



MAKING THINGS HAPPEN



CBI Federal Credit Union



Annual Meeting March 16, 2022

Agenda:

4:00 p.m. Registration

4:15 p.m. Welcome and Introduction to 58th Annual Meeting

Call to Order and Read Notice of Annual Meeting

Determination of Quorum is Present - Secretary of the Board

Approval of the Minutes of CBI FCU's 57th Annual Meeting

Reports to the Membership:

Director's Report

Treasurer's Report

Manager's Report

Chair of the Credit Committee

Chair of the Supervisory Committee

Unfinished Business

New Business

Report of the Nominating Committee

Call for Additional Nominations from the Floor

Election of Directors

Service Recognition

Member Questions

Door Prize Drawing

Motion for Adjournment

CBI Federal Credit Union

Volunteers & Staff

2021– 2022

Board of Directors

Dave Lacey, President
Gerald Pettit, Vice President
Robert Doty, Treasurer
Richard Poirier, Secretary
Jeff Garrison
Thomas Mullen
Nancy Nelson
Patricia Rice
Rob Schick

Credit Committee

Ray Moen, Chairman
Rae Jensen
Deanna Young
Monique Antos

Credit Union Employees

Michele Timpe, Manager
Fran Parkison, Assistant Manager
Monique Antos, Loan Officer
Kathleen Wilkinson, Member Service Rep

Supervisory Committee

Christopher Patti, Chairperson
Jong T. Hwang
Frank Bianchetta
Alison Bernabe
Peter Loduha

Executive Committee

Robert Doty
Patricia Rice
Jeff Garrison



Minutes of the 57th Annual Meeting

MINUTES OF THE 2021 (57th) ANNUAL MEETING OF THE CBI FEDERAL CREDIT UNION

The 2021 57th Annual Meeting of the CBI Federal Credit Union was held on March 10, 2021 via video conference. President Dave Lacey chaired the meeting and Dick Poirier was the Secretary. Monique Antos supervised the recording of the attendance at the meeting.

The meeting was called to order at 4:15 p.m. by the Chair, who noted that the Notice of the Annual Meeting was printed for the quarterly newsletter and mailed with statements as of December 31, 2020. Monique Santos reported to the Chair that a quorum was present, with 22 members attending. It was moved by Fran Parkison, and seconded by Yvonne Smith, to accept the minutes of the 2020 Annual Meeting as amended. This motion was approved unanimously by the members.

Dave Lacey presented the **Director's Report**. Year on year highlights included: We ended the year with a negative net income of \$35,807 in lieu of our budgeted positive \$9,000. COVID, office shut-downs, transitions to remote work, and emergence of McDermott from bankruptcy also had significant impact on 2020 financial results. The effect of these impacts, along with lower market interest rates resulted in reduced loan volume (from \$9.3M to \$6.9M) and therefore reduced loan income (from \$731K to \$609K). Total Assets increased 10.2% to \$19.1 million, as members preserved cash. There was an 83% reduction in Provision for Loan Losses and a 46% reduction in charge-offs. Year-end Reserves was \$1.767 M and the Net Worth/Assets was 9.24%. In recognition of reduced income, the dividend rate was reduced to the current rate of 0.03% (from 0.20%). CBI Flood Loans continue to be paid down and McDermott has paid all defaulted Flood Loans that the CU has invoiced.

The Board and Staff underwent a line-by-line review of all operating expenses in preparing the 2021 Budget. We continue to explore both internal and potential core vendor cost reductions. Our strategic focus remains on growing our loan portfolio through promotions and new and expanded products. We are experiencing a growth in new home mortgages and re-finance. We will be rolling out a new Home Equity Loan program in 2021. We are also investigating the suitability of entering a Loan Participation program where we would purchase loans from a network of other credit unions. These efforts are focused on adjusting to current market conditions, growing our income and returning to positive earnings.

Dave thanked the directors, committee members and staff for their significant efforts and dedication. Dave invited Credit Union members to consider volunteering for a Board or Committee position. Finally, Dave extended a big thank you to all our member-owners who continue to support the CBI Federal Credit Union, which was founded on the principle of "People Helping People".

On the motion by JT Hwang, and seconded by Pat Sheeren, the Director's Report was unanimously approved by the members.

Robert Doty presented the **Treasurer's Report**. The report included a brief summary of the Balance Sheet and Income Statements as of December 31, 2020. Capital Reserves have helped maintain CBI FCU operational stability. Our 9.2% Capital Ratio is above the 7% standard set by our federal regulator and exceeds the 5% standard set for banks. In addition to the figures included in the Director's Report, the following information was reported: First Mortgages decreased by \$684,000, and VISA balances decreased by \$169,000; Net Investments increased by \$4.4 million, to \$12.0 million; Members' Savings, Money Market and Share Draft accounts increased by \$1.4 million, and IRA Certificates and Term Share Certificates were up \$394,000, for a total growth of \$1.84 million in Members' accounts. Regular Reserves and Undivided Earnings (our Capital) is down by \$35,807 to \$1.77 million; the Net Income of minus \$35,807 was \$24,700 less than 2019 Net Income; the dividend rate was reduced due to market-place rates collapsing by 1.5% in the past year.

Minutes of the 57th Annual Meeting

We have 78 fewer members due mainly to closing of dormant accounts. The number of new Loans was down to only 59 at \$1.6 million. In 2020, we charged-off \$33,300 in non-performing loans. Our Loans/Assets ratio decreased from 54.2% to 36.8% during 2020, and our goal for 2021 is to increase this ratio to more than 50%. There was a decrease in the Net Income Return on Average Assets (ROA) from -0.05% to -0.20%. Net Income as a percentage of Total Income fell to a minus 5.9%, which is below our ten-year average of plus 3.8% for this rate-of-return.

Short-term Interest Rates are now expected to remain flat at 0.25% in 2021. In March, the Federal Reserve reduced short-term rates by 1.5% from 1.75% down to 0.25%. These rates are not projected to increase in 2021.

CB&I's merger into McDermott in May 2018 produced new "business connections" with our Members, and we are working diligently to keep all processes operating smoothly. With sufficient cash reserves in-hand, the Credit Union is well capitalized, and we believe that these financial figures will improve in the future and be positive in the years ahead.

On the motion by Dick Poirier, and seconded by Jeff Rinehart, the Treasurer's Report was unanimously approved by the members.

Michele Timpe presented the **Manager's Report**. Over the course of 2020, our credit union quickly pivoted in response to a series of events that few could have foreseen. First, we took critical measures to protect the health and safety of our members and staff. Within 30 days, we adopted new safety protocols and refitted our branch with plexiglass partitions, social distancing signage and other precautions. Our staff was able to continuously serve our members with no closures, while they adjusted to working remotely.

For our members facing financial hardships and quarantines, we provided assistance with loan deferrals and are pleased to note that the majority who received loan deferrals have honored their commitment and resumed payment. Despite the shockwaves to the economy due to the pandemic, our credit union remains on solid financial footing. Our sound capitalization enabled us to excellent operations through this major economic downturn.

We also were able to be competitive with our rates based on many other credit unions in our peer group along with charging very low fees. The credit union is pleased to share that assets grew 10.2%, primarily attributed to share draft accounts. We're proud to have helped our members either purchase or refinance their homes through our competitive Home Loan rates.

We remain rooted in our commitment to helping our members through every stage of life. 2021 will be a year of digital improvements to make it even easier for our members to do business with us anywhere by upgrading our Virtual Branch and our mobile app. The credit union understands how technology makes a difference in people's lives and improves the efficiencies and the member experience. We are now offering more loan programs. We will continue to be mindful of our cost and focus on the safety and soundness of the credit union. We will continue to offer competitive rates to both borrowers and savers, and will continue to provide first rate products and services to our members. We are strategically preparing for a new world of digitization of financial services for the 2021 year while maintaining our high standards for providing an exceptional member experience and personal member service.

On the motion by Patti Rice, and seconded by Rob Schick, the Manager's Report was unanimously approved by the members.

Ray Moen presented the **Credit Committee Report**. Ray reported that our loan portfolio continues to remain in a good position and we are optimistic that 2021 will be stronger for us. The Credit Committee approved 44 Loan Applications (a 57% decrease) for new loans requesting more than \$680K.

Minutes of the 57th Annual Meeting

This amount of new loans that the Committee approved in 2020 decreased by 57% from the \$1.60 million approved last year. We saw a change in loans requests from members this year due to the pandemic along with Home Mortgages rates being at a much lower rate than 2019. This resulted in our members taking advantage of either doing a refinance or a new purchase.

Other loans in 2020 consisted of the Credit Union closing on 6 new First Mortgage Loans for \$910,900, through our partnership with Any Hour Mortgage. The Credit Union evaluates all applicants and chooses to service only the loans that best fit our long-term goals. Eleven new Instant Advance Loans were written for \$10K. These two groups of loans are not reviewed by the Committee.

In addition, we currently have 581 VISA Credit Card accounts on file which are reviewed by the Committee during the years of application and any subsequent time the line of credit changes.

Loan write-offs and delinquency rates were significantly decreased in 2020 from the previous year. Our Assistant Manager performs ongoing monitoring of delinquent loan accounts and the Credit Committee also performs a regular review.

As Chairperson of the Credit Committee, Ray thanked the committee's hard-working volunteers: Rae Jensen, Deanna Young and Monique Antos. CBI FCU appreciates the time and talent given by each of these individuals.

On a motion by Jeff Garrison, seconded by Bob Doty, the Credit Committee report was unanimously approved by the members.

Chris Patti presented the **Supervisory Committee Report**. The committee consists of Christopher Patti (Chairman), Scott Harmon, Frank Bianchetta, Chelsea LaHaye, and JT Hwang. During 2020, Desmond & Ahern performed the Agreed Upon Procedure audit from the period through September 30, 2020. This type of audit is performed as required by NCUA rules. There were no material concerns but some recommendations.

During the past 12 months, the committee conducted a total of 12 various audits throughout the year. No significant exceptions were noted in the various audits. The NCUA performed an audit in 2020 for the period through September 2020. While there were no significant findings. However, the NCUA did recommend that all policies be reviewed annually and that CBI FCU pursue obtaining more loans through additional promotions, as well as more competitive rates for our members with high Credit Scores and higher interest rates for loans to members with low Credit Scores. The Credit Union CAMEL rating changed from 2 in 2019 to 3 in 2020, primarily due to unpredictable future of members employed by McDermott and of the significant recent decrease in loans.

The committee believes the Credit Union maintains the proper controls to ensure adequate financial safety and soundness.

On a motion by Jerry Pettit, and seconded by Patti Rice, the Supervisory Committee report was unanimously approved by the members.

Copies of all the reports, Agenda of the Annual Meeting, and the attendance list are provided on request.

Unfinished Business:

There was no unfinished business.

Minutes of the 57th Annual Meeting

New Business:

The President then called for nominations for the election of three directors. The Nominating Committee consisting of Dick Poirier (Chair), Bob Doty and Jeff Garrison nominated Jerry Pettit, Patricia Rice and Nancy Nelson as Directors for each to serve a three-year term from 2021 to 2024. The Chair thanks Bob and Jeff for serving on the Nominating Committee and thanks the nominated candidates for agreeing to continue to serve as Directors for the CBI Federal Credit Union. These three nominated persons were contacted and have agreed to serve the members of the credit union. Dave Lacey then called for any additional nominations from the floor and there were none.

A motion was made by Eugene Sheeren, and seconded by Chris Patti, to have the Secretary cast a single ballot for these three nominated members. The motion passed unanimously.

On behalf of the Credit Union Directors, Committees, Staff and members, Dave Lacey thanked Chelsea LaHaye and Scott Harmon for their service on the Supervisory Committee, as they have retired from their positions.

A drawing for two \$25 door prizes was held. Winners were: Frank Bianchetta and JT Hwang.

There being no further business to come before the meeting, the meeting was adjourned at 5:25 p.m., on a motion by Dick Poirier, and seconded by Bob Doty. This motion was unanimously approved by the members.

Dave Lacey, Chairman _____

Dick Poirier, Secretary _____



Did you know
we offer
Home Equity
Loans!

Talk to us!
Rates from 3.375% APR

Director's Report

2022 represents our 58th year of operation since our start in 1963. Back then, our first Board of Directors pledged to focus on meeting the needs of our members and that has not changed.

Today, the CBI Federal Credit Union (CBI FCU) continues to offer competitive rates on deposits and low loan rates for all products. Our services retain our belief that the personal interface with knowledgeable staff, is a core value of member service. We have continuously invested in enhanced on-line capabilities to enable members ease of use to manage their accounts in the mobile digital era.

We are pleased to report that 2021 closed with \$20.7 million in assets, a growth of \$1.6 million over 2020, as members sought to retain higher balances, likely in response to market uncertainties and unknowns associated with emergence from the covid pandemic. We remain well capitalized at 8.70%.

We closed 2022 with a net positive income of \$40,573, which includes the NCUA repayment of \$117,573 of capital from the 2010 financial crisis. The flood loan program is near completion and a closure agreement with McDermott is expected by the second quarter 2022. Our challenge continues to be the growth of our loan portfolio (currently at 33.1% of assets), and therefore net income.

64.1% of Credit Union's assets are held in investment grade institutional CD's, cash accounts, and government securities / bonds. The continuously low interest rate environment for these institutional investments contributes to a low interest rate margin (what we earn Vs what we payout). We continue to ladder the roll-over of these investments to capture the latest increases in rates. However, we expect 2022 to incur challenges related to government efforts to dampen inflation.

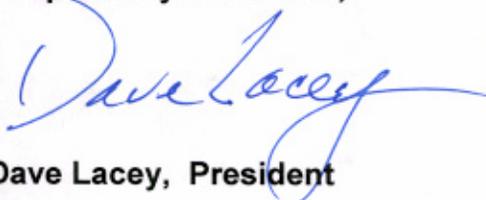
As you listen here today whether a long-time member or recently joined member, CBI FCU is constantly working on ways to make your credit union safe and strong. These include implementing and reviewing policies and ensuring that CBI FCU is compliant with the rules and regulations set by the National Credit Union Administration (NCUA).

In our roles as elected, volunteer board members we are responsible for providing direction and oversight for the credit union. We are honored to be part of a team that meets challenges head-on while fulfilling our regular duties. Together, the Board, Michele Timpe and her management team, along with Supervisory and Credit Committees, are working to set strategic goals and initiatives designed to strengthen our member relationships, focus on employee engagement to provide the best member experience, offer comprehensive digital channels to meet member expectations, achieve balanced loan portfolio growth, and improve internal efficiencies.

Improvements in loan growth requires membership growth. Strategic plans for 2022 are focused on the action required to achieve the necessary growth. As shown in the attached member locations slide, physical presence at/near the Houston, Texas office is beneficial. Data analysis of how the Credit Union's products and services are being used, are underway.

We are confident that, in 2022, CBI FCU will sustain its focus on providing exceptional member service, while preserving the financial safety and soundness of CBI FCU. We look forward to serving you and thank each of you for your continued support.

Respectfully submitted,



Dave Lacey, President

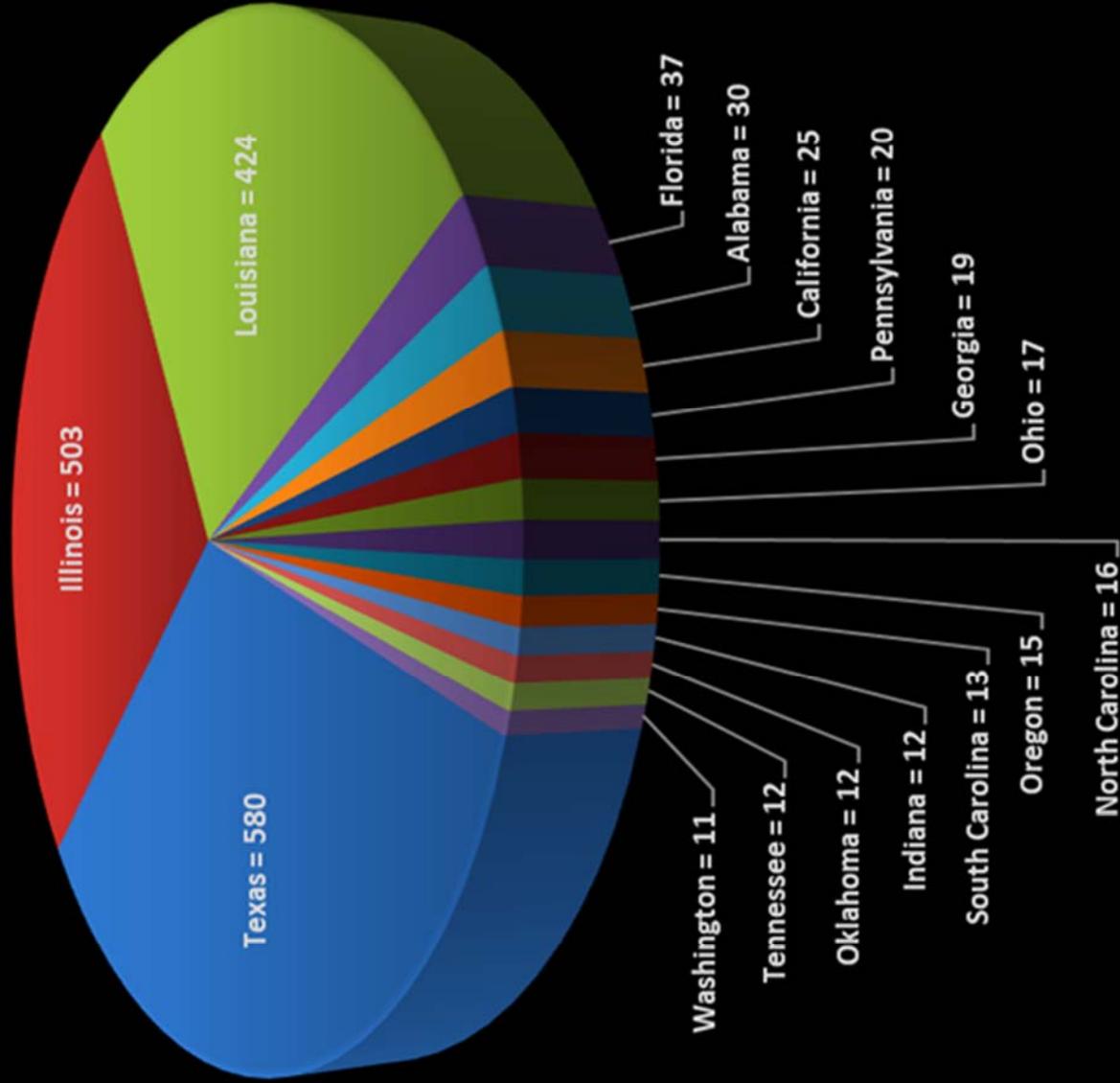
MBR STATENAME

Member Locations

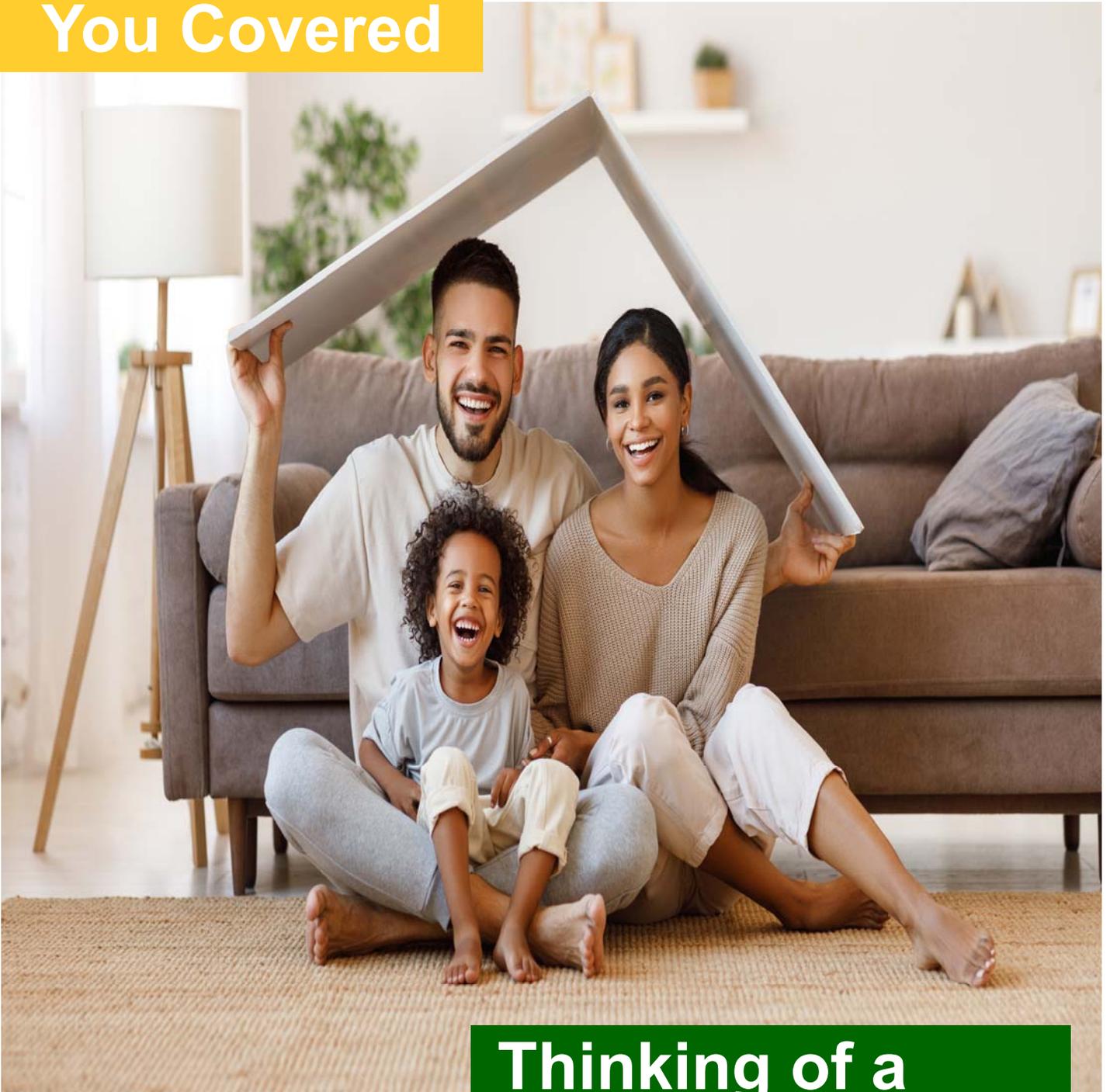
Total Mbr Accts = 1,917
Mbrs Accts in Graph = 1,746
39 States/Countries with 10 or less = 171

No. of Accts BY STATEName & Count

- Texas = 580
- Illinois = 503
- Louisiana = 424
- Florida = 37
- Alabama = 30
- California = 25
- Pennsylvania = 20
- Georgia = 19
- Ohio = 17
- North Carolina = 16
- Oregon = 15
- South Carolina = 13
- Indiana = 12
- Oklahoma = 12
- Tennessee = 12
- Washington = 11



**We've Got
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**Thinking of a
NEW HOME?**

**Call your Credit Union to get started!
(800) 439-5012**

Report of the Treasurer

The CBI Federal Credit Union is continuing to serve our Members' needs during the "still-active" Covid-19 Pandemic. Operational stability is due to the Capital Reserves that Members have helped us build over the last 57 years. Our 8.7% Capital Ratio is above the 7% standard set by our federal regulator and exceeds the 5% standard set for banks. Our philosophy of "People Helping People" and adherence to conservative investments have served us well over the last four years as our Loans to Members have fallen from \$12M down to \$7M.

Please turn to Page 1 of the Treasurer's Annual Report for 2021. In the Assets section, the amount of Regular Loans decreased by \$486,000, as the "secured" CB&I Baton Rouge Flood Loans are being paid-down and closed. First Mortgages increased by \$504,000, Home Equity Loans fell by \$43,000, and VISA balances decreased by \$64,000. The Allowance for Loan Losses figure decreased by \$42,800, and this improvement was possible even though the amount of Delinquent Loans (at year-end) was up by 48%. The resulting Net Loans figure was down by \$47,000. With extra funds in-hand, Net Investments were increased by \$1.3 million, to \$13.3 million, and Total Assets increased by \$1.6 million.

In the Liabilities and Equity section of page 1, Members' Savings, Money Market and Share Draft accounts increased by \$1.58 million, while Term Share Certificates and IRA Certificates were down \$3,000, for a Total Shares growth of \$1.58 million in Members' accounts. Regular Reserves and Undivided Earnings (our Capital) increased by \$40,573 to \$1.81 million. The bottom line shows Total Equity increased by \$1.6 million from \$19.1 million in 2020 to \$20.7 million in 2021. Last year I reported that Total Assets in 2020 had increased by \$1.8 million from \$17.4 million in December, 2019.

On Page 2, the top section shows Total Income for 2021 was down \$76,100 because of decreasing Loans; so excess funds were placed in new investments (that do not produce as much income). Operating Expenses were down by \$18,400, and the Provision for Loan Losses was increased by \$5,000 because we had to charge-off losses of \$32,800 from delinquent loans. Dividends Paid were down by \$21,500 because of lower Loan and Investment Incomes. These figures resulted in a Regular Net Income of minus \$77,000, which was \$41,000 less than last year's Net Income. The final line is Reported Net Income which was a plus \$40,600, which is up \$76,000 from last year's negative figure because the NCUA returned to us \$117,600 that we provided in 2009-to-2013 to help other Credit Unions. During 2021, short-term (5-yr.) Interest Rates in the market-place moved up by 1.00% from 0.50% up to 1.51%. We believe that income from Investments may be improving this year.

On Page 3, our Number of Members decreased by 157 to 1561 because the CBI Flood Loans are being closed-out. During the year, our number of new Loans was up to 79 at \$2.0 million. On December 31, we had an increased number of Delinquent Loans due to slow-pays, and we are contacting these Members. In 2021, we charged-off \$32,800 in non-performing loans, which was 1.5% less than last year's figure. Our Loans-to-Assets ratio decreased from 36.8% to 33.5% during 2021, and our goal for 2022 is to increase this ratio to more than 40%. There was an increase in the Net Income Return on Average Assets (ROA) from -0.20% to +0.20% (which is due to the NCUA returning some of our "old" Undivided Assets to us). The last line shows that our Net Income as a percentage of Total Income increased to a plus 7.6%, which is above our ten-year average of plus 5.0% for this rate-of-return.

During 2021, our Dividend Rate on Shares was reduced to 0.03% and there was no year-end bonus dividend. Short-term Interest Rates are now expected to increase slightly from the currently very low 0.25%. In March, the Federal Reserve may be going to raise short-term interest rates up to 0.50%, or more.

Our corporate sponsor is McDermott International following the merger of CB&I into McDermott in May, 2018. This merger has produced new "connections" with our Members, and we are working diligently to keep all processes operating smoothly. With sufficient cash reserves in-hand, the Credit Union is well capitalized, and we believe that these financial figures will improve in the future and be positive in the years ahead.

Respectfully submitted,

Robert Doty, CU Treasurer



Financial and Statistical Report

12/31/2021

12/31/2020

BALANCE SHEET

Assets

Regular Loans	2,248,329	2,734,206
First Mortgage Loans	4,046,657	3,543,004
Home Equity Loans	8,685	52,073
VISA Balances	648,286	712,604
Total Loans	6,951,957	7,041,887
Less: Allowance for Loan Losses	-77,662	-120,486
Net Loans	6,874,295	6,921,401
Cash	511,917	148,818
Federal Agency Securities / U.S. Gov't Obligations	1,500,000	300,000
Alloya Corporate F.C.U. Deposit	454,703	2,293,960
Alloya Corp. Certificates of Deposit	0	0
Certificates of Deposits at Banks & CUs	10,042,127	8,065,112
Money Market Accounts at Banks & CUs	1,104,726	1,183,293
VISA Clearing Fund	30,621	24,883
NCUSIF Capital Deposit	173,187	154,938
Net Investments	13,305,364	12,022,186
Furniture, Equip. and Office Space (net of depreciation)	0	0
All Other Assets (prepaids and accruals)	51,256	39,025
Total Assets	20,742,832	19,131,430

Liabilities and Equity

Accounts Payable & Disputes Pending	24	-8,903
VISA Payments in Process	0	0
Dividends Payable	0	-1,578
Taxes Payable	0	1
Accrued Expenses	19,975	20,568
ATM in Transit or Drafts in Process	1,624	21,228
Total Liabilities	21,623	31,316
Members' Savings	10,031,581	9,039,153
Holiday Club Savings	10,609	10,759
Money Market Accounts (new in '18)	508,525	309,673
Share Draft Accounts	5,565,727	5,173,164
Term Share Certificates	1,663,138	1,649,321
Individual Retirement Accounts	1,134,055	1,151,043
Total Shares	18,913,635	17,333,113
Regular Reserve	500,000	500,000
Undivided Earnings	1,307,574	1,267,001
Total Liabilities and Equity	20,742,832	19,131,430



Financial and Statistical Report	12/31/2021	12/31/2020
STATEMENT OF INCOME		
Income		
Interest from Regular Loans	131,667	165,871
Interest from First Mortgage Loans	132,298	145,296
Interest from Home Equity Loans	949	3,962
Interest from VISA Outstanding Balances	44,995	56,816
Total Income From Loans	309,909	371,945
Interest from Investments	119,781	140,775
Total Interest Income	429,690	512,720
VISA Interchange Income (from Debit & Credit Cards)	72,260	68,079
Other Income (Fees and FML Referral Income)	26,403	28,663
Gain on Investments (or Loss)	0	0
Other Non-Operating Gain (or Loss)	5,000	0
Total Income	533,353	609,462
Expenses		
Employee Compensation	197,795	198,545
Employee Benefits	17,736	29,011
Association Dues (ICUL)	11,409	11,054
Office Occupancy	34,760	34,521
Office Operations & Conference Costs	52,463	57,912
Loan Servicing & FML Costs	30,362	19,013
Card Processing Expenses (CSCU/FIS, LSC/ICUL)	101,355	93,841
Account Processing Services (Fiserv, FSCC, CO-OP)	96,664	107,205
Annual Audit and NCUA Examination Fees	9,107	10,930
Miscellaneous (incl. \$4,200 Fraud Loss & \$3,200 Legal Fees in '20)	30	8,083
Total Operating Expenses	551,681	570,115
Provision for Loan Losses	24,000	19,000
Interest Paid on Borrowed Money	0	0
Total Expenses Before Dividends	575,681	589,115
Dividends Paid (No Dec. Bonus Dividend in '19, '20, or '21)	34,672	56,154
Total Expenses	610,353	645,269
Regular Net Income (before Extraordinary Income)	-77,000	-35,807
Return of NCUA Corporate Stabilization Funds	117,573	0
Reported Net Income (incl. Return of NCUA Assessments)	40,573	-35,807

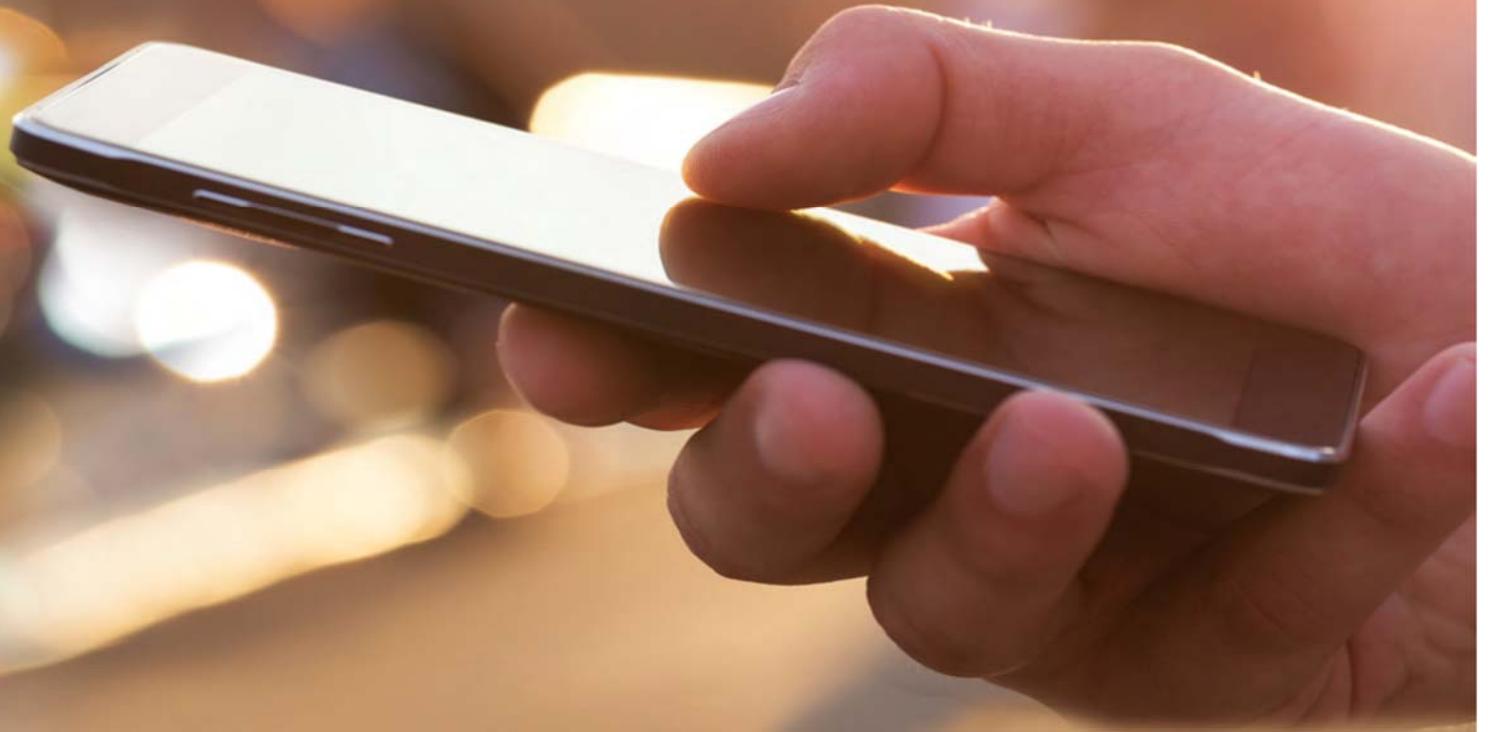


Financial and Statistical Report

	change	<u>12/31/2021</u>	<u>12/31/2020</u>
Amount Transferred To Regular Reserve		0	0
Net Income Transferred To Undivided Earnings		40,573	-35,807
Number of Members at Year-End	(157)	1,561	1,718
Dollar Amount of Loans Made During the Year		2,023,067	1,601,817
Number of Net New Loans Made During the Year	20	79	59
Dollar Amount of Loans Made Since Organization		84,335,846	82,312,779
Number of Loans Made Since Organization	79	12,784	12,705
Dollar Amount of Delinquent Loans at Year-End		308,310	208,817
Loan Amounts Charged-Off	(494)	32,799	33,293
Recoveries on Loans Charged-Off	1951	6,207	4,256
Home Equity Lines of Credit		0	0
Number of Active Home Equity Loans		1	7
VISA Lines of Credit		3,641,920	3,523,824
Number of VISA Credit Cards on File	17	598	581
Number of Active Classic Cards	(60)	151	211
Number of Active Platinum Cards	13	178	165
Loans / Shares Ratio		36.76%	40.63%
Loans / Assets Ratio		33.51%	36.81%
Total Investments / Assets Ratio		64.14%	62.84%
Total Reserves + ALL / Assets Ratio		9.09%	9.87%
Total Reserves + ALL / Total Loans		27.12%	26.80%
Delinquent Loans / Total Loans		4.43%	2.97%
Return on Average Assets (ROA)		0.20%	-0.20%
NCUA Net Worth / Assets Ratio (Capital Ratio)		8.71%	9.24%
Reported Net Income Percent of Total Income (incl. Return of NCUA Assessments)		7.61%	-5.88%

Connecting with Members

Look for your
“CBI FCU Mobile APP”
in 2022



Internet/Online Banking
www.cbifcu.org

Membership and Loan applications
accepted through DocuSign

Report of the Manager

Thank you once again for joining us via Teams. As we reflect on the past year as you hear in the reports being presented today, I can't help but feel gratitude to our employees, volunteers and you as credit union members. Credit Unions as a whole have continued to assist members with the ups and downs of financial stress caused by the ongoing global pandemic. We know there are many choices on where and how you do your banking with us and that you choose CBI to serve you for your financial needs and dreams.

Members and potential members need to turn more to credit unions as a resource for financial wellness taking them on their journey through life. It is a common theme that we are better as a TEAM working toward the same common goal of "People Helping People." There wouldn't be a credit union without loyal members.

We are thinking of ways to serve you in person and through other electronic channels. Our electronic channel continues to increase as more members are enjoying banking on their own time. This past year, we focused more on utilizing DocuSign for a more convenient way to electronically sign loan documents and do more things from the comforts of your home or anywhere. In the early part of 3rd quarter 2022, you will have the capability of accessing CBI FCU own Mobile APP. We are working closely with FISERV our data processor to give our members at better digital experience.

Here at CBI FCU, we are always monitoring technology to ensure that our member's financial needs are met. Expanding convenience and accessibility while maintaining high standards of security and privacy is of the highest importance. Cybersecurity and fraud are something that we must always be mindful of. It is a good practice to make sure that you are using strong passwords or multi-factor authentication to access your accounts. Never let someone have access to your computer unless you know them. Do not engage in conversations with people you don't know over the phone who want you to send money or give your account information. Many scams are initiated through email and social media platforms where the fraudster becomes your friend then the money is requested. If you're in doubt about a transaction don't hesitate to call us and we can guide you in the right direction. Most importantly review your account statement every month.

Safe, Sound and Secure – CBI FCU views the security of our members' funds as our top priority. All accounts are insured up to \$250,000 by the National Credit Union Administration (our federal regulator and insurer).

Lastly, I would like to thank the committee members and my team for all their hard work and dedication through their many years of experience. Our Credit Union benefits greatly from many different aspects.

We look forward to continue to serve you in 2022 and build more relationships. Together we make a BIG Difference!

Respectfully Submitted



Michele Timpe
Manager

Fresh Start for the Spring NEW or USED CAR!

Remember, family members are eligible to join CBI FCU and can take advantage of the **SAME GREAT LOW LOAN RATES**, as well as the 1st class benefits and services that come with being a member of CBI FCU.



New Vehicle

New Autos are less than 1 year old and have less than 10K miles. Minimum Loan amount based on total dealer Invoice Cost. Maximum \$80,000 or more if qualified.

Terms	APR Rate As Low As	Based on \$1,000 Loan Amount
3 Years	2.90%	\$29.04 per month for 36 months
4 Years	3.10%	\$22.18 per month for 48 months
5 Years	3.30%	\$18.11 per month for 60 months
6 Years	3.50%	\$15.42 per month for 72 months

Used Vehicle

Used Car Loan Amount cannot exceed online valuation figure. Maximum \$60,000 or more if qualified.

Terms	APR Rate As Low As	Based on \$1,000 Loan Amount
2 Years	3.00%	\$42.99 per month for 24 months
3 Years	3.20%	\$29.17 per month for 36 months
4 Years	3.40%	\$22.32 per month for 48 months
5 Years	3.60%	\$18.24 per month for 60 months

Report of the Credit Committee

We would like to say first, thank you to all of our members for their continued loyalty and support in choosing CBI FCU for their borrowing needs. Our committee is appointed annually by the Board of Directors. We manage and supervise the lending process and evaluate loan applications within the guidelines and credit policy set down by the Board of Directors.

The provision of loans to our members is a primary service of our credit union. Loan interest is one of the Credit Union's main source of income. It is vital that we continue to grow our loan portfolio in a prudent manner for the long-term sustainability and viability.

The committee met on 28 occasions throughout the year to consider loan applications and VISA applications from our members. Our committee doesn't review applications for First Mortgage Loans, Home Equity Loans or Instant Advance Loans. When evaluating loan applications, we are always conscious of the fact that we are lending members' savings. We are therefore obliged to establish that a member has the ability to repay the loan in accordance with guidelines and credit policy.

Although COVID-19 presented some continued challenges, the Credit Committee is pleased to advise that the credit union experienced more member's interest in loans in 2021.

Summary:

- As of December 31, 2021, your credit union had loans outstanding of \$6.9 million, a decrease of 1% from 2020 which was \$7 million.
- During 2021, the committee approved 66 applications (an 50% increase) for new loans requesting more than \$1 million. This amount of new loans that the committee approved in 2021 increased by 52% from the \$680k approved last year. We are particularly pleased that our members are not only considering us for loans such as cars, but are also considering us for larger value loans over a longer term.
- In addition, we currently have 598 VISA Credit Card accounts on file, which are reviewed by the Committee during the years and any subsequent time the of line of credit changes.
- Other loans in 2021 consisted of the Credit Union closing on 6 new First Mortgage Loans for \$1 million through our partnership with Any Hour Mortgage. With this partnership we are able to assist in providing mortgage services to many members. The Credit Union evaluates all applicants and chooses to service only the loans that best fit our long-term goals.
- Also 8 new Instant Advance Loans were written for \$8K. These two groups of loans are not reviewed by the Committee.

In 2021, loan write-offs and delinquency rates were decreased significantly from the previous year. Our Assistant Manager works diligently through the month monitoring the delinquent accounts along with the Credit Committee performing their review.

Did you know that it is possible to complete a loan application online from home through the credit union website using DocuSign (www.cbifcu.org). This allows you to upload the required documents through a secured environment to allow your application to be reviewed and processed. Members are encouraged to use the online facility given its ease of use, convenience and efficiency.

We ask that you continue to choose your credit union as your provider of choice and encourage your family members and colleagues to consider CBI FCU as their first choice! We anticipate continued growth in this area over the coming years.

Finally, as Chairperson of the Credit Committee, I am privileged to serve with these hard-working volunteers.

Respectfully submitted,



Ray Moen, Chairman of the Credit Committee

Your Credit Committee Members:

- Monique Antos
- Rae Jensen
- Deanna Young

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Helping Members Through Life

- Checking Accounts
- Share Savings
- Holiday Accounts
- Individual Retirement Accounts (IRA's)
- Money Market Accounts
- Share Certificates
- Audio Response (Telephone access)
- ACH Transfers or Electronic Funds Transfer
- Payroll Deduction
- Wire Transfers (Domestic & International)
- Virtual Branch (Home Banking)
- **Online Bill Pay (Upgraded to Checkfree - New 2021)**
- eStatements
- Shared Branching
- **MOBILE APP (Coming in July 2022)**
- Signature Loans
- Visa Classic Credit Card
- Visa Platinum Cash Back Credit Card with full 1% cash back
- New & Used Automobile Loans
- New & Used Motorcycles
- Boat & RV Loans
- First Mortgage Loans
- Home Equity Loans
- Share Secured Loans
- GAP Insurance
- VISA Gift Cards
- Notary Service



Products & Services

Report of the Supervisory Committee

Your Supervisory Committee serves as an independent representative of CBI FCU's members, as mandated by The Federal Credit Union Act. Our Committee is responsible for monitoring the financial safety and soundness of CBI FCU. We also measure compliance with the various financial and regulatory requirements.

The committee has accomplished this over the course of last year through regularly scheduled audits as required by federal regulators and by providing findings to the credit union's Board of Directors and Manager to address any identified issues.

During the course of the year, quarterly audits were performed by your Supervisory Committee as noted:

- New Member Verification
- Teller Cash Drawers
- Employee & Officials Statement of Accounts
- Member Loan Review
- Wire Transfer
- Collections Review
- Bank Reconciliations
- Dormant Accounts

The committee also completed its biennial member statement verification as of September 30, 2021.

We have also fulfilled the responsibility by contracting with Desmond & Ahern, Ltd, a local CPA firm, to perform the annual Agreed Upon Procedures Audit as of June 30, 2021, which directly reports to the Supervisory Committee with their summary.

During the summer of 2021, CBI FCU was examined as of June 30, 2021 by the federal examiners known as our regulatory agency, The National Credit Union Administration (NCUA). The report noted no material findings but the credit union needs to continue the ongoing review process of policies.

Also, the Illinois Credit Union League (ICUL) has performed a yearly BSA Audit which there was an adverse finding in the report, which was successfully addressed to the Board of Directors and Manager.

Based upon Desmond & Ahern issuance of a "clean opinion" internal review, results of the NCUA examinations and the BSA Audit performed by the ICUL, it is the opinion of the Supervisory Committee that these audits performed and any findings assure the Supervisory Committee, Board of Directors and member-owners of CBI that the Credit Union is operating with sound internal controls to protect member accounts. The performance and condition of CBI FCU are accurately reflected on these financial statements contained within this booklet and assure a continued expectation for successful operations.

The committee provides input as to audits performed during the monthly board meetings. All committee members are invited and encouraged to attend to stay abreast of the financial board reports.

We encourage credit union members to contact the committee regarding unresolved credit union problems, missing statements, and accounting discrepancies in their accounts. We also ask members to share the responsibility to prevent fraud and theft by carefully reviewing their account statements throughout the year.

We effectively serve as your representative and welcome your suggestions. This can be done by formally writing the Supervisory Committee as: CBI FCU, Supervisory Committee, P.O. Box 1149, Plainfield, IL 60544. As in the past years, the Supervisory Committee would like to thank the credit union staff and Board for their continued support. We look forward to serving you in 2022!

Respectfully submitted,



Christopher Patti,

Chairperson of the Supervisory Committee

Your Supervisory Committee Members:

- Jong T. Hwang
- Frank Bianchetta
- Peter Loduha
- Alison Bernabe

**Main Branch: 13717 S. Route 30
Unit 157
Plainfield, IL 60544**

**Hours: Monday - Friday
9:00 a.m. - 4:00 p.m.**

**CB & I Branch: 14109 S. Route 59
Plainfield, IL 60544**

**Hours: Tuesday & Friday
10:00 a.m. - 12:30 p.m.**



Let's go do this!