

'09 annual report



AGENDA
2009 ANNUAL MEETING
SHERATON HOTEL GRAND BALLROOM
May 17, 2010

5:30 pm Welcome and Opening Remarks

5:35 pm Call to Order; Establish a Quorum; Approval of Minutes

Jim Hoelzel – Chair

Mark Meyer - Secretary

Chair's Report

Jim Hoelzel – Chair

CEO's Report

Andy Faust – CEO

President's Report

Kim Sponem – President

Board of Director's Scholarship Winners

Dennis Sauey – Vice Chair

Nominating Committee Report

Sue Racine – Nominating

Committee Member

Risk Management Committee Report

Judi Page – Risk Management Committee Chair

Treasurer's Report

Fritz Schunke – Treasurer

New Business

Jim Hoelzel – Chair

6:00 pm Adjourn

Do More. Give More. Start Here.

At Summit, we give our time, talents and resources to make our community stronger. Because we believe the best way to do business is to do good.

For every member in attendance today, we are donating \$1 to each of these organizations:

Juvenile Diabetes Research Foundation — JDRF is the world's leading nonprofit, nongovernmental funder of diabetes research.

The Road Home – The Road Home serves homeless families with children in collaboration with local faith communities and organizations.

STAR Credit Union —With over 400 youth members, STAR Credit Union is the first and only independently chartered credit union for kids.

Second Harvest Foodbank — Second Harvest distributes food to more than 400 charitable programs that feed the hungry in 16 southwestern Wisconsin counties.



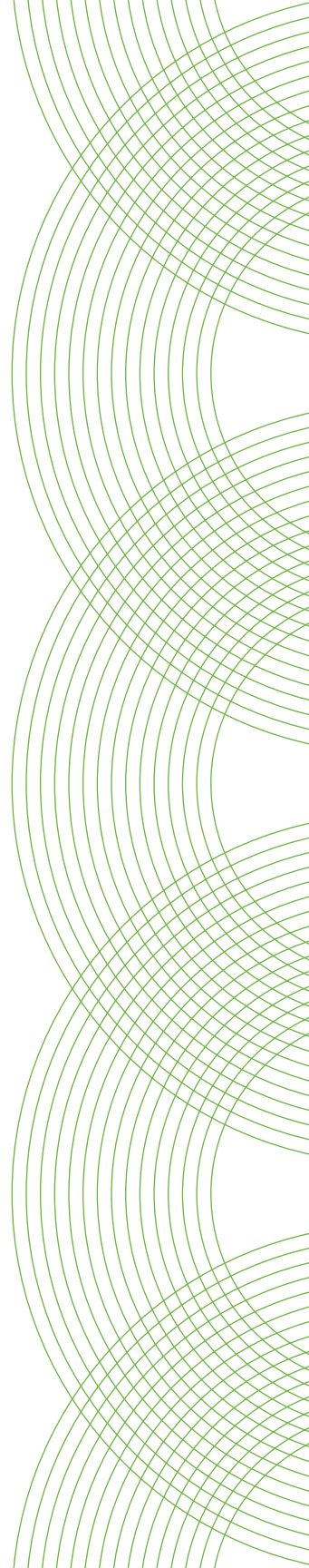
Letter from the CEO and Chair

Dear Member,

Summit Credit Union remains a solid, healthy financial institution, and we're pleased to report that once again, we've had a strong year. Despite the adverse economic climate, Summit was profitable in 2009 and able to strengthen its capital position and prepare for the future.

While many financial institutions have chosen to tighten their purse strings, we've continued to lend, and were the top mortgage lender in Dane County for 10 months in 2009. We continued to help our members when they needed us most – to get through today and to look toward tomorrow. And more than ever, as our communities have looked to us for support, guidance and leadership, our commitment to corporate citizenship remained strong.

Just as we recognize that our members are our most valued assets, we also recognize the value that we add to the communities we serve. Community engagement remained a main focus of our entire organization, from our staff volunteers to our corporate partnerships of many events and causes during the year. In 2009, we introduced an employee volunteerism program, allowing employees to receive up to 8 hours – of paid time – to volunteer each year. We also had tremendous support and participation in volunteer efforts from the members of our Board of Directors.



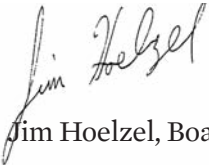
We also focused on the future, launching tangible initiatives that put our members on more solid financial ground so they can achieve their goals and dreams. Programs like Project Money helped four families drastically improve their financial position, while Pay it Forward showed the credit union philosophy of people helping people in action. Both of these programs will continue to live on and make an impact in 2010.

As we plan for the challenges and opportunities of a new year, we recognize that there is still plenty of room to grow. With more than 108,000 members and expanding opportunities for growth, Summit will continue to find new ways to serve you, our members. We'll strive to stay ahead of the curve and offer our members the latest in technology, products and services. And most importantly, we'll continue to help all our members do more here.

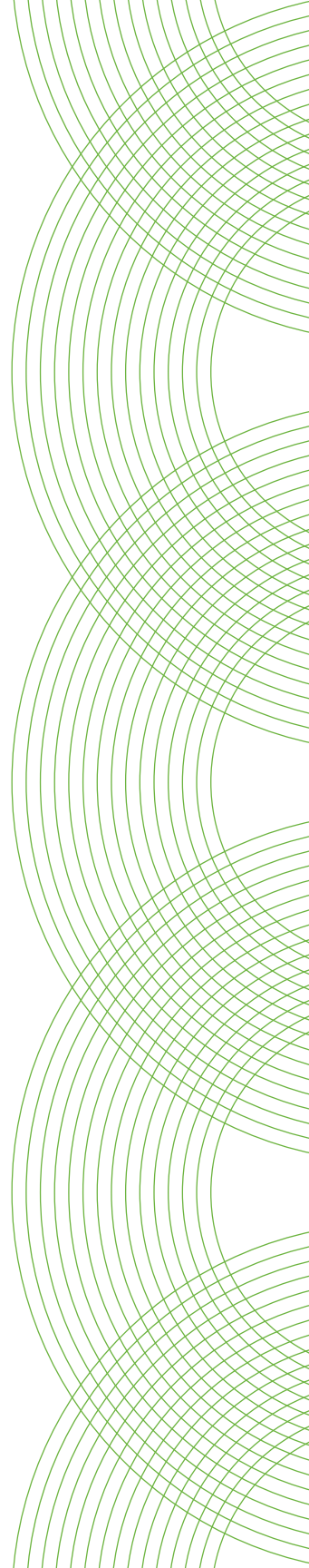
Sincerely,

A handwritten signature in black ink that reads "Andrew Faust". The signature is fluid and cursive, with the first name "Andrew" written in a larger, more prominent script than the last name "Faust".

Andrew Faust, CEO

A handwritten signature in black ink that reads "Jim Hoelzel". The signature is cursive and somewhat stylized, with the first name "Jim" written in a smaller script than the last name "Hoelzel".

Jim Hoelzel, Board Chair



Letter from the President

Dear Member,

2009 was a transformative year for the financial services industry and for our country. At Summit, we recognized the opportunity, as did many Americans, to reinvigorate our commitment to the principles of thrift.

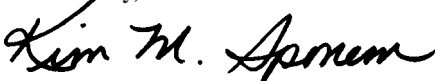
There are many uses and definitions of the word “thrift.” While often associated with being frugal or cheap, we define the word thrift in a more holistic way at Summit: the saving and intelligent use of health, time and property of all kinds, including money.

Far from a new concept, credit unions were founded to promote and develop thrift for consumers. Over time, the principles of thrift started to erode and Americans began focusing on immediate gratification. It became easy and acceptable to forgo saving and become burdened by debt, leaving many to believe that the most obvious path to the American Dream is the lottery system. But it doesn’t have to be that way.

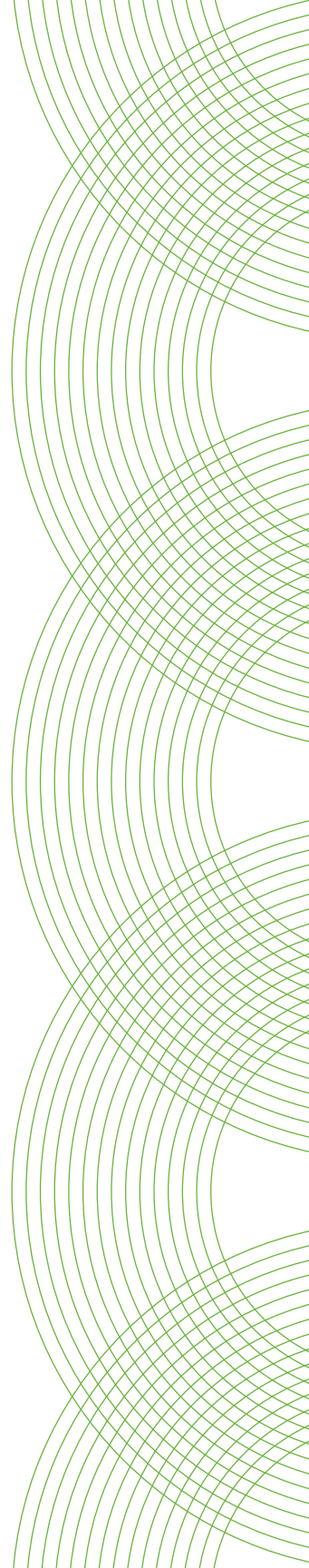
In 2009, we held more than 100 educational seminars, both for our members and for community groups. We helped more than 4,000 members get a mortgage loan, and ensured that it was the right product for their long-term financial health. We encouraged members to save and made it easy through our Save the Change initiative and the new Go Save account. And we launched Project Money and Pay It Forward to actively engage our members and the community at large in the spirit of thrift in an enjoyable, engaging and interactive way.

Summit will continue to show our members, potential members and communities a reliable and realistic path to their dreams. And we’ll keep our focus on what matters: our members, their financial well-being and the strength of our cooperative.

Sincerely,



Kim Sponem, President



United Way

Partnering with the United Way ensures that our funds will get to those most in need of them. Summit's participation includes an annual corporate contribution and employee contributions through payroll deduction and special events. We also participate in United Way's Loaned Executive program, whereby a selected employee is "loaned" to the organization for 18 weeks to serve an integral part of United Way's workplace campaign.

Sunshine Place

Summit has partnered with the Sunshine Place since its inception in 2007. The Sun Prairie facility houses a food pantry, clothing center and several social service organizations, providing a "one-stop shop" for nearly 600 people in need each month. Summit was a major financial contributor to the construction of the building in 2007 and continues to support it through donations and staff involvement.

*sign us up for United Day
of Caring*

park clean up and cookout

Our Employee Volunteerism

Community engagement is more important than ever in challenging times, when needs around us are great. Volunteerism is deeply embedded in our culture, and our employees respond when called on to serve – whether sorting food for the hungry, walking in support of diabetes research or providing financial education to youth.

Summit encourages our employees to volunteer their time and skills to support and improve our communities. Through our employee volunteer program, employees receive up to 8 hours – paid – to volunteer each year. In 2009, Summit employees logged 540 volunteer hours through a variety of different volunteer activities.

United Way Day of Caring

Participating for the first time, 37 Summit employees got out of the office and spent a day volunteering during the United Way's annual communitywide event. Summit volunteers helped with a variety of projects, including weeding a community garden, helping a senior citizen with yard work, hanging drywall, sanitizing toys at a daycare and more.



Special Olympics DuRunRun

In 2009, Summit once again partnered with the Wisconsin Special Olympics to raise funds to support athletes with cognitive disabilities in South Central Wisconsin. In addition to serving as the lead sponsor of the annual Kids Duathlon event, Summit employees raised more than \$12,000 and donated their time to make the event a success.



Bike for Boys & Girls Club

Summit raised funds, made a corporate donation and had a team of bikers at the annual Bike for Boys & Girls Club race. The Summit team ranked in the top 10 for donations collected for the event; our branches raised more than \$2,000 in donations.



Our Financial Education Partnerships

Throughout the year, Summit works with community organizations and schools to provide financial education. In addition, our branch locations hold seminars on a variety of topics, including first-time home buying, managing and building budgets, understanding credit, and protecting identity. It's our goal to help individuals of all ages learn to manage money effectively, use credit wisely and understand how they can plan to achieve their personal and business goals. In 2009, we conducted more than 105 seminars.

Common Wealth Development (CWD)

For more than a decade, Summit has been a committed partner with CWD to increase the financial and employment skills of disadvantaged youth. To date, Summit has donated \$20,000 to support CWD's Youth Financial Programs, which provide financial education and skills development, as well as employment opportunities for 200 economically disadvantaged and at-risk youth in the Madison area each year. Summit was honored to receive the Governor's 2010 Financial Literacy Award for our work with CWD's Earn\$ave Program in 2009, Wisconsin's first youth individual development account program.



East Madison Community Center (EMCC)

The EMCC is a multi-service center that provides social, educational, recreational and cultural programming for Madison's east side community. Summit's 27 year affiliation with the EMCC includes annual gift donations from Summit employees for their holiday party, helping low-income kids afford summer camp and a major financial contribution in 2007 to EMCC's building expansion project. Summit also provides year-round programming support in the way of financial education seminars.

EMCC

YWCA Second Chance Program

The Second Chance Program, a collaboration between various Madison organizations, provides families that have not rented before or have had difficulty maintaining housing in the past, with cases management, education and skills. In 2009, Summit conducted monthly seminars on budgeting and credit.



Boys and Girls Club of Dane County

Summit's partnership with the Boys and Girls Club focuses on building financial literacy through basic financial services and education. Establishing and supporting STAR Credit Union is a critical piece to this. With 491 members to date, STAR is the only youth-chartered credit union in the world and members receive benefits of real-life exposure to financial education.



Looking Forward

As we face the challenges of a new year, Summit Credit Union is excited about the opportunities ahead to expand our services and provide greater convenience and financial offerings to our members. With more than 107,000 members and 20 branch locations in the Madison and Milwaukee area, Summit remains committed to helping our members improve their financial position and enrich their lives.

Statement of Financial Condition as of December 31, 2009

ASSETS

Cash and Cash equivalents	\$	41,246,198
Investments - Available for Sale		234,563,674
Investments - Other		56,784,354
Loans Held for Sale		8,856,957
Loans to Members, net		1,003,589,815
Accrued Interest Receivable		4,797,385
Property and Equipment, net		42,861,234
NCUA Deposit		10,860,420
Other Real Estate Owned		5,811,424
Mortgage Servicing Rights		5,550,024
Other Assests		3,577,723

Total Assets	\$	1,418,499,208
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LIABILITIES

Members' Shares	\$	1,167,437,823
Accrued Expenses & Other Liabilities		17,636,788
Borrowed Funds		118,500,000

Total Liabilities	1,303,574,611
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Total Members' Equity	114,924,597
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Total Liabilities & Members' Equity	\$	1,418,499,208
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Income Statement for the Year ending December 31, 2009

INTEREST INCOME	
Interest on Loans to Members	\$ 56,169,080
Interest on Investments	10,918,224
Total Interest Income	67,087,304
INTEREST EXPENSE	
Dividends on Members' Shares	20,261,292
Interest on Borrowed Funds	3,728,256
Total Interest Expense	23,989,548
NET INTEREST INCOME	43,097,756
PROVISION FOR LOAN LOSSES	15,500,000
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	27,597,756
NON-INTEREST INCOME	
Service Charges and other Fees	9,772,867
Other Non-Interest Income	3,458,046
Net Gains on Sales of Loans	11,430,250
Net Gain (Loss) on Sales of Securities Available for Sale	44,258
Other-Than-Temporary Impairment Losses on Available-for-Sale Investments	(800,000)
Total Non-Interest Income	23,905,421
NON-INTEREST EXPENSE	
Salaries and Benefits	25,790,284
Operations	14,109,296
Occupancy	2,386,493
Other Non-Interest Expenses	1,026,589
Net Losses on Sales of Property and Equipment	106,565
Savings Insurance Assessment	1,629,063
Total Non-Interest Expense	45,048,290
Income Before Income Tax	6,454,887
Income Tax	450,618
NET INCOME	\$ 6,004,269

Board of Directors

Jim Hoelzel - Chair

Dennis Sauey - Vice Chair

Mark Meyer - Secretary

Fritz Schunke - Treasurer

Doug Benzine - Director

Theran Colwell - Director

Pete Crear - Director

Susan Johnson Sweitzer - Director

John Litscher - Director

Mike O'Brien - Director

Judith Page - Director

Sue Racine - Director

Dave Reszel - Director

Mike Schenk - Director

Jennifer Taylor - Director

