

## Balance Sheet

Assets	2015	2016	Change
Loans	42,257,755	40,394,191	-4.41%
ALL	(436,329)	(622,300)	42.62%
Net Loans	41,821,426	39,771,891	-4.90%
Cash & Investments	24,448,489	33,064,561	35.24%
Fixed & Other Assets	8,454,048	5,600,555	-33.75%
Total Assets	74,723,963	78,437,007	4.97%
<b>Liabilities &amp; Equity</b>			
Other Liabilities	706,606	589,270	-16.61%
Savings	19,252,822	21,193,773	10.08%
Checking	11,083,316	12,241,942	10.45%
Money Market	11,679,267	13,443,678	15.11%
Share & IRA Certificates	20,778,125	20,227,497	-2.65%
Total Deposits	62,793,530	67,106,889	6.87%
Total Equity	11,223,827	10,740,848	-4.30%
Total Liabilities & Equity	74,723,963	78,437,007	4.97%
Net Worth Ratio	15.02%	13.69%	

## Income Statement

	2016
Income from Loans	2,369,806
Income from Investments	267,976
Other Income	1,127,499
Total Income	3,765,280
Operating Expenses	3,240,293
Income before Dividends	524,987
Dividends & Interest Paid	327,396
Other Non-Operating Inc. (Exp)	(4,426)
Net Income	193,165

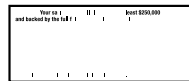


## Board of Directors

Charlie Slaton .....	Chairman
Jess Cisneros .....	Vice Chairman
Brad McDuffee .....	Treasurer
Del Bryant .....	Secretary
Melissa Anderson .....	Director
Linda Bardere .....	Director
Denise Perez .....	Director
Ethel McAfee .....	Director
Marcia Mulvaney .....	Director

## Supervisory Committee

Diane Pearce .....	Chairperson
Karen Burgon .....	Committee Member
Open Position .....	Committee Member



## NCUA and American Share Insurance

Deposit savings accounts are insured up to \$500,000. Your savings is federally insured to at least \$250,000 and backed by the National Credit Union Administration, a U.S. Government Agency. The Board of Directors has chosen to provide an additional \$250,000 of savings protection to each qualifying account through American Share Insurance, a private deposit guaranty corporation.

We are an Equal Opportunity Lender and an Equal Housing Lender. We do business in accordance with the Federal Fair Housing Law and the Equal Credit Opportunity Act.

### Thinkwise Credit Union

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(909) 882-2911 · thinkwisecu.org

# Thinkwise

CREDIT UNION

## 2016 Annual Report

## A Message from the Chairman and CEO

Thank you for your membership at Thinkwise Credit Union. Thinkwise set many goals for 2016, and we are happy to report success in reaching these goals.

### Community Engagement

For the third year, we partnered with the Richard Myles Johnson Foundation to bring the Bite of Reality program to San Bernardino. This financial education simulation brings financial awareness to young people. Participants are given an identity and must live a month in the "real world." Over the past three years, we have completed more than 12 of these sessions, reaching more than 1,000 participants. In 2016, Thinkwise reached close to 500 participants at the Adult School, San Gorgonio High School, Pacific High School and other SBCUSD schools. Thinkwise also partnered with the Arrowhead United Way to offer the program to young ladies that participate in the Women's Leadership Council.

Thinkwise was honored to officially adopt Pacific High School during 2016. Pacific High School joins Henry Elementary School, Hunt Elementary School and Hillside Elementary School as Thinkwise Credit Union's adopted schools. We collaborate with our adopted schools in many ways and feel truly lucky to partner with such dedicated educators and talented students. The adoption of Pacific High School created some unique opportunities. We have worked with Pacific's Digital Design Academy to create marketing materials for our branch and social media sites. Pacific students have created some wonderful graphics for Thinkwise, and we look forward to future projects with their talented designers.

Along with the financial simulations and support of our four adopted schools, our staff has participated in events at dozens of schools. Our community engagement efforts have been recognized in an amazing way in 2016. Thinkwise was awarded the prestigious Education Medal of Honor by the San Bernardino County Superintendent of Schools. This award recognizes our commitment to supporting education and passion for school employees. The Board of Directors and employees of Thinkwise were all very humbled by this award. We remain committed to supporting our community in the future.

### Technology

While increasing our community involvement, we have stayed at the forefront of technology. In preparation for merchants moving toward chip-enabled terminals, we converted card processors in August and issued EMV (Europay, Mastercard®, Visa®) cards. These "chip" cards offer increased protection against fraud. Improved member security is important to us. Because of this, we reissued more than 6,000 cards during that conversion. To add an extra layer of security, we have started

beta testing a new card control app called MobiMoney. This app will empower members to instantly control where and when their debit and credit cards can be used. This app is another example of our commitment to provide more control to our members. We look forward to announcing the availability of card controls to our members very soon.

Mobile banking has been a huge step in convenience for our members. This feature was added in March. Currently, around 13% of members are actively using the mobile banking service. It allows members an additional channel to check balances, transfer money, make payments and more. Another benefit is its accessibility; it is available 24 hours a day, seven days a week and 365 days a year! We look forward to some new enhancements to the mobile banking service in 2017.

### Striving for the Future

The next several years will be exciting for Thinkwise as we are developing new and innovative approaches to deepen member engagement in our fast-paced financial environment. New tools and products are being created to further enhance our members' ability to bank anytime, anywhere. We are aligning our structure and operational processes to focus on delivering highly efficient products that will allow for operational savings that can return to you.

As far as our community engagement in 2017, we plan to partner with the Inland Empire 66ers to sponsor the Hit the Books Reading Program. This program is designed to promote reading amongst the youth of the local communities.

We also plan on continuing to incorporate the Drive It Forward program. Over the past two years, we have donated over \$6,000 to local schools on behalf of our members as part of Drive It Forward campaigns. During those three-month campaigns in 2015 and 2016, for each auto loan funded, Thinkwise donated \$50 to the member's school of choice. During 2017, the Drive It Forward program will run the entire year.

### Final Thoughts

We took great pride in serving you this year. We pledge not only to continue to offer products and services that meet your needs, but also to deepen the relationships we have built together and become a resource to all we serve. Your Board of Directors and management team will continue to strive to return profits to our member owners. In 2016, Thinkwise had a cost of funds (COF) ratio of 43 basis points. Comparable-sized credit unions had an average COF ratio of 31 basis points. We regularly review the offerings of local institutions and are committed to paying competitive rates. This commitment to dividends is part of the reason member deposits increased nearly 7 percent in 2016. Thank you again for your membership!

**Charlie Slaton**  
Chairman of the Board

**Kevin Posey**  
President/CEO

## Treasurer's Report

For several years, Thinkwise Credit Union has been committed to improving technology for our employees and members. One of the benefits that we see from that commitment is improved efficiency and growth in many areas. Some highlights from the past year include the following:

- Member deposits increased \$4.3 million from \$62.8 million to \$67.1 million from 2015 to 2016. This increase of nearly 7 percent represents your continued faith in Thinkwise as a safe and sound financial institution providing above-market interest rates.
- Total assets grew \$3.7 million from \$74.7 million to \$78.4 million from 2015 to 2016, an increase of nearly 5 percent.
- The net worth ratio as of December 31, 2016, was 13.71 percent. The National Credit Union Administration requires a net worth ratio of 7 percent to be considered well-capitalized. Thinkwise continues to maintain a ratio nearly double the well-capitalized requirement.

Fees are an area in which the Board maintains a strong commitment to reducing for members. Over the past five years, we have worked to eliminate or reduce many fees. The information below highlights that commitment to our members.

Fee Income				
2012	2013	2014	2015	2016
\$1,059,876	\$878,046	\$742,913	\$759,114	\$744,148

Dividends are another area of focus for the Board of Directors. Even in this historically low-interest rate environment, we are committed to paying the highest rates possible. Over the past five years, we have shown a strong commitment to higher dividends.

Dividend Expense				
2012	2013	2014	2015	2016
\$216,098	\$203,491	\$243,406	\$316,563	\$326,559

The Board of Directors and management have made a huge commitment to ensuring the long-term future of Thinkwise Credit Union. Improving technology and ensuring that members receive tremendous value will remain at the forefront of our priorities. In 2016, we were able to reduce operating expenses from the previous year by nearly 7 percent. Thinkwise Credit Union continues to be a very safe and sound financial institution with a strong financial profile. It is my pleasure to serve as your Treasurer. Thank you for your membership.

**Brad McDuffee**  
Treasurer

## Supervisory Committee's Report

The Supervisory Committee is responsible for monitoring the financial safety and soundness of Thinkwise Federal Credit Union. We also measure compliance with various financial and regulatory requirements. In fulfilling these responsibilities, the Committee appointed the independent audit firm of Richards and Associates, which directly reports to the Supervisory Committee. We held monthly meetings to review internal audit services, internal control and risk management processes, and examinations by regulatory agencies. In the opinion of the Committee, Thinkwise Federal Credit Union has operated in a fiscally sound manner and in accordance with applicable federal and state regulations.

**Diane Pearce**  
Supervisory Committee Chairperson