

## LETTER TO MEMBERS

Dear Members:

In 2014 Coors Credit Union continued its track record of strong financial strength, demonstrated responsiveness to a changing marketplace and began the important work of laying the building blocks for future growth and success.

Research during the year demonstrated that our knowledgeable staff provided skilled financial service to our members with extra care and expertise, and that Coors Credit Union continues to be a trusted source of financial products and services.

Net assets in 2014 grew by 16.6% to \$197 million, compared to \$169 million in 2013. A depressed mortgage market in the first nine months of the year adversely impacted income. Net income was \$1.8 million, down 25% from the year before. Net income was impacted by a \$500 thousand cautionary provision for loan loss as required by accounting rules in response to a new indirect lending car-buying program that has given members the convenience of shopping, buying and financing a vehicle at local dealerships. This balance sheet provision was not a realized loss, but rather money set aside as part of a reserve to protect the investments of the credit union and its membership. In addition, employee compensation and benefits increased by 16% during the year, further impacting net income. The net worth ratio which is equity as compared to assets and one measure of the credit union's healthy base, remained strong at 11.4%.

Membership grew to 18,268 at year-end compared to 15,311 a year before, and we were pleased to welcome 2,957 new members. This was due in part to the acquisition in December of 1,100 members of Blue Spruce Federal Credit Union, which has served the associates of Terumo BCT, a global leader in blood component and cellular technologies. With nearly 2,800 employees located at its Lakewood headquarters, Terumo BCT provides a significant opportunity for credit union membership expansion.

Coors Credit Union was named to the 2014 Top 200 list of Healthiest Credit Unions in the country by an independent bank account comparison company that tracks both commercial banks and more than 6,600 credit unions in the U.S. Coors Credit Union's ranking puts it within the top 2.5% of credit unions in the nation for financial health. Last year the credit union also achieved a 5-Star Rating by BauerFinancial that ascertains that it is financially sound and operating well above its regulatory capital requirements.

In March, Amy Phillips, CFA joined the executive team as the Chief Financial Officer, completing the talent upgrade of the entire leadership team announced in 2013. Amy is a Chartered Financial Analyst charterholder with more than 25 years' experience in the financial services industry, including asset/liability and interest rate risk management, treasury funding and investment expertise at

ING, CoBank and United Western Bank. At Coors Credit Union, she is charged with the strategic and operational management of investment portfolios; asset and liability modeling; interest rate risk management; liquidity management and planning; regulatory management, compliance and reporting; and financial planning and analysis.

During the year, the leadership team completed an in-depth five-year strategic planning process emphasizing opportunities for market expansion, share of wallet growth and technology development for the credit union and its membership in the coming years. The Department of Regulatory Affairs for the state of Colorado approved Coors Credit Union's application for Field of Membership Expansion into Denver, Boulder and Larimer counties. Combined with its current ability to market to Jefferson County, the credit union is well-poised to develop in the marketplace.

The Investment and Retirement Center at Coors Credit Union made two successful presentations to invited membership on Long-Term Care and Real Estate Investment Trusts. Leadership and marketing improvements were put into place for Coors Credit Union Insurance Agency, ensuring that members have an insurance advocate for plans for auto, home, life, business, powersport vehicles, personal items and more.

Overall, we continue to be dedicated to our members and to delivering exceptional financial products and services. Please let us know of ways we can serve you well and continue to earn your trust.

Sincerely,  
Dan Sung  
Board of Directors, Chairman

Tracie Wilcox  
President and CEO



Dan Sung  
Board of Directors,  
Chairman



Tracie Wilcox  
President and CEO



In 2014, Coors Credit Union was the winner of the people's vote in Golden in four categories:

- Coors Credit Union – Best Bank/Credit Union in Golden
- Coors Credit Union – Best Customer Service in Golden
- Coors Credit Union – Best Mortgage in Golden
- Coors Credit Union – Best Boss-Sabrina Lukowicz in Golden

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**Coors**  
CREDIT UNION

## COORS CREDIT UNION 2014 ANNUAL REPORT



Federally insured by NCUA  
Equal Housing Opportunity



## LENDING REPORT 2014

In 2014, Coors Credit Union increased loan balances in nearly every major loan category helping the credit union achieve overall loan growth of 32%. At the same time, the credit union continued its important and ongoing dedication to its commitment to "people helping people."

Last year we implemented a new, easy car-buying experience for members utilizing a program called indirect lending. This successful program has given members the convenience of shopping, buying and financing a vehicle at a local dealership — making car buying as easy as going online to apply and receive pre-approval. Members are also able to go directly to the dealership. As part of this program, Coors Credit Union continues to oversee the critical lending functions of underwriting, processing and funding. Coors Credit Union is also working to add a concierge car-buying service in the second quarter of 2015 that will allow members to buy a car and have it delivered to their own home.

In addition to convenient, low-cost vehicle lending, the credit union increased marketing efforts to highlight cost-saving home loans and credit cards. By offering low interest rate home loans, Coors Credit Union achieved a 28.2% growth rate in this category. We also increased market penetration in the real estate purchase market through a new Preferred Realtor Program which offers discounted realtor services for members who are interested in upgrading, downsizing or anything in between. The credit union saw growth in credit card lending of 19.3% by offering a new year-long credit card introductory rate program of 2.99% APR\* on all balance transfers. This same program also features a 1.99% APR for any new purchases for one year after opening a credit card account with Coors Credit Union and has no annual fees. Many new members took advantage of this low-cost program and benefited with a sizable reduction in their monthly credit card fees.

Also contributing to loan growth were increases in commercial and business lending and the Spring and Fall Sporting Event promotions for members highlighting affordable financing of RVs, ATVs, boats, travel trailers and other recreational vehicles. In addition to low monthly payments and flexible repayment terms with each powersport loan, the credit union offered free insurance quotes through its Coors Credit Union Insurance Agency.

Looking forward in 2015, Coors Credit Union will focus efforts centering on increased lending efficiency with more than 20 identified lending process improvements. We will also offer a new Home Equity Line of Credit product that will have a 15-year amortization, making member payments more affordable, as well as a First-Time Homebuyer program to make homeownership a dream come true. Our staff will continue to assist members in lowering their monthly payments by paying off existing debt, restructuring current debt and finding other financial solutions. We will continue to help members buy their first home, downsize after retirement, buy their first car, build a deck or purchase a new camper for their summer vacation.

The success of Coors Credit Union is due in no small part to our 18,268 members and 60 employees who trust us to provide world-class lending products, solutions and service. We look forward to continuing to serve you and save you money. We sincerely appreciate your membership and loyalty to Coors Credit Union.

Respectfully,  
Bryan S. Thomas  
VP of Lending/CLO

\*Annual Percentage Rate

## COMPARATIVE FINANCIAL STATEMENT

For the years ended December 31, 2012, 2013, and 2014

	2012	2013	COORS CU 2014	BSFCU 2014	CONSOLIDATED 2014
<b>ASSETS</b>					
Loans Outstanding	\$ 108,867,381	\$ 112,795,581	\$ 147,759,679	\$ 1,801,969	\$ 149,561,648
Investments	35,165,033	49,002,903	35,167,525	2,036,794	37,204,319
Land and Building	1,605,504	1,517,141	1,463,763	-	1,463,763
NCUA Share Insurance Fund	1,282,519	1,400,247	1,506,172	47,978	1,554,150
Other Assets	7,521,524	4,390,332	5,958,167	1,353,107	7,311,274
<b>TOTAL ASSETS</b>	<b>154,441,962</b>	<b>169,106,203</b>	<b>191,855,306</b>	<b>5,239,848</b>	<b>197,095,153</b>
<b>LIABILITIES AND CAPITAL</b>					
Share Accounts	42,675,019	46,434,997	55,219,438	3,245,706	58,465,144
Money Market Share Accounts	38,934,216	45,515,145	46,952,088	565,548	47,517,636
Share Draft Accounts	23,937,633	26,569,495	27,734,073	765,160	28,499,233
Club Accounts	2,882,464	2,958,673	2,987,657	-	2,987,657
Certificates of Deposit	17,585,839	17,748,919	17,117,824	231,733	17,349,557
Individual Retirement Accounts	3,158,241	3,897,526	4,431,155	-	4,431,155
IRA Certificates of Deposit	7,093,386	6,450,917	6,377,223	-	6,377,223
<b>TOTAL SHARES AND MEMBER DEPOSITS</b>	<b>136,266,798</b>	<b>149,575,672</b>	<b>160,819,458</b>	<b>4,808,147</b>	<b>165,627,605</b>
Total Borrowings			8,801,838		8,801,838
Other Liabilities	794,747	732,986	867,526	25,536	893,062
Undivided Earnings	14,910,709	17,391,317	19,312,261	(2,112)	19,310,149
Unrealized Gain or (Loss) on Investments	27,144	(1,036,336)	(388,342)	-	(388,342)
Regular Reserve	2,442,564	2,442,564	2,442,564	-	2,442,564
Equity Acquired in Merger	-	-	-	408,277	408,277
<b>TOTAL CAPITAL</b>	<b>17,380,417</b>	<b>18,797,545</b>	<b>21,366,483</b>	<b>406,165</b>	<b>21,772,648</b>
<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$ 154,441,962</b>	<b>\$ 169,106,203</b>	<b>\$ 191,855,306</b>	<b>\$ 5,239,848</b>	<b>\$ 197,095,153</b>

## COMPARATIVE INCOME STATEMENT

For the years ended December 31, 2012, 2013, and 2014

	2012	2013	COORS CU 2014	BSFCU 2014	CONSOLIDATED 2014
<b>INCOME</b>					
Interest on Loans	6,144,291	5,838,200	6,261,992	102,558	6,364,550
Interest on Investments	191,277	464,555	644,144	26,548	670,692
Other Income	3,689,207	3,660,446	3,362,663	32,283	3,394,946
Non-Operating Gains (Losses)	172,509	(51,297)	28,701	-	28,701
<b>TOTAL INCOME</b>	<b>10,197,284</b>	<b>9,911,904</b>	<b>10,297,500</b>	<b>161,389</b>	<b>10,458,889</b>
<b>OPERATING EXPENSES</b>					
Employee Compensation & Benefits	2,889,142	3,098,764	3,465,673	117,335	3,583,008
Travel and Education	122,469	148,799	152,391	-	152,391
Office Occupancy	344,786	389,820	500,999	-	500,999
Office Operations	583,442	603,533	610,138	55,937	666,075
Marketing	448,769	450,935	422,181	-	422,181
Loan Servicing	830,454	702,513	682,793	7,983	690,776
Outside Services	1,132,080	1,206,200	1,218,078	45,904	1,263,982
Member Insurance	121,839	112,020	-	-	-
Operating Fees	16,306	20,367	28,006	975	28,981
Miscellaneous Operating Expenses	112,902	108,627	189,194	197	189,391
Provision for Loan Losses	280,000	120,000	615,799	2,155	617,954
<b>TOTAL OPERATING EXPENSES</b>	<b>6,882,190</b>	<b>6,961,578</b>	<b>7,885,252</b>	<b>230,487</b>	<b>8,115,739</b>
<b>COST OF FUNDS</b>					
Shares, Clubs, Money Market	224,676	250,258	278,493	1,540	280,033
Share Certificates	125,526	132,378	136,179	-	136,179
Individual Retirement Accounts	7,320	11,281	13,423	-	13,423
IRA Certificates	107,181	75,801	58,034	-	58,034
Interest on Borrowed Money	0	0	6,958	35	6,993
<b>TOTAL COST OF FUNDS</b>	<b>464,704</b>	<b>469,718</b>	<b>493,087</b>	<b>1,574</b>	<b>494,661</b>
<b>NET INCOME</b>	<b>\$ 2,850,390</b>	<b>\$ 2,480,608</b>	<b>\$ 1,919,161</b>	<b>\$ -70,672</b>	<b>\$ 1,848,489</b>

## SUPERVISORY COMMITTEE'S REPORT

The Supervisory Committee is a volunteer committee which works to guarantee the safety and financial soundness of Coors Credit Union. Its primary function is to examine and evaluate the effectiveness of the credit union's internal controls, and determine the reliability and integrity of the financial and operating information. In this way, the committee works to protect the assets of the credit union.

In addition, the Committee hires an external auditor; attends Board of Director meetings and corporate functions; handles any written questions and complaints, especially those relating to transactions and compliance; and performs audit work in specific areas as requested by the CEO and Board of Directors.

### Two New Volunteers and Chairperson

In 2014, the Supervisory Committee welcomed two new members to the team: Cheryl Cotten and Andrew Landry. Their bios are available for review on the Coors Credit Union website. George Forristal was appointed as the chairperson.

### Selection of External Auditors and Office Lease Review

The Supervisory Committee selected and signed a three-year contract with the CPA firm of Holben, Hay, Lake and Balzer (HHLB) to conduct all audit functions. The Committee receives a monthly report of test procedures which were conducted along with the findings of HHLB and management's responses.

The Supervisory Committee requested that HHLB review the office lease for the Mercantile building at 1120 Washington Street. No issues were discovered during the lease review.

### Balance Sheet Annual Audit and Process and Procedures Audit

Both the Balance Sheet Annual Audit and the Process and Procedures audit were conducted by Holben, Hay, Lake and Balzer. The firm reported no major findings and only a few minor issues which have been addressed by credit union management. These audits satisfy the State's annual audit regulatory requirements.

On behalf of the Supervisory Committee, I wish to thank all of the Board of Director volunteers as well as the staff for their continued work to provide expert and affordable financial services throughout the year to all of the members of Coors Credit Union.

George Forristal  
Chairperson

### 2014 BOARD OF DIRECTORS

Dan Sung, Chairman  
Kevin Caulfield  
David Engle  
Toni Houck  
Kirsten Johnson

### 2014 SUPERVISORY COMMITTEE

George Forristal, Chairman  
Cheryl Cotten  
Elizabeth Jacobson  
Andrew Landry

### 2014 SENIOR MANAGEMENT TEAM

Tracie Wilcox, CEO  
Chris Bokovitz, VP Member Experience  
Lauren Davison, VP HR  
Amy Phillips, CFO  
Anita Russell, VP Marketing  
Bryan Thomas, VP Lending

Coors Credit Union remains safe, sound and secure. Your deposits are federally insured up to \$250,000 by the National Credit Union Share Insurance Fund and backed by the full faith and credit of the U.S. Government, just as the FDIC does for bank deposits. No credit union member has ever lost a dime of federally insured funds. IRA shares are separately insured up to \$250,000.