

REPORT OF THE BOARD OF DIRECTORS

There was a decrease of .04% in savings and an increase of 4.34% in loans to members. The Credit Union continues to pay dividends at a competitive rate, which accounts for savings to remain relatively constant. We will continue to take actions that will encourage members to use the Credit Union for their loan needs. Part of the increase in loans to members is a result of making Real Estate loans again and several new loan types. Both of these actions should help with increasing loans to members. The Board continues to develop plans and policies to encourage savings and loans to increase at the same rate.

REPORT OF THE SUPERVISORY COMMITTEE

The following reviews were completed during 2012:

- Supervisory Committee verification of Members' accounts was conducted as of December 31, 2011. The verification was completed in January 2012.
- The Annual Alabama Credit Union Administration's examination was conducted for the period ending September 30, 2012.

As a result of these examinations, the Committee believes that Management and staff continue to do a good job with emphasis on customer care.

REPORT OF THE CREDIT COMMITTEE

The number, average size and total amount of loans for 2011 and 2012 as well as the % change is indicated below:

	<u>2011</u>	<u>2012</u>	<u>% of Change</u>
Number	430	409	(4.88)
Average Size	6,965	7,405	6.32
Total	2,994,980	3,028,498	1.12