our members’ financial decisions—ranging from fine-tuning financial strategies to understanding the basics of retirement. Our Resource Center also hosts a collection of financial calculators, designed to help our members estimate and predict the best outcome for their finances.

Focus On The Future

While your Credit Union will continue to face significant challenges from the aftermath of the Global Financial Crisis, your Board and Management will remain focused on ensuring a strong back-to-basics approach and member-centric service focus. Both the Board and Management feel confident in our ability to ensure that, with each day’s passing of the crisis, our resources will be devoted to building and securing a strong future for our Credit Union.

Indeed, looking to 2014, your Credit Union will focus on three primary objectives:

- Further enhancing the competitiveness of our loan offerings: As noted above, given the choice between deploying our member deposits to investments in low-yielding liquid investments or lending them to members at interest rates that provide borrowers with exceptional value and also higher returns to our cooperative, we will increasingly seek the latter. As such, we intend to help ensure that members make our Credit Union their first choice for a car loan, a credit card, a mortgage, an education loan, or a consumer loan. To do so, we are poised to offer new options for mortgages and credit cards and to make sure that BFSFCU offers highly competitive loan products in 2014.

- Mobile Technology: Beginning in 2013, the Board and Management began an evaluation of the multiple facets related to creating a new service channel in the form of mobile banking/remote deposit as a complement to our existing online banking system. While the evaluation on security, technology, vendor choice, and integration with existing systems is ongoing, the Board and Management hope to move such a platform to reality in late 2014. This new mobile banking application for smart and mobile phones will provide the ability to check your accounts, transfer funds, pay bills and deposit checks with your phone’s camera—all while “on the go”.


Improved service to members: In 2014, we will seek new ways to provide our members exceptional service and value. We will evaluate offering a new car buying service that provides expanded access to value pricing through a broader car dealer network and online tools such as “build your own” auto pricing and inventory search. We will increase our loan officer presence in our branches and work towards optimizing the routing of member inquiries to match staff expertise with member needs. We will be streamlining communications through our secure channels to protect the security of member accounts and deliver prompter service. Finally, we will be looking to expand our automated or self-service solutions for simple requests such as password resets and to enhance access to our shared branch network to enable members to deposit checks and make loan payments via certain network ATMs.

Our commitment to our core values of service, trust, loyalty, and integrity is essential to the relationship we share with our members and their families. We are also dedicated to ensuring that our Credit Union operates as efficiently and effectively as possible so that we may continue to reward our member/owners with the returns and benefits they deserve.

For 66 years, we have endeavored to provide exceptional member service across all available channels, whether you are in our branches, accessing Online Banking, or applying for a loan. In 2014, we will continue to passionately execute that mission. We are grateful that we have retained the loyalty and support of our membership as we continue to manage through this global crisis. We thank you for the privilege of being your trusted financial institution.
Board of Directors

Kenneth M. Miranda
President

Stephanie Von Friedeburg
Vice President

David Ordoobadi
Treasurer

Tom C. Tsui
Secretary

Giuliano Caloia
Director
Financial Results

Total assets increased 4.92% to $3.8 billion from $3.6 billion at year-end 2012. Net loans were consistent with 2012 at $2.1 billion, reflecting a continued demand for first mortgage loans, which was primarily driven by historically low rates throughout much of the year.

Consistent with many other financial institutions, we saw increases in our allowance for loan losses (the “reserve”) and loan delinquencies during 2013. The reserve, which represents management’s estimate of loan losses inherent in the loan portfolio, increased 48.53% to $18.4 million from $12.4 million in 2012. This increase is attributable to a number of quantitative and qualitative factors that must be considered when estimating the reserve. Currently, our reserve ratio, defined as the allowance for loan losses to gross loan balances outstanding, is 0.88% as compared to 0.59% at December 31, 2012.

Loan delinquencies also experienced increases over 2012. As of December 31, 2013, delinquent loans, defined as loan balances 30 days or more past due, were $36.5 million compared to $35.1 million as of December 31, 2012. Reportable delinquent loans, defined by the NCUA as those delinquent loans 60 days or more past due, were $19.4 million compared to $13.5 million as of December 31, 2012. Our coverage ratio, which is the reserve to delinquent loans, was 50.48% and 35.30% as of December 31, 2013 and 2012, respectively. The Credit Union’s coverage ratio for reportable delinquent loans was 94.99% as of December 31, 2013, compared to 91.56% as of December 31, 2012.

Total deposits increased by $179 million, or 5.70%, to $3.3 billion from $3.1 billion at year-end 2012. Our money market accounts experienced the largest deposit increases of approximately $105 million.

Revenues, defined as net interest income and noninterest income, were $76.4 million for the period ended December 31, 2013, as compared to $85.8 million for the same period last year. This decrease of $9.4 million was driven primarily by a lower interest rate environment in 2013.

Dividends, or interest expense, which includes the Board of Directors approved supplemental dividend of $10.0 million, decreased from last year approximately $3.6 million to $16.3 million from $19.9 million as a result of lower interest rates offered throughout the year.

We did experience an increase in our provision for loan loss of $907,000 driven primarily by changes in quantitative and qualitative assessment factors that are used in our allowance for loan loss (the “reserve”) model. Net charged-off loans were $3.4 million for the period ended December 31, 2013, compared to $5.6 million for the same period last year.
Noninterest expenses, or operating expenses, decreased over $1.4 million as a result of cost control and mitigation efforts throughout the year. Net income was $5.6 million as compared to $14.4 million in 2012, resulting in an $8.8 million decrease.

**Liquidity and Investments**

The Credit Union’s goal is to maintain a liquidity level of at least 20 percent of shares, seeking an optimal level to accommodate potential extremes in deposit fluctuations and unusual loan demand. We ended the year with a liquidity ratio, defined as cash and cash equivalents plus investments as a percentage of deposits, of 49.22% compared to 45.98% in 2012.

In 2013, the Credit Union’s investments composed exclusively of U.S. Treasury and U.S. Government-backed Agency obligations and AAA-rated U.S. Municipal Bonds, increased by approximately $130 million compared to 2012.

The investments balance was $1.1 billion at December 31, 2013, compared to $953.1 million a year ago. Our Federal Funds and short-term investments portfolio balance was $532.3 million compared to $456.2 million at year-end 2013 and 2012, respectively.

The total return for the investment portfolio for the period ended December 31, 2013, was 0.01% versus 0.74% a year ago.

**Capital Strength**

Members’ Equity, or capital, and the related capital ratio are primary indicators of a financial organization’s strength and soundness. Members’ Equity to Total Assets was 10.97% at December 31, 2013. The Credit Union’s capital base increased by 1.73% in 2013 and continues to exemplify our commitment to ensuring the organization’s ongoing financial viability, while investing in improvements and expansion of services to members. Our capital ratio continues to exceed the standard requirement set by the NCUA, which is 7.00 percent. As a result, we are considered “well capitalized”.

**NCUA Examination / External Audit**

Our NCUA examiners completed their most recent examination of the Credit Union effective June 30, 2013. In addition, our outside independent public accountants, Grant Thornton LLP, completed their audit for the period January 1, 2013 to December 31, 2013. Their complete report containing the entirety of our audited financial statements can be found on our website at BFSFCU.org.
On behalf of the Credit Committee, it is a pleasure to report on another year in the lending area. Total gross loans outstanding at December 31, 2013, and December 31, 2012, were approximately $2.1 billion. The Credit Union’s gross loans-to-deposits ratio was 62.90% at the end of 2013 compared to 66.48% at the end of 2012. As our members continue to find the Credit Union safe and sound for deposits, we continue to explore options to grow loans and add value to the membership. Our loan portfolio is comprised of 90.66% real estate loans and 9.34% consumer loans. Outstanding real estate and consumer loan balances as of year-end remained consistent with 2012 at $1.89 billion and $194 million, respectively.

Our mortgage loan servicing portfolio decreased in 2013 to $470.7 million from $493.4 million in 2012. The decrease in the servicing portfolio is a result of our members refinancing existing fixed rate mortgages to lower rate products offered throughout the year or simply paying down debt. This trend has existed for the past two years.

As 2013 was another difficult year for financial institutions, particularly in the loan delinquency area, the Credit Union experienced an increase in the total amount of delinquent loans to $36.5 million as of December 31, 2013, from $35.1 million as of December 31, 2012 but delinquencies remain low in comparison with the outstanding portfolio and in comparison to other credit unions.

Reportable delinquent loans, defined by the NCUA as those delinquent loans 60 days or more past due, were $19.4 million (0.93% of total gross loans outstanding) as of December 31, 2013, compared to $13.5 million (0.65% of total gross loans outstanding) as of December 31, 2012.

I would like to thank the hard working staff of the Lending Services Department, as well as the members and alternate members of the Credit Committee, for all of their dedicated efforts on behalf of the Credit Union and its membership.
Supervisory Committee Report

The Supervisory Committee is responsible for confirming that management’s financial reporting objectives have been met, and that management practices and procedures safeguard members’ assets. The Committee retained the auditing firm of Grant Thornton, LLP to conduct an audit and express an opinion on the financial statements of the Credit Union for the period January 1 through December 31, 2013.

Grant Thornton, LLP has completed their audit, which was performed in accordance with generally accepted auditing standards. Their unqualified opinion, along with the Credit Union’s audited financial statements, is available on the Credit Union’s website located at BFSFCU.org.

We confirm that the auditors’ report is based on information obtained from the Credit Union’s records and through direct observation by the auditors, acting on behalf of the Supervisory Committee, and that, to the best of our knowledge and belief, the statements covered by their opinion are accurate.

Members
Riaz Ahmed
Mouhamadou Diagne
Paul Trites

Nicholas Pardoe
Chair
“We are focusing on the future, so you can focus on yours.”
Ten-Year Performance Summary

(In Thousands, US$) 2004

STATEMENTS OF FINANCIAL CONDITION
Cash and Investments $ 553,099
Loans (Net of Allowance for Loan Losses) 1,360,022
Deposits 1,634,122
Members’ Equity 287,861
Total Assets 1,942,142

STATEMENTS OF INCOME
Income $ 71,742
Dividends 16,585
Expenses (including provision) 28,950
Net Income 26,207

KEY RATIOS
Interest-rate Sensitivity\(^1\) 89.70%
Liquidity\(^2\) 33.85
Net Loans to Deposits 83.23
Members’ Equity to Deposits 17.62
Members’ Equity to Total Assets 14.82

OTHER HIGHLIGHTS
Members 51,889
Employees 211

1 Rate-sensitive assets as a percentage of rate-sensitive deposits.
2 Liquid assets as a percentage of deposits.

Fully audited Financial statements are available at BFSFCU.org.
## Statements of Financial Condition

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<tr>
<td><strong>Cash and Investments</strong></td>
<td>$516,579</td>
<td>$560,845</td>
<td>$713,489</td>
<td>$879,044</td>
<td>$951,621</td>
<td>$945,737</td>
<td>$1,183,896</td>
<td>$1,444,947</td>
<td>$1,635,007</td>
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<tr>
<td><strong>Loans (Net of Allowance for Loan Losses)</strong></td>
<td>1,509,477</td>
<td>1,571,856</td>
<td>1,620,944</td>
<td>1,644,515</td>
<td>1,806,313</td>
<td>2,045,649</td>
<td>2,057,229</td>
<td>2,076,853</td>
<td>2,071,264</td>
<td></td>
</tr>
<tr>
<td><strong>Deposits</strong></td>
<td>1,360,022</td>
<td>1,509,477</td>
<td>1,571,856</td>
<td>1,644,515</td>
<td>1,806,313</td>
<td>2,045,649</td>
<td>2,057,229</td>
<td>2,076,853</td>
<td>2,071,264</td>
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<td><strong>Members' Equity</strong></td>
<td>1,634,122</td>
<td>1,727,870</td>
<td>1,810,065</td>
<td>1,991,927</td>
<td>2,190,337</td>
<td>2,433,318</td>
<td>2,643,132</td>
<td>2,884,189</td>
<td>3,142,866</td>
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<td><strong>Total Assets</strong></td>
<td>2,828,142</td>
<td>3,056,834</td>
<td>3,200,624</td>
<td>3,377,144</td>
<td>3,576,145</td>
<td>3,828,142</td>
<td>4,056,834</td>
<td>4,288,189</td>
<td>4,542,866</td>
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## Statements of Income

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<tbody>
<tr>
<td><strong>Income</strong></td>
<td>$71,742</td>
<td>$89,471</td>
<td>$110,758</td>
<td>$129,298</td>
<td>$119,511</td>
<td>$109,455</td>
<td>$112,092</td>
<td>$105,757</td>
<td>$92,669</td>
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<tr>
<td><strong>Dividends</strong></td>
<td>16,585</td>
<td>33,353</td>
<td>52,017</td>
<td>58,514</td>
<td>34,792</td>
<td>27,911</td>
<td>21,915</td>
<td>19,945</td>
<td>16,277</td>
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<tr>
<td><strong>Expenses (including provision)</strong></td>
<td>28,950</td>
<td>31,971</td>
<td>37,469</td>
<td>45,853</td>
<td>54,992</td>
<td>69,131</td>
<td>69,507</td>
<td>71,386</td>
<td>70,784</td>
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<tr>
<td><strong>Net Income</strong></td>
<td>26,207</td>
<td>24,147</td>
<td>21,272</td>
<td>15,842</td>
<td>14,143</td>
<td>12,413</td>
<td>10,610</td>
<td>10,377</td>
<td>10,384</td>
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## Key Ratios

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<tbody>
<tr>
<td><strong>Interest-rate Sensitivity</strong></td>
<td>89.70%</td>
<td>88.40%</td>
<td>83.70%</td>
<td>83.20%</td>
<td>88.50%</td>
<td>95.30%</td>
<td>99.40%</td>
<td>100.80%</td>
<td>102.20%</td>
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</tr>
<tr>
<td><strong>Liquidity</strong></td>
<td>33.85%</td>
<td>29.90%</td>
<td>30.98%</td>
<td>35.82%</td>
<td>40.13%</td>
<td>39.11%</td>
<td>37.85%</td>
<td>37.39%</td>
<td>37.13%</td>
<td>36.08%</td>
</tr>
<tr>
<td><strong>Net Loans to Deposits</strong></td>
<td>83.23%</td>
<td>87.36%</td>
<td>86.84%</td>
<td>81.38%</td>
<td>75.08%</td>
<td>74.23%</td>
<td>67.39%</td>
<td>61.33%</td>
<td>56.08%</td>
<td>62.35%</td>
</tr>
<tr>
<td><strong>Members' Equity to Deposits</strong></td>
<td>17.62%</td>
<td>18.06%</td>
<td>18.25%</td>
<td>17.44%</td>
<td>16.02%</td>
<td>14.84%</td>
<td>13.57%</td>
<td>12.20%</td>
<td>11.79%</td>
<td>12.45%</td>
</tr>
<tr>
<td><strong>Members' Equity to Total Assets</strong></td>
<td>14.82%</td>
<td>15.16%</td>
<td>15.23%</td>
<td>14.61%</td>
<td>13.62%</td>
<td>12.77%</td>
<td>12.20%</td>
<td>11.79%</td>
<td>11.32%</td>
<td>10.97%</td>
</tr>
</tbody>
</table>

## Other Highlights

<table>
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<tr>
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</thead>
<tbody>
<tr>
<td><strong>Members</strong></td>
<td>53,841</td>
<td>55,448</td>
<td>57,241</td>
<td>59,481</td>
<td>62,730</td>
<td>65,942</td>
<td>74,873</td>
<td>79,266</td>
<td>81,945</td>
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<tr>
<td><strong>Employees</strong></td>
<td>237</td>
<td>274</td>
<td>295</td>
<td>292</td>
<td>301</td>
<td>297</td>
<td>297</td>
<td>301</td>
<td>297</td>
<td></td>
</tr>
</tbody>
</table>
2013

SUCCESS IN NUMBERS

Over $466,000
Rebated Back to Members Through CU Realty Services

4,801
New Members

63,723
Total Shared Branch Transactions

$523,641,408
New Mortgage and Consumer Loans

$3.8 Billion
In Total Assets

$10,000,000
Supplemental Dividend

$918,308
Rebated Back to Members Through the ATM Surcharge Rebate Program

9,993,707
Total Debit and Credit Card Transactions

Over $1.2 Billion
International Wire Transfers Processed