

2020 Virtual Annual Meeting Treasurer's Report

Overall, the credit union size as measured by total assets increased by \$304 million or 11.12%. Similar growth was experienced in member shares which increased by 265 million. Loan growth was exceptionally solid with loan balances increasing \$315million. In addition, your credit union made 44,571 loans to your fellow members, totaling just over \$1.2 billion; the strongest loan production in our history.

Because of our growing relationship with local car dealers and the credit union's reputation for low auto rates, new and used auto loans, continue to be our most popular loan products. Auto loans represented 54% of our portfolio with 66,494 loans totaling \$1.2 billion at the end of 2019.

We continued to add to our local business relationships in 2019. By year-end, we opened 1,313 new business accounts with 144 loans totaling \$55 million.

Another leading contributor to our amazing loan growth is the increase in the credit union's mortgage loan portfolio. More and more consumers are choosing Keesler Federal as their real estate lender. Real Estate loans increased in 2019 by \$129.7million or 24.10% over the previous year.

We had another notable year of earnings in 2019. These earnings, as measured through return on assets, were a strong 1.06%. Net Income of \$30.6 million was added to members' equity, which is also known as net worth, or capital. Our credit union continues to be considered "well-capitalized" as measured by the NCUA with a Net worth ratio at year-end of 14.49%. This measure represents an extremely high level of safety and soundness and offers an added protection to the possibility of any unforeseen losses. Additionally, net worth provides Keesler Federal the capacity to offer new and enhanced future services, an extensive branch network, as well as, the opportunity to support strong future growth.

Because of our strong capital position, we have been able to expand into new markets. We now have six branches in Southeast Louisiana and we recently opened branches in Mobile, our first branches in Alabama. As the credit union grows, we require more funding to loan to members. This requires bringing in new money from new markets. These expansions have proven to be very beneficial to the membership as a whole.

You can trust your credit union to provide a wide range of loan and deposit products to help you achieve your financial goals. For more details about all of last year's financial information, please refer to your 2019 Annual Report. We are grateful you are a part of this great financial cooperative. Thank you for your loyalty and dedication and thank you for choosing Keesler Federal Credit Union.