



2018 ANNUAL REPORT



84th ANNUAL MEETING

MONDAY, APRIL 15 6:30 P.M.

Community-Minded. Member-Focused.™

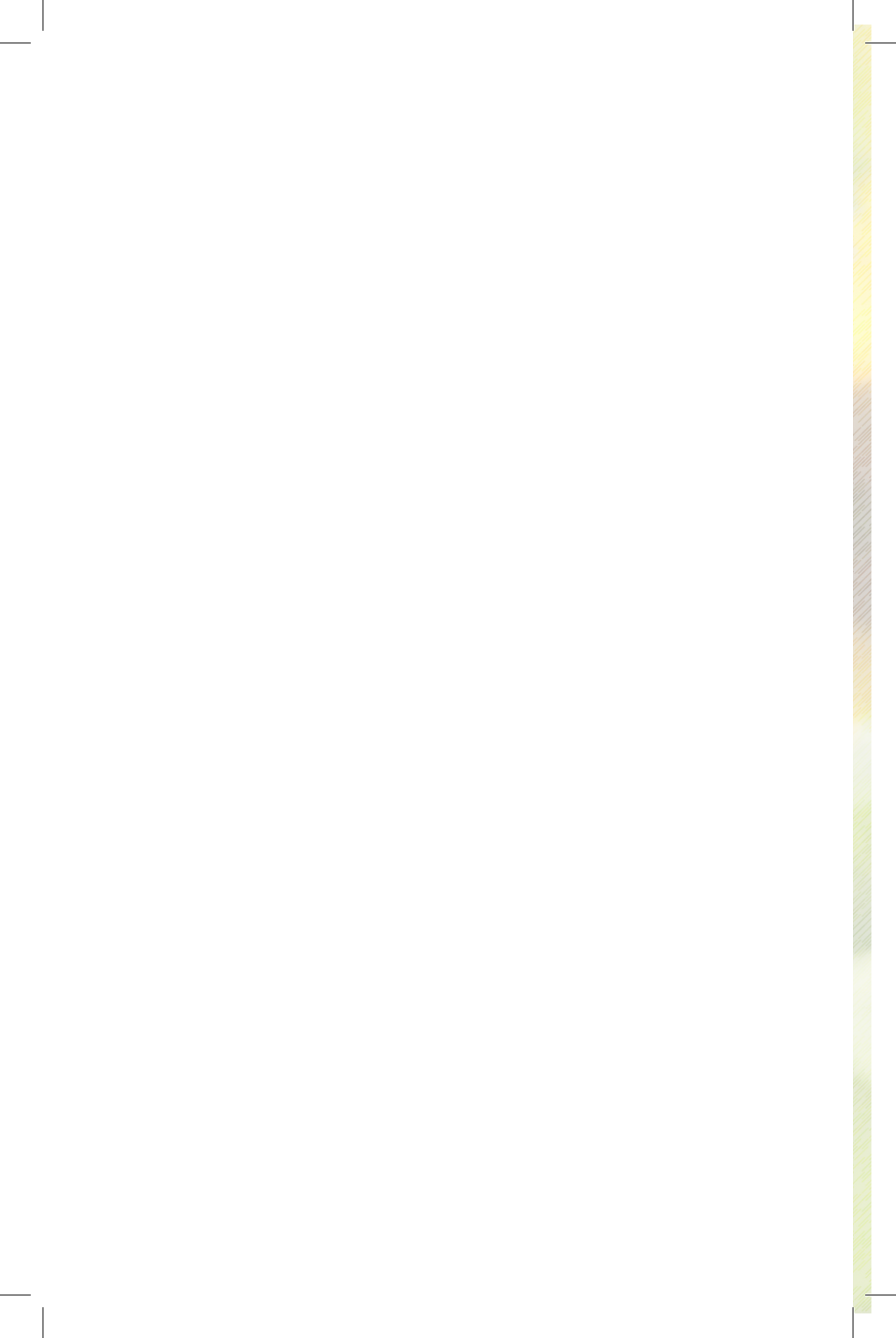


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Annual Meeting Agenda

1. Call to Order
2. Ascertain if Quorum is in Attendance
3. Approve Agenda
4. Approve Minutes from the 83rd Annual Meeting
5. Nominating Committee Report
6. Chairman's Report
7. Treasurer's Report
8. Supervisory Committee Report
9. Credit Officer's Report
10. President's Report
11. Unfinished Business
12. New Business
13. Awards
14. Adjournment

83rd Annual Meeting Minutes

Monday, April 23, 2018 • State Armory Event Center

Board Members in Attendance: Mike Thacker, David Sorensen, Terry Urista, Lyle Achziger, Rhonda Kaley, Tim O'Toole

Staff and Volunteers in Attendance: Russ Dalke, CEO; Donni Clark, Supervisory Committee Chair; Kris Rockwell, CFO; Paul Kiekhaefer, Director of IT; Amy Driver, Marketing Manager; Mike Arbuckle, MSR Amber Cecil, MSR Supervisor; Ashley Zehrbach, MSR; Debbie Shephard, Loan Supervisor; Heather Green, Loan Officer; Krista Laber, Loan Officer; Justin Stewart, MSR; and Sarah Trumbo, Administrative Assistant.

Members in Attendance: Sharon Graham-Ellis, James Graham-Ellis, Robert Rohn, Mariana Rohn, Mary Roberts, Elisa Sanchez, Angie Armstrong, June Cameron, Sean McGill, Cindy Serpa, Timothy Serpa, Jasper Freese, Kathryn Lawley, Paul Henneck, Mary Henneck, Elaine Krominga, Dennis Krominga, Maryann Urista, Robert Sanchez, Tim Armstrong, John Clark, Nancy Meilahn, and Charles Olmsted.

Call to Order and Quorum: Mike Thacker ascertained that a quorum was in attendance and called the meeting to order at 6:31 p.m.

Agenda: Mike asked if there were any additions or corrections for the agenda. Hearing none, Mike asked for a motion to approve the agenda as presented. Nancy Meilahn moved to approve the agenda as presented. Maryann Urista seconded. All members approved. Motion carried.

Minutes: Mike asked if there were any additions or corrections to the minutes as presented in the 2017 Annual Report. Hearing none, Mike asked for a motion to approve the minutes from the 82nd Annual Meeting as presented. Dave Sorenson moved to approve the minutes as presented. Rhonda Kaley seconded. All members approved. Motion carried.

Nominating Committee Report: Rhonda Kaley presented the Nominating Committee report. She introduced the Board of Director member nominees, Sean McGill and Tim Cole (not present). Incumbent Board of Director members were identified as listed in the report and the term length they have elected to serve. Mike asked if there were any nominations from the floor. There were none. Terry Urista moved to approve the nominating committee's recommendation for Board of Directors and the terms as

presented. Lyle Achziger seconded. All members approved. Motion carried.

Rhonda stated that Donni Clark offered to serve another three-year term as the chair of the Supervisory Committee and thanked her for her continued dedication and service. The nominating committee recommended Garrett Olsen and Derek Downing, both UNC students, be approved as members of the Supervisory Committee, each for a one-year term. Mike asked for any nominations from the floor for members to the Supervisory Committee. None were presented. Donni Clark moved to approve the nominating committee recommendations as presented. Tim O'Toole seconded the motion. All members approved. Motion carried.

Chairman's Report: Mike Thacker presented the Chairman's Report as presented in the 2017 Annual Report. System improvements, branch addition and expansion, loan growth, deposits, write-offs, ROA and investments and what NCCU continues to commit to offer members were all reviewed. Mike introduced the members of the 2018 Board of Directors to attending members. Tim Cole was absent.

NCCU continues to improve services to members. As part of the new host processing system, new account to account transfer option is being offered to members. Please contact the branch to find out more information.

Expansion into Berthoud, Colorado has begun as NCCU begins to offer membership to Larimer County residents. NCCU will be the first credit union in this town. Annexation of the 2901 will add approximately 3,000+ square feet to accommodate back office staff and improve member service.

All members in good standing were paid a patronage dividend in March 2018. This is a result of the successful year NCCU had in 2017. Strong loans, deposits and low write-offs all contribute to the financial health of the credit union. This reflects on the quality of membership at NCCU.

Treasurer's Report: Terry Urista presented the Treasurer's Report. Gross income to assets, Cost of funds, Net margin, Return on assets, Capital ratio and Financial statements were reviewed.

Terry stated that NCCU had an excellent year with net income being over \$100,000 above original budget for 2017. Loan portfolio growth and member deposits also increased in 2017. This all contributed to being able to pay the membership a patronage dividend.

NCCU's capital ratio ended the year at 12.09%. This is well above the average of 9% at most banks. Having a higher capital ratio shows financial stability and security. With continued conservative memberships and loans, our charge off ratio is well below national average.

Terry asked for questions on any of the information provided. None were asked.

Supervisory Committee Report: Donni Clark reviewed the Supervisory Committee's report as presented in the 2017 Annual Report. She noted that there are currently six UNC students on the committee, with three graduating in May. The remaining three will remain until they graduate next spring. Students serve on the committee to help meet graduation requirements.

All audits and examinations had no significant findings and showed that Northern Colorado Credit Union is operating in an orderly and accurate manner.

In addition to the regular audits the Supervisory Committee performs, review of secured loans was done to insure that insurance policies were held on all real estate and vehicles. This review found that proper insurance coverage was held on most assets. NCCU staff are researching any questions the committee had and find insurance for those assets no coverage was found.

Donni thanked staff for their support as the committee asks questions about process and procedure during their audits. She asked if the members had any questions for her. No questions were asked.

Credit Officer Report: Russ Dalke gave the Credit Officer's report at the Credit Officer was unable to attend the annual meeting. Loan statistics, including charge-offs and delinquency ratios were reviewed.

He reported that NCCU experienced record loan originations in 2017. Russ introduced the lending team and thanked them for their hard work. The result was a 9.8% increase of year over year loan growth. NCCU typically does not offer first mortgage loans on property with more than 80% loan to value which can limit the volume we do in this area. This may need to be reconsidered if the market becomes a purchase market. Business participation loans are underwritten and held by Centennial Lending, a credit union partner. Centennial Lending has not reported a loss in years, making partnering with them a sound financial choice.

Russ reviewed the charge-off and delinquency ratios of NCCU compared to the national averages. NCCU is well below both national average in these areas. The combination of these two areas is considered the "misery index"; how delinquent are loans and how much is charged off because loans are not being paid in full. NCCU's misery index is at .20% while the national average is about 1.4%. This shows how strong NCCU's loans are as compared to the rest of the country's.

No questions were asked regarding the Credit Officer's Report.

President's Report: Russ Dalke presented the President's report as reported in the 2017 Annual Report. Net income, patronage dividend, annual audit review, acceptance to expand into Larimer County, products introduced to members, growth and membership goals.

Patronage dividends were paid in March of 10% of 2017 net income. The dividend amount paid to each member was based on how much interest was paid and earned by the member. A minimum of \$5 was paid to each member in good standing.

2017 was a great year all around: NCCU received the highest possible rating on the regulatory exam; became a member of the Federal Home Loan Banking System committed to home ownership and provides resources to help our members; added a credit builder program to assist members in rebuilding their credit scores; received approval to expand membership offerings to residents of Larimer County, and obtained a location to open a branch in Berthoud to serve those members; increased staff development opportunities and an Employee Assistance Program benefit were added to help encourage professional and personal growth for staff; and new services and products such as Virtual Strongbox, increased data security and online conveniences.

A main focus for 2018 is membership growth as previous year's memberships have been flat or decreased. To be able to offer desirable deposit and loan interest rates, a diverse membership demographic is needed. Online capabilities to open a membership, apply for a loan and 24-hour account access are common services provided to help attract and retain younger and more diverse population. NCCU is moving towards these services or already has them in place, while still maintaining the personal in-house experience and services.

Expansion in to Berthoud will be completed June of 2018. NCCU will be the first credit union in Berthoud. With this being a growing community, we feel this is a great opportunity to help serve our current members and gain a larger, stronger membership. The branch will be in a retail center and be full-service. The soft opening of this branch is June 4 and the Grand Opening is scheduled for June 19 at 4:30. Russ introduced Jerry Lopez as the new branch supervisor of the Berthoud branch.

Annexation of the branch located at 2901 S 27th Avenue, Greeley, is in the planning stages. This will allow all Greeley staff to be housed at one location. Back-office/support staff are currently located at 1503 9th Avenue. This building will be liquidated. The completion time-line of the annexation is mid-2019.

NCCU is celebrating 83 years in Greeley, making it the oldest credit union in town still standing as it was originally chartered. With plans in place, we hope to continue for another 80+ years.

Unfinished Business: Mike asked if there was any unfinished business. Mike stated no unfinished business was presented.

New Business: Mike opened the floor for New Business. No new business was presented.

Awards: Russ Dalke presented awards. Ashley Zehrbach was presented with the award for Employee of the Year and Dave Sorenson was presented the award for the Volunteer of the Year Award. A gift-basket drawing was conducted and winner was Terry Urista. Congratulations to everyone.

Adjournment: Mike Thacker asked whether there were other items of discussion or review. Hearing none, he asked for a motion to close the meeting. Terry Urista moved to close the 83rd Annual Meeting. Rhonda Kaley seconded motion. All members approved. Motion carried. Mike thanked all in attendance for their support and adjourned the meeting at 7:19 p.m.

Respectfully submitted,
Lyle Achziger, *Secretary*
Mike Thacker, *Chairman*

Nominating Committee Report

The Nominating Committee members are Rhonda Kaley, Chair, Tim O'Toole and Mike Thacker.

The committee has nominated and recommended to the Board of Directors four (4) candidates listed below to fill six (6) available positions on the Board. All candidates are qualified to fill their selected position and have been approved by the Board of Directors.

| Board of Directors | Term |
|--------------------|-------------------|
| Rhonda Kaley | 1 Year/Incumbent |
| Mike Thacker | 3 Years/Incumbent |
| Lyle Achziger | 3 Years/Incumbent |
| Chris Hoecher | 2 Years |

The committee nominated and recommendations for appointment to the Supervisory Committee the two (2) candidates listed below. Both candidates are students from the University of Northern Colorado who are working on degrees in business related areas. Each candidate is qualified to fill their selected position, and have been approved by the Board of Directors.

| Supervisory Committee | Term |
|-----------------------|--------|
| Gosha Croiter | 1 Year |
| Alexis Marquez | 1 Year |

The Nominating Committee would like to thank the candidates for their time and effort. We are always looking for individuals who have leadership and governance skills and a desire to volunteer to help promote the needs of the Credit Union and the Membership.

Prepared by:
Rhonda Kaley, *Nominating Committee Chairwoman*

Chairman's Report

It is my duty and privilege to report to you on behalf of the Board of Directors of Northern Colorado Credit Union. The members of the Board of Directors for this past year were Lyle Achziger, Tim Cole, Rhonda Kaley, Sean McGill, Tim O'Toole, David Sorenson, Terry Urista and me, Mike Thacker. Unfortunately, both Sean and David have resigned from the board and will not be serving the remainder of their elected terms.

This past year we have continued to improve service to our members. We have continued to make good loans, maintain a very high level of safety for our depositors, and look for new products and services to offer our members. We have successfully expanded into Larimer County, and we are excited about the opening of our first branch in Berthoud, Colorado. We are also moving forward with the expansion of our facility at 2901 27th Avenue. More information about these exciting additions will be given in the CEO/President report.

The economy continued to grow in 2018, with the oil and gas industry maintaining strong drilling and production, building was stronger with increases in building permits as our community population continues to grow, and our local economy continues to improve. For the coming year, we remain optimistic that loans will continue to grow.

Our loan portfolio and deposits had another big increase for 2018. Our credit union, again, had very low write offs last year. Our rate of return on assets was .50%. Interest rates have risen and our interest rates for most products are among the highest in our area. Rates for borrowers and savers will continue to see some fluctuation as we strive to maintain competitive levels. This means we must continue to be careful not to hold too many long-term loans at low rates. We will discontinue trying to make long term investments while we are growing in Berthoud and expanding our facility on 27th Avenue.

Membership growth remains our highest priority for 2019. This will require a sustained effort on the part of our management to continue to get our message out about the great things this credit union offers its members:

- We continue to emphasize traditional credit union values, focusing on our members and friendly service for both our depositors and borrowers.
- We strive to have low rates for borrowers and high rates for savers, consistently maintaining our financial integrity.
- Our financial position continues to be very solid with 11.91% capital. Maintaining a high level of financial strength gives us the ability to weather through these financial times and provide additional services to our members.
- Total assets are \$58.3 million.

- Our delinquency rates and charge-offs remain very low by industry standards. We are grateful for members who do a good job of managing their finances and for our management that has been prudent in making loans.
- Our loan-to-share ratio was 84.5% at year-end. Making loans to our members is the best and most productive use of deposits.

Our credit union achieved great advances this last year with Russ Dalke as our President and CEO, Meagan Barrett as our VP Operations and Kris Rockwell as the CFO. We are excited to begin another year under their continued leadership.

I want to extend my personal thanks to the members of the Board of Directors for all the time they have given as volunteers to insure that this credit union continues to provide top-rate service. These individuals have been instrumental in helping the credit union grow and be successful.

I want to extend my appreciation and gratitude to Donni Clark, Chair of the Supervisory Committee, and her volunteers who continue to insure that our credit union remains compliant with regulations and policy.

I would encourage any member who would like to become more involved in this credit union to volunteer to serve either on our Supervisory Committee or Board of Directors. You can contact either Russell Dalke or me for more information.

And finally, my heartfelt thanks to our managers and all the staff who are the faces of our credit union that meet our members needs and fulfill our credit union's daily requirements. Without them and their loyalty to serving our members, we could not continue to be the success we have become.

Respectfully Submitted,
Michael D. Thacker, *Board Chairman*

Treasurer's Report

I am pleased to report the 2018 financial results for Northern Colorado Credit Union. Your credit union had a strong return on assets of 0.50%.

I am also happy to report net income for 2018 was \$283,178. Credit union assets grew slightly under \$4 million or 7.19%. Our loan portfolio grew by roughly \$6.4 million or 17.35%, while our Member deposits increased over the prior year by \$3.6 million or 7.67%. Other notable financial highlights for 2018 include:

| | |
|-------------------------|-------|
| Gross income to assets: | 4.21% |
| Cost of Funds | 0.51% |
| Net Margin | 3.70% |
| Return on assets | 0.50% |

One of the best indicators of a financial institution's health is its capital ratio. Northern Colorado Credit Union's capital ratio ended at a healthy 11.91% at year-end 2018. The credit union continues to operate with a high degree of financial stability and the board continues to ensure the safety and soundness of all assets. Our delinquency and net charge off ratios combined are 0.08% which is 1.32% less than the national combined average of 1.40%.

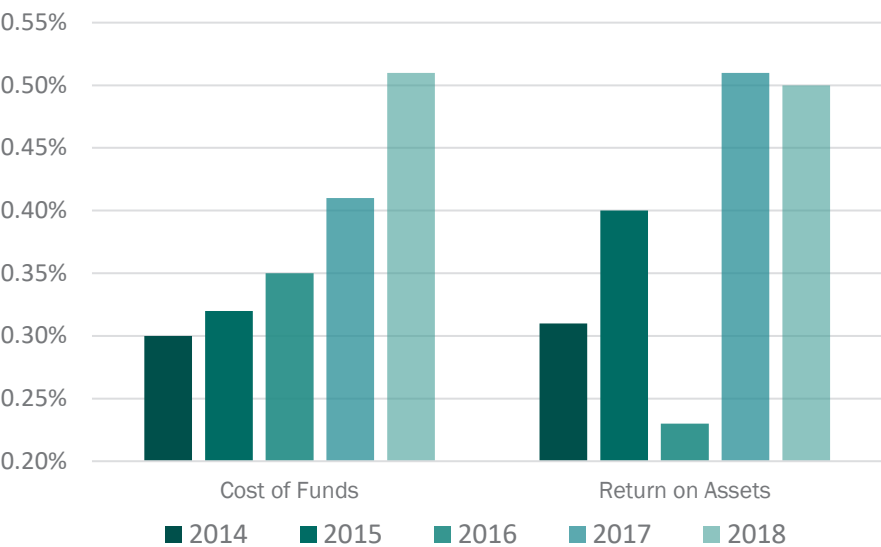
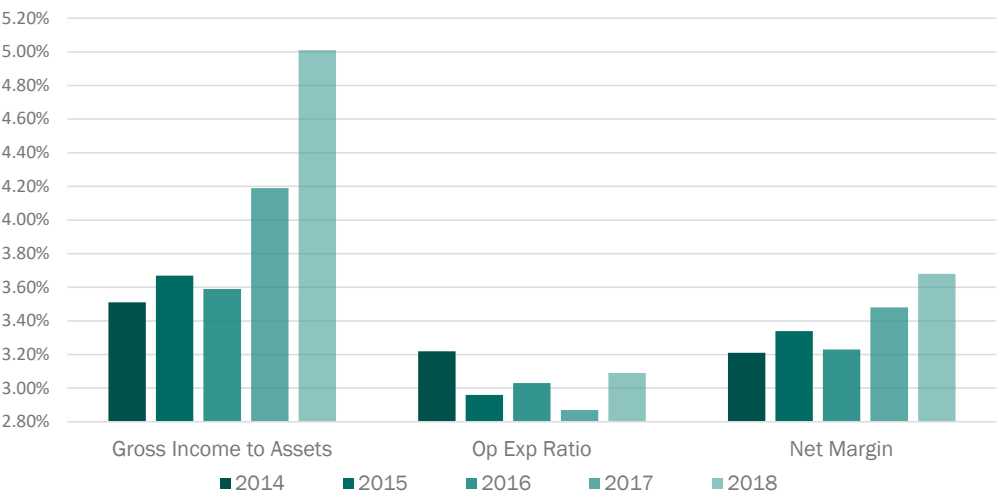
Northern Colorado Credit Union continues to do an excellent job managing loans, deposits, income and expenses. We continue to offer competitive interest rates on deposits and loans for our members. As the Treasurer of Northern Colorado Credit Union, it is my belief the financial data presented in this report is true, accurate and presents a fair representation of the financial condition of Northern Colorado Credit Union. 2018 Financial Statements are shown on the following pages.

Respectfully Submitted,
Terry Urista, Board Treasurer

| STATEMENT OF INCOME & EXPENSE | 2018 | 2017 |
|---------------------------------|---------------------|---------------------|
| Interest on Loans | \$ 1,804,885 | \$ 1,506,975 |
| Interest on Investments | \$ 258,395 | \$ 267,028 |
| TOTAL INTEREST INCOME | \$ 2,063,279 | \$ 1,774,003 |
| Interest and Dividend Exp | \$ 285,163 | \$ 220,918 |
| Borrowing Expense | \$ 0.09 | \$ 0.06 |
| TOTAL INTEREST EXPENSE | \$ 285,163 | \$ 220,918 |
| NET INTEREST INCOME | \$ 1,778,116 | \$ 1,553,085 |
| Compensation & Benefits | \$ 905,214 | \$ 778,146 |
| Conferences & Travel | \$ 26,341 | \$ 37,388 |
| Office Occupancy | \$ 110,433 | \$ 87,547 |
| Office Operations | \$ 419,501 | \$ 354,031 |
| Educational/Promotional | \$ 99,793 | \$ 63,804 |
| Loan Processing | \$ 95,807 | \$ 83,851 |
| Professional & Outside Services | \$ 85,587 | \$ 93,985 |
| Other Expenses | \$ (164) | \$ 31,711 |
| Provision for Loan Loss | \$ 60,000 | \$ 53,118 |
| TOTAL OPERATING EXPENSE | \$ 1,802,512 | \$ 1,583,580 |
| Other Operating Income | \$ 297,574 | \$ 303,375 |
| Non Operating Gain/(Loss) | \$ 10,000 | \$ - |
| TOTAL EXPENSE | \$ 2,087,675 | \$ 1,804,498 |
| TOTAL INCOME | \$ 2,370,854 | \$ 2,077,378 |
| NET INCOME | \$ 283,178 | \$ 272,880 |

| STATEMENT OF FINANCIAL CONDITION | | 2018 | 2017 |
|---------------------------------------|-----------|-------------------|----------------------|
| 1st Mortgage Loans | \$ | 13,173,529 | \$ 13,048,674 |
| 2nd Mortgage Loans | \$ | 7,835,031 | \$ 7,197,317 |
| Secured Loans | \$ | 6,907,368 | \$ 6,166,353 |
| Indirect Auto Loans | \$ | 5,399,275 | \$ 1,578,668 |
| Credit Card Loans | \$ | 706,964 | \$ 716,393 |
| Unsecured Loans | \$ | 426,788 | \$ 316,211 |
| Participation Loans | \$ | 8,924,675 | \$ 7,937,601 |
| TOTAL LOANS | \$ | 43,373,628 | \$ 36,961,216 |
| Allowance for Loan/Lease Losses | \$ | (137,579) | \$ (108,329) |
| NET LOANS OUTSTANDING | \$ | 43,236,049 | \$ 36,852,887 |
| TOTAL CASH | \$ | 3,882,463 | \$ 3,212,949 |
| TOTAL INVESTMENTS | \$ | 6,816,330 | \$ 11,070,775 |
| TOTAL OTHER ASSETS | \$ | 4,354,329 | \$ 3,240,697 |
| TOTAL ASSETS | \$ | 58,289,171 | \$ 54,377,308 |
| TOTAL LIABILITIES | \$ | 273,198 | \$ 274,741 |
| Regular Shares | \$ | 14,467,708 | \$ 13,437,483 |
| Money Market | \$ | 15,411,708 | \$ 15,256,882 |
| Checking | \$ | 6,299,577 | \$ 5,845,640 |
| IRA Shares | \$ | 460,911 | \$ 347,405 |
| Certificates of Deposit | \$ | 14,666,860 | \$ 12,766,439 |
| TOTAL SHARES | \$ | 51,306,763 | \$ 47,653,848 |
| Regular Reserve | \$ | 1,082,098 | \$ 1,082,098 |
| Undivided Earnings | \$ | 5,629,669 | \$ 5,346,491 |
| Unrealized Gain/(Loss) | \$ | (2,557) | \$ 20,131 |
| TOTAL EQUITY | \$ | 6,709,210 | \$ 6,448,720 |
| TOTAL LIABILITIES & EQUITY | \$ | 58,289,171 | \$ 54,377,308 |

5-Year Notable Financial Highlights



Supervisory Committee Report

Supervisory Committee members are Donni Clark, Barbara Lundebjerg, Garrett Olsen, Derek Downing, and interim members Alexis Marquez and Gosha Croitor. The committee members worked weekly to complete audits of credit union procedures and policies.

With the exception of the chair, the members of the Supervisory Committee are junior/senior Accounting/Finance majors in the Monfort College of Business at the University of Northern Colorado. Some of the students have a Professional Experience requirement and participation on the Supervisory Committee allows them to fulfill that requirement. Participation on the Supervisory Committee allows for practical experience in their field of study and provides invaluable assistance to the credit union in insuring that Northern Colorado Credit Union is functioning well and following rules and procedures.

Northern Colorado Credit Union has had several audits over the last year. Holben Hay Lake and Balzer, CPA firm, completed the credit union annual audit in May 2018 with no significant findings. The Bank Examiners conducted an audit in January 2019 and also had no significant findings. AffirmX completes a variety of audits throughout the year, including Bank Security Act (BSA), to ensure that the credit union remains in regulatory compliance. All audits and examinations had no significant findings and showed that Northern Colorado Credit Union is operating in an orderly and accurate manner.

The Supervisory Committee members, along with other volunteers and staff complete a series of on-line courses annually in order to ensure everyone is aware of and in compliance with rules and regulations.

The Committee continues to revise our procedures and forms as needed to improve the audit process. The Supervisory Committee wants to thank the staff for their helpfulness and willingness in assisting us to perform our audit activities.

The Supervisory Committee reports that our reviews and the results of the audits mentioned above found no material errors or concerns and that the financial position of the Northern Colorado Credit Union is reflected accurately in the financial reports.

Respectfully Submitted,
Donni Clark, *Supervisory Committee Chairwoman*

Credit Officer's Report

For the fourth year in a row, we saw substantial loan growth and are reporting a record amount of loan originations. Loan disbursements were significantly above 2017 numbers, with 663 loans approved and \$20.8 million in loans funded. This was an increase of 194 loans and \$4.5 million from 2017. All of this contributed to a net gain of \$6.4 million in outstanding loan balances. This is our highest loan balance in the history of the credit union. November was our highest loan production month in 2018 with almost \$2.7 million in loans originated.

NCCU finished 2018 with a loan portfolio of just over \$43 million, an increase of 17.65% from the prior year. Growth was seen across most all product offerings with Indirect Lending experiencing an 8.80% growth, Business Participation Loans grew 2.28% and Direct Autos grew 1.70%. Continued strength in the local economy, historic low unemployment numbers and expanding our indirect auto program all contributed to this success.

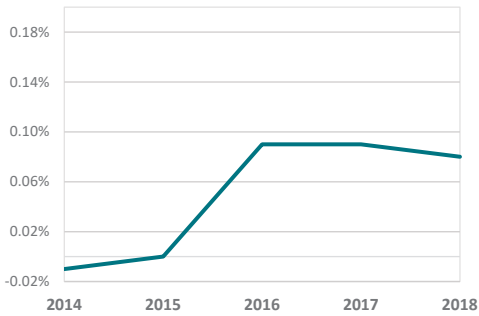
NCCU continues to maintain a high-quality loan portfolio. 2018 net charge-offs amounted to \$30,750, resulting in a net charge off ratio of 0.08%. Our delinquency ratio at 2018 year-end was 0.0%. NCCU is well below the 2018 average U.S. credit union net charge off ratio of 0.51% and the average U.S. Credit Union delinquency ratio of 0.91%.

NCCU added the Berthoud branch in June of 2018 and a new lending officer in late 2018. The efforts of our new LO along with the production for the new location when combined with the full support of our NCCU team assisted us in achieving these outstanding 2018 loan production numbers. Loan production in Berthoud contributes to our overall success by originating \$2.4 million in loans. With support from the Berthoud community and surrounding area, we anticipate continued success in this location.

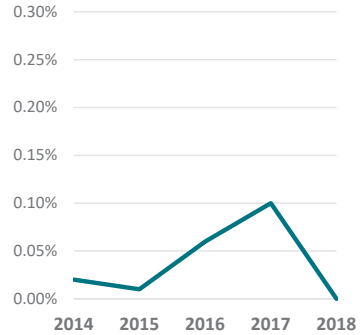
As we continue to grow in our new branch location and focus on national lending trends, we also anticipate modification to our current product offerings and the addition of new products and services to help keep NCCU competitive and committed to meeting the ever-changing needs of our Members. The credit quality of our current portfolio remains high with our average credit score being 737. Going forward, we plan to continue balancing the credit risk to the organization while finding ways to assist those members seeking to build or repair credit and who might struggle to find lending solutions.

Respectfully Submitted,
Meagan Barrett, Credit Officer, VP of Operations

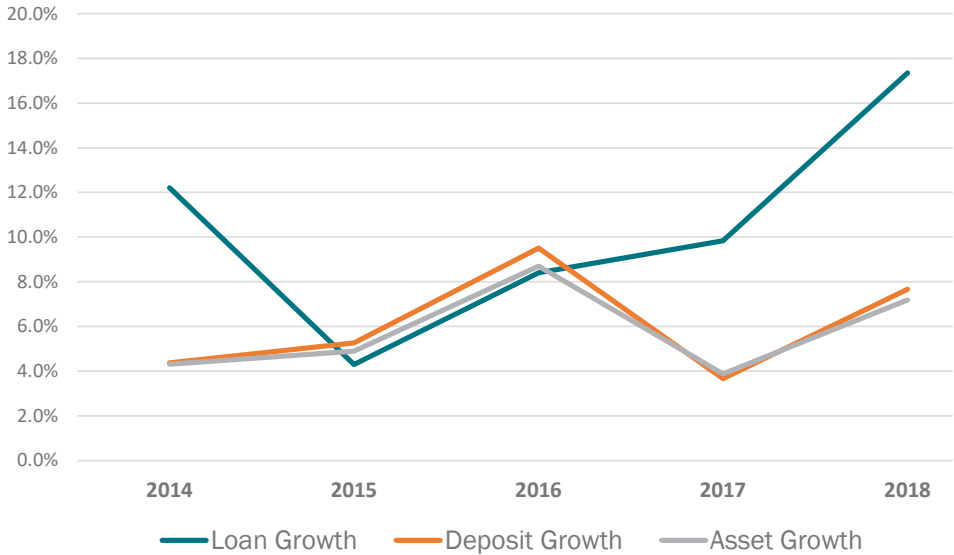
5-Year Net Charge-Off Ratio



5-Year Delinquency Ratio



5-Year Growth Trend



President's Report

2018 was a building year for Northern Colorado Credit Union (NCCU). We built a new branch in Berthoud, commenced with the expansion of our Greeley branch, built a revamped indirect auto lending channel, helped build houses and businesses, helped build communities and most importantly, we helped build Member relationships.

We opened our new Berthoud CO branch in June of 2018. As of December 31, 2018, we had signed up 164 new Members totaling almost \$1.5 million in deposits and we originated 86 loans totaling almost \$2.1 million. We continue to look forward to expanding our relationship in this community.

NCCU released a request for a design/build proposal for the expansion of our Greeley branch. This expansion will allow the credit union to consolidate back office operations within our Greeley branch facility. These personnel and processes currently reside in a non-transactional facility which will be sold in 2019. The general contracting firm of Growling Bear Inc. was chosen to do the branch expansion project. The city approved our plans toward the end of 2018 and ground breaking was held on January 29, 2019.

NCCU has always participated in the acquisition of auto loans from local dealers (called indirect lending), but we had not fully explored ways to effectively build an indirect auto loan portfolio. In 2018 we built that portfolio. By modifying the program, NCCU increased the balance in this portfolio by \$3.8 million or roughly 240%. This portfolio stood at \$5.4 million at year end 2018.

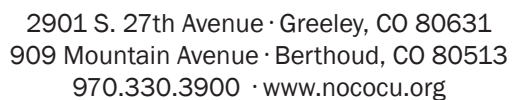
During 2018 NCCU also helped process roughly \$2.4 million in mortgage loans for Members, allowing them to build their homeownership dreams. Additionally, NCCU participated in funding roughly \$3.4 million in commercial, construction and business loans valued at over \$15.9 million. These ventures help build our local and regional economy and help build diversity into our overall loan portfolio. In 2018 our loan portfolio grew over 17% or \$6.4 million.

NCCU helps build and strengthen our communities by sponsoring and participating in more than 18 community events and donated almost \$10,000 to various local non-profit organizations, including:

| | | |
|------------------------------------|---------------------------------|-------------------------------------|
| The Weld Food Bank | Berthoud HS Boosters Club | Greeley Home and Garden Show |
| Toys for Tots | FT Collins Music School | Larimer County Home and Garden Show |
| Weld County Sheriffs K-9 Unit | The Greeley Dream Team | NCCU Community Car Show |
| Greeley Police Department | Larimer County Food Bank | Community Shred Event |
| Berthoud Fire Department | Berthoud Day's Event and Parade | High Plains Library District |
| Berthoud HS JROTC Veteran Memorial | Oktoberfest in Berthoud | |
| Berthoud Library | | |

Looking forward to 2019, we are very excited about our 2901 expansion and cannot wait to occupy the new space. We will continue focusing on our Members in 2019 while fulfilling our motto of being Community Minded. On behalf of your NCCU Team, I would like to thank you for your Membership and we look forward to serving you and your family and friends in the years ahead.

Sincerely,
Russ Dalke, *President/CEO*

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Community-Minded. Member-Focused.™