



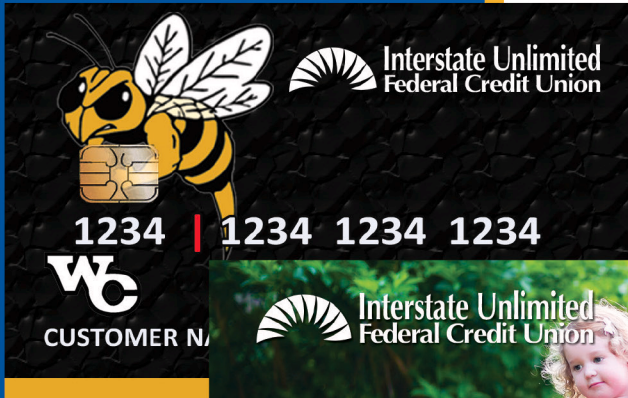
Interstate Credit Union

TUESDAY, FEBRUARY 7, 2017

Together Towards Tomorrow
2016 ANNUAL REPORT

Federally Insured by the NCUA | Equal Housing Lender #408596

INTRODUCING PERSONALIZED CHIP CARDS



Interstate Credit Union is offering debit cards with chip technology. The embedded computer chip provides more security and wider international acceptance. A microchip embedded in the card adds a new layer of protection against fraud for purchases made at the point of sale. Information programmed into the chip is personalized for your account and each transaction generates a unique code, adding an extra safeguard against unauthorized use and counterfeiting.



These cards are already in wide use around the world and are now becoming the standard in the U.S.

Personalize your debit card with your own picture, one from our image library or with logos from our local high schools. Update your card as often as you'd like! They are accepted anywhere that VISA is accepted.

ELECTRONIC RECEIPTS

Interstate Credit Union offers electronic receipts to its members. Members can receive an email containing an image of their receipt. Sensitive member information such as member number (aka account number) is masked by a prefix, as well as the balance(s) information is suppressed.

Why Use It? Electronic Receipts provide our members with a convenient and organized receipt delivery method while supporting green efforts in our area. Traditional print receipts are still available, and are the default method for all member receipts, unless Electronic Receipts are requested at the time of transactions. There is no fee for the service.

How to Get Your Receipt Electronic: When you complete a transaction, whether in person or via phone, ask the Member Service Representative for an electronic receipt.



Download our Mobile App TODAY!



Better Rates, Better Customer Service & Better Banking Everywhere!

Together Towards Tomorrow

49TH ANNUAL MEETING AGENDA

- Welcome _____ Albert Howard
Chairperson
- Invocation _____ Curtes Roberts
Board Member
- Dinner _____ Catered by Sybil's Family Restaurant
- Call to Order _____ Albert Howard
Chairperson
- Quorum Ascertainment _____ Albert Howard
Chairperson
- Introduction of Board Members and Staff _____ Stacie Branch
President
- 2016 Annual Meeting Minutes Review _____ Albert Howard
Chairperson
- Supervisory Committee's Report _____ Harriett Cooper
Supervisory Committee Chairperson
- President's Report _____ Stacie Branch
President
- Introduction of Guest Speaker _____ Stacie Branch
President
- Speaker _____ Kenn Kington
Professional Comedian & Keynote Speaker
- New & Unfinished Business _____ Albert Howard
Chairperson
- Board of Directors Elections _____ Albert Howard
Chairperson
- Door Prizes _____ Albert Howard
Chairperson
- Adjournment _____ Albert Howard
Chairperson

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PRESIDENT/CEO REPORT

As the president of Interstate Credit Union, let me thank you for your ongoing support of our vision of service to our members, product innovation, and commitment to our communities. 2016 was another strong year for Interstate Credit Union. We continued to grow, launched several products and services, stayed active in the communities we serve, opened a new branch and added several employees.

In addition to opening a beautiful new branch in Brunswick Georgia in 2016, we added four more counties to our field of membership: Glynn, McIntosh, Tattnall, and Pierce. To provide additional resources for members, we created several new positions throughout the credit union. Our accounting division, branch operations and our lending departments expanded their personnel and our new call center is in full swing.

We embarked on some major projects to enhance our products and services. We launched our mobile app and Remote Deposit Capture, making our 24/7 banking platform more comprehensive. We can now instantly issue a personalized debit card to members. Another priceless member benefit we added this year was online Mortgage and HELOC loan applications, and our new Web signatures allows us to securely email members for electronic signatures. In order to add an extra layer of security for our members, all of our ATMs are now chip enabled, and the issuance of chip enabled debit cards started in late 2016 and will continue throughout 2017. We added two new dealers to our Dealer Connect program, allowing members and potential members to apply and complete a car loan while at the dealership.

Membership was also strong in 2016. We saw a growth of 15 percent to almost 19,000 members. Growth in members is critical to our mission of being considered the financial institution of choice in the communities we serve.

For 2017 we will continue to be on the frontlines of product and service advances. We will bring you new technologies such as Automated Payments by Phone, Apple Pay, and Online Account Opening. We also have plans for a new administration building right here in Jesup.

Overall, loan growth, transaction levels and member engagement in the credit union all indicate that our members consider Interstate the backbone of their financial life. We could not be more honored. As a member-owned, community-based financial institution, we do everything with your best interests in mind. Together towards tomorrow!

Sincerely,

Stacie B. Branch
President/CEO

FEBRUARY 9, 2016

Interstate Unlimited FCU held its 48th Annual Membership Meeting on Tuesday, February 9, 2016 at Coastal Pines Technical College, Jesup, Georgia. There were 300 members and guests in attendance.

Chairman Albert Howard called the meeting to order at 7:45 pm. Chairman Albert Howard gave the invocation. A meal catered by Sybil's Restaurant was enjoyed by all. Secretary Sharon Terry ascertained that a quorum was presented. Chairman Howard asked for the waiving of the prior year meeting minutes. Jerry Jones made a motion to waive the reading of the prior year minutes. Sharon Terry seconded the motion, motion carried.

President Stacie Branch welcomed everyone to the meeting. She recognized the board and supervisory committee and thanked them for their service. Stacie recognized the staff and congratulated Kristy Johnson as Employee of the Year. She also noted service awards for Cindy Norwood - 25 years, Natasha Sapp - 20 years, Faye Dixon - 10 years, Kathryn Drury - 5 years, and Stacy Bohannon - 5 years. Stacie recognized Director Jerry Jones for 25 years of volunteer service and JoAnn Grove, Supervisory Committee for 20 years.

Supervisory Committee Chairperson Harriett Cooper gave her report. She thanked Stacie for her leadership as well as the staff that supports her. Ms. Cooper noted that we have been audited by NCUA, HLM Accounting and Nearman, Maynard and Vallez, CPA firm. There were no noted exceptions.

President Branch talked about the credit union's progress last year. We have had tremendous growth in all areas of the credit union. There are several areas that stand out during 2015. One is our Hazlehurst branch that opened in late December 2014. Our new Dealer Connect program which provides members access to loans while at the dealership has done really well. In November 2015, Georgia Pine FCU merged with our credit union adding our 5th branch. Stacie made note of several new technological advances such as EMV capable MasterCards, branded mobile app, advances to online banking plus more services coming in the future. Stacie noted that we cannot do this without our members. She thanked them for their commitment to Interstate Credit Union.

President Branch introduced our speaker Kenn Kington. Mr. Kington talked about all the choices we have to make in life. We get distracted with so many choices. Where are we going to focus our choices? We need to focus on what is important in life. He gave a very humorous look at the way we go through life.

Chairman Albert Howard asked if there was any new business. There being none, asked if there was any unfinished business. There was none.

Nominating Committee Chairperson Debra Wynn recommended Jerry Jones for a 3 year term, Sharon Terry for a 2 year term, and Donna Cannon for a 2 year term. They were voted by acclamation.

Door prizes were given out.

After no further business, the meeting was adjourned at 9 pm.

Respectfully Submitted By;
Pam Leggett, Recording Secretary
Albert Howard, Chairman
Sharon Terry, Secretary

Together Towards Tomorrow

Minutes & Financials

Interstate Credit Union

STATEMENT OF FINANCIAL CONDITION

	Year Ended 2016	Year Ended 2015
ASSETS		
Total Loans	96,086,439	73,621,472
Allowance for Loan Loss	-811,886	-658,031
Allowance for Overdraft Losses	-12,722	-12,002
Net Loans Receivable	95,261,831	72,951,438
Cash	3,058,513	2,336,167
CUSO Investment	10,000	10,000
Other Investments	23,779,290	27,665,401
Land and Building (net)	3,168,092	3,362,360
Furniture & Equipment (net)	512,567	438,234
NCU Share Insur. Fund	1,036,172	828,520
Prepaid	133,957	156,928
Accrued Income	345,307	278,423
Other Assets	1,664,499	1,743,622
Assets Acquired in Liquidation	387,608	226,782
Total Assets	\$ 129,357,836	\$ 109,997,874
LIABILITIES & NET WORTH		
Corporate Share Drafts	882,207	644,732
Notes Payable	0	1,000,000
Other Liabilities	1,015,693	972,249
Total Liabilities	\$ 1,897,900	\$ 2,616,981
Shares	27,252,421	22,694,349
IRAs	2,269,729	2,214,206
Money Market	14,656,606	12,234,291
IRA Certificates	8,050,557	6,892,876
Share Certificates	38,585,227	31,078,708
Share Drafts	15,379,180	13,025,709
Total Shares	\$ 106,193,720	\$ 88,140,139
Regular Reserve	660,723	660,723
Undivided Earnings	20,691,528	18,668,240
Unrealized Gain (Loss) on Inv.	-86,035	-88,208
TOTAL LIABILITIES & EQUITY	\$ 129,357,836	\$ 109,997,874

STATEMENT OF INCOME

	Year Ended 2016	Year Ended 2015
INCOME		
Interest from Loans	4,899,982	3,771,947
Investment Income	343,920	354,111
Fee Income	2,086,494	1,692,036
Misc. Income	1,283,955	1,062,479
TOTAL INCOME	\$ 8,614,350	\$ 6,880,572
EXPENSES		
Employee Compensation	1,728,519	1,414,619
Employee Benefits	528,669	424,107
Travel & Conference	72,766	52,601
Association Dues	39,773	42,321
Office Occupancy	377,220	272,031
Office Operations	596,957	523,739
Publicity & Promotions	193,466	209,963
Loan Servicing	246,847	203,374
Profess & Other Serv	1,373,325	988,518
NCUA Fees	15,013	20,023
Annual Meeting	12,000	12,000
TOTAL OPERATING EXPENSES	\$ 5,184,555	\$ 4,163,296
Provision for Loan Loss	663,390	390,400
Provision for Overdraft Loss	79,893	49,992
Int on Borrowed Money	8,448	18,803
Dividend Expense	679,308	485,854
Income Before Nonoperating Exp.	1,998,756	1,772,229
Gain (Loss) on Investments	14,315	10,410
Gain (Loss) on Fixed Assets	10,217	0
Nonoperating Income (Expense)	0	0
NET INCOME	\$ 2,023,288	\$ 1,782,639



Interstate Credit Union

*Together Towards
Tomorrow*

5 Branch Locations

Jesup

705 West Cherry St.
912-427-3904

Midway

11199 E Oglethorpe Hwy
912-884-2754

Baxley

665 West Parker St.
912-367-9719

Hazlehurst

14 Hinson St.
912-375-0640

Brunswick

2449 Perry Lane Ave.
912-264-2973

1800-822-1124

1800-391-8951

iufcu.org



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