

1. Pledge of Allegiance
2. Call the Meeting to Order
3. Secretary Ascertains a Quorum is Present
4. Chairman Entertains a Motion to:
 - Change the Order of Business
 - Dispense with the Reading of the 2012 Annual Meeting Minutes
 - Approve the 2012 Annual Meeting Minutes
5. Chairman's Introductions
6. President/CEO's Introductions
7. Nominating Committee Report
8. Supervisory Committee Report
9. Chairman's Report
10. Treasurer's Report
11. Open Forum Questions
12. Raffle Rules and Prizes
 - 8 @ \$25
 - 4 @ \$50
 - 2 @ \$75
 - 1 @ \$100
 - 2 Apple iPad Mini's with CFCU Cover
13. Closing Remarks
14. Motion to Adjourn

Board of Directors

Chairperson
Louis Ghosn

Vice Chairperson
William Ahonen

Secretary
Diane Bridges

Treasurer
Tim Edmunds

Directors
Kristina Beletic
Richard French
Roseann Lorenz
Stephanie Millier
Norm Musial

Recording Secretary
Pat Kamholz

Supervisory Committee

Chairperson
Pete Bonacuse

Secretary
David Hull

Committee Members

David O'Brien
Thomas Saad
Gary Summers

Senior Internal Auditor
Beverly McMahon

Management Team

Director Human Resources	Tina Brostek
Director Marketing	David Turner
Director Member Services	Laura Gorshe
Risk Management Analyst	Jackie Jackson
Accounting Manager	Tim Csuti
Branch Managers	Jenel Black Santina Evans Sharonda Moss
Collections Manager	Julie Dunn
Lending Manager	Pete Romano
Member Service Center MGR	Deedra Miles-Yarborough
Network Administrator	Jim Coulter

Team Members

Maurice Adams	Ricardo Ayala	Constance Bacha
Laura Baldwin	Jeanetta Bane	Kelly Belfi
Melissa Bender	Jenel Black	Carrie Boll
Charlotte Bosak	Omesh Chopra	Melissa Cordy
Mary Ellen Csulik	Jasmine Darrell	Sara Dingess
Jack Dobrowolski	Denise Dvorak	Chrisilyn Falensk
Yolanda Garrett	Ron George	Elizabeth Gill
Donna Gillis	Nancy Hetrick	Kim Hickman
Parthenia Jackson	Veronica Jackson	LaTasha Jones
Cheryl Keyser	Ellen Khrenovsky	Gerilyn Kiggins
Shanese Knowles	Janet Kovalak	Laura Kozel
Jodie Krahn-Sampat	Jeff Lanzen	Matthew Lyzen
Sally Mandic	Linda Martin	Kevin Marx
Harriet Monroe	Lindsay Mroz	James Nagy
Annette Oberst	Jeanette Ozimek	Jeff Pece
Kelly Pogue	John Reid	Dominic Rocco
Wendy Ruffing	Becky Sinram	Sue Tancak
Tiffany Tyner	Tara Viswanathan	Christine Walters

**CU Center West, Inc.
Board of Trustees**

Chairperson
William Ahonen

Vice Chairperson
Mack Thomas

Secretary
David Cattani

Treasurer
Tim Edmunds

Trustees
William Crell
Elizabeth Russ

Trustees Emeritus
Richard Danielson
Charlotte Silver

Property Manager
Zack Hoty

Recording Secretary
Elizabeth Russ

Senior Leadership Team

CEO & President
Sharon Churchill

COO & EVP
Ron Hongosh

VP MIS
Nick Nero

VISION

Century Federal Credit Union (CFCU) is one of the largest credit unions in Northeast Ohio. Unlike others in the financial services industry who serve at the pleasure of their investors, we serve at the pleasure of our members. We are a financial cooperative because we are simply members working together as a community and sharing with other trusted members of our own choosing. Therefore, membership is exclusive and by-invitation through Select Employee Groups (SEGs). In turn, our members and employees choose us because we are good at what we do. We celebrate and recognize the diverse styles and needs of our employees, Select Employee Groups (SEGs) and member's.

CFCU is a service company. We provide and share solutions and results. As a financial cooperative, we are not-for-profit, allowing us to provide value and focus on items important to our membership and employees.

CFCU is more than just its employees and its members. It is strength in unity - team. We engage and are high performers both independently and as a team. We are curious and hungry for knowledge. We embrace the future and all the changes it brings.

Century Federal Credit Union Values:

C = Celebrate Us
E = Engage
N = New Thinking
T = Take Ownership
U = Uncompromising Integrity
R = Respect Me
Y = You First



Century Federal Credit Union - Employee Day 2012

BRANCH LOCATIONS**Downtown**

AJC Federal Building
1240 E. 9th Street
Room 719
Cleveland, OH 44199
PH: 216.535.3290
Fax: 216.535.3219
M-F: 8AM - 3:30PM

NASA

21000 Brookpark Road
Building 15
Cleveland, OH 44135
PH: 216.535.3400
Fax: 216.535.3409
M-F: 8AM - 3:30PM

Sherwin-Williams

101 Prospect Ave. NW
Republic Building, #900
Cleveland, OH 44115
PH: 216.535.3700
Fax: 216.535.3709
M-F: 8:30AM - 4PM
Closed: 1PM-1:30PM

Wade Park VAMC

10701 East Blvd.
University Circle
Cleveland, OH 44106
PH: 216.535.3600
Fax: 216.535.3609
M-F: 8AM - 3:30PM

Lyndhurst

5465 Mayfield Road
Lyndhurst, OH 44124
PH: 216.535.3800
Fax: 216.535.3809
M, T, TH: 8:30AM - 4PM
Wed: Closed
F: 8:30PM - 6PM
Sat: 8:30AM - 2PM

North Olmsted

28251 Lorain Road
North Olmsted, OH 44070
PH: 216.535.3100
Fax: 216.535.3109
M-TH: 8:30AM - 4PM
F: 8:30AM - 6PM
Sat: 8:30AM - 2PM

Strongsville

14244 Pearl Road
Century Federal Plaza
Strongsville, OH 44136
PH: 216.535.3260
Fax: 216.535.3269
M: Closed
T-F: 9:30AM - 6PM
Sat: 9AM - 2PM

Member Service Center

216.535.3200
800.615.2328 (outside local calling area)
M-F: 7:30AM - 6PM
Sat: 8AM - 2PM
MemberService@CenFedCU.org

Audio Response System

216.535.3288
800.626.7974 (outside local calling area)

Get CFCU Connected

Century
Federal Credit Union

2012 Annual Report

Celebrating
65 Years
1948-2013

MESSAGE FROM CHAIRMAN OF THE BOARD

Welcome to Century Federal Credit Union's 65th Annual Meeting!

In 2012, the credit union opened a new branch in the City of Strongsville with a drive up ATM. We also added two new ATMs for our member convenience: the first is at the new Parma Veterans Affairs Outpatient Clinic on Brookpark Road and the second is inside the Wade Park Veterans Affairs Medical Center Administration Building. We also partnered with the Federal Reserve Bank of Cleveland for our check clearing, cash distribution, wire transfer and electronic payment. For 2013, we are planning to roll out "Eagle Mobility" - CFCU's Mobile Banking Application. Then later in the year we will be adding the remote deposit capture feature to Eagle Mobility. Adding such electronic services may just be a convenience to our current members but are deemed essential to attract the up-and-coming generations as members.

Throughout 2012, CFCU was visible in many of our Select Employee Group (SEG) events. We participated in the Strongsville and North Olmsted City Parades. We were also present at the Sherwin-William Annual Summer Picnic. The NASA branch contributed to the employee's annual "Combine Federal Campaign" basket raffles. We invited the Cleveland Indian's mascot, Slider, to visit with patients at Wade Park Veterans Affairs Medical Center (VAMC) spinal trauma unit. All these activities attest to CFCU commitments to our members and their employers.

Century Federal's assets increase by \$23,330,564 mainly from deposits. The capital grew in 2012 to a total of \$29,803,179 with a corresponding ratio of the net worth to total asset of 8.80%, well above the 7.00% well-capitalized classification under our regulator guidelines. The net income declined in 2012 to \$1,869,643 due to the low yields on our loans and investments. We expect this trend to continue in 2013 as well due to current low interest rate environment. Our maturing high yield loans and investments are continuously being converted to lower yielding instruments.

Century Federal Credit Union's records and operations were examined by the National Credit Union Administration (NCUA) as well as an independent auditing firm. The independent auditor stated that the financial statements presented fairly, in all material respects, the financial position of CFCU as of December 31, 2012.

Thank you for entrusting your financial needs and services to Century Federal.

Sincerely Yours,

Louis J. Ghosn
Chairman of the Board



TREASURER'S REPORT

Return to Members

Century Federal Credit Union (CFCU) had to continue the large dividend rate reductions that were initiated about two years ago. Dividends paid to members during 2012 were \$1.68 million compared to \$1.74 million paid in 2011. The weighted average dividend rate declined to 0.567% for 2012 from 0.608% during 2011. The causes for these reductions are explained further in this report.

During 2012, member borrowers continued to benefit from the low market interest rates. CFCU issued \$77.6 million in new loans including those underwritten using My CU Mortgage's underwriting requirements. Members also took advantage of CFCU's mortgage loan modification program to reduce their mortgage interest rate. Mortgages with balances of \$14.9 million were modified. The weighted average yield on these mortgages prior to modification was 4.26 percent. After modification, the reduced interest rate for these mortgages was 2.96 percent.

In January 2012, CFCU again started issuing its traditional 15 year fixed rate mortgages to be held in CFCU's loan portfolio. For about 15 months prior, CFCU had suspended the issuance of its fixed rate mortgage loans having a maturity date exceeding five years. As explained in last year's Treasurer's Report, the National Credit Union Administration (NCUA) had required CFCU to cease issuing long term fixed rate mortgages due to CFCU's ratio of Net Long Term Assets to Net Worth (NLTA)/(NW) exceeding 4.0.

During 2012, 30 year fixed rate mortgages issued by CFCU continued to be underwritten under My CU Mortgage standards and owned by CFCU. These mortgages are serviced by My CU mortgage and may be sold if the CFCU's NLTA/NW ratio increases to above 4.0

Net Income

Net Income for 2012 was about \$1.9 million compared to about \$2.9 million in 2011. The primary negative factor contributing to the reduction of \$1 million in 2012 net income was a \$1.317 million reduction in interest income from loans and Investments. The other negative factor included an increase in operating expenses (excluding the NCUSIF accruals and payments) of about \$381,000 which represents 4.1 percent increase in operating expenses during 2012 over 2011.

The principal positive factors during 2012 in offsetting the reduction in interest income included: 1) a reduction of about \$423,000 in the NCUSIF assessment from 2011. As members who regularly attend the Annual Meeting may recall, this assessment is due to NCUA's insufficient regulatory oversight of corporate credit unions, and the subsequent failure of some of these institutions; 2) the provision for loan losses was about \$150,000 lower than in 2011; 3) other income including fees increased by about \$51,000; and 4) although not a benefit

to the savers, the fourth quarter dividend reduction, contributed to an annual decline in dividends of \$61,000.

Although both employee compensation and employee benefits were under budget during 2012, these expenses increased by \$104,000 and \$96,500 respectively and are included in the above mentioned increase in operating expenses.

Net Worth and Net Worth/Long Term Asset Ratio

At December 31, 2012, CFCU's net worth ratio was 8.66% and the NLTA/NW ratio was 390.13%. As mentioned above by achieving these results, CFCU is now able to portfolio 15 year fixed rate mortgages.

Causes of Lower Dividend Rates

The primary factors causing the large reductions in dividend rates have been:

1. Market interest rates have been very low in recent years. Thus, it would be unfair to charge member borrowers above market loan rates to pay the savers above market dividend rates.
2. NCUA has basically required CFCU to maintain an 8.5 percent net worth to capital ratio. During 2012, while CFCU barely paid competitive dividend rates on some of its share products, deposits increased by \$21.26 million or about 7.45 percent. Unless net income increases at the same rate as deposits the net worth to capital ratio declines.
3. As previously mentioned, NCUA requires CFCU to maintain about a 4.0 NLTA/NW ratio. This means CFCU can make about \$4 in fixed rate mortgages for every dollar of net income that is maintained.

With fixed rate mortgages being CFCU's most popular loan product among its members, CFCU has few alternatives except to offer dividend rates at comparable market levels so that capital can increase.

Allowance for Loan Losses

During 2012, CFCU's provision for loan losses was \$1,302,000. The allowance for loan losses at December 31, 2012 was (\$2,315,324). During 2012, \$1,269,674 in secured and unsecured loans were charged off. VISA, signature loans, and other unsecured lines of credit represented 57.78% [\$733,584] of the charge offs. Secured loan charge offs of \$536,090 consisted of A) First mortgages \$363,507; B) Second mortgages including home equity lines of credit \$30,867; C) Automobile \$141,716. [Loan recoveries for 2012 totaled \\$177,617.](#)

Respectfully Submitted,

Tim Edmunds
Treasurer

2012 Financial Statements for Century Federal Credit Union and Subsidiaries

	December 31, 2012	December 31, 2011
ASSETS		
Cash and cash equivalents	\$ 13,362,867	\$ 14,443,472
Investments:		
Available-for-sale	96,964,853	71,145,910
Trading	-	13,565,051
Other	10,401,929	12,745,504
Federal Home Loan Bank (FHLB) stock	1,181,700	1,181,700
Loans receivable, net of allowance for loan losses	209,892,730	195,731,045
Accrued interest receivable	697,763	775,197
Premises and equipment, net	1,991,304	1,806,847
National Credit Union Share Insurance Fund deposit	2,937,680	2,798,269
Assets acquired in liquidation	27,550	-
Other assets	831,093	765,910
Total Assets	\$ 338,289,469	\$ 314,958,905
LIABILITIES AND MEMBER EQUITY		
Liabilities		
Members' share and savings accounts	\$ 307,251,404	\$ 285,587,080
Accrued expenses and other liabilities	1,234,886	1,636,935
Total liabilities	308,486,290	287,224,015
Commitments and contingent liabilities		
Members' Equity		
Regular reserve	3,597,645	3,597,645
Undivided earnings	25,675,586	23,805,943
Accumulated other comprehensive income	529,948	331,302
Total members' equity	29,803,179	27,734,890
Total Liabilities and Members' Equity	\$ 338,289,469	\$ 314,958,905
	December 31, 2012	December 31, 2011
Interest Income		
Interest on loans receivable	\$ 9,362,346	\$ 10,434,010
Interest on investments	1,043,220	1,292,371
Interest income	10,405,566	11,726,381
Interest Expense	1,681,428	1,742,833
Net Interest Income	8,724,138	9,983,548
Provision for Loan Losses	1,302,000	1,452,000
Net Interest Income After Provision for Loan Losses	7,422,138	8,531,548
Non-Interest Income		
Fees and service charges	1,303,876	1,235,517
Other non-interest income	1,301,112	1,332,342
Other gains and losses, net	151,804	148,657
Gain on investments, net	63,251	94,231
Non-interest income	2,820,043	2,810,747
	10,242,181	11,342,295
Non-Interest Expense		
Compensation and employee benefits	3,799,048	3,584,044
Operations	2,823,700	2,992,235
Loan servicing	775,133	522,247
Professional and outside services	291,148	250,149
NCUA assessment	279,080	699,567
Occupancy	265,813	260,353
Education and promotion	116,740	142,243
Loss on disposition of assets acquired in liquidation, net	21,876	-
Non-interest expense	8,372,538	8,450,838
Net Income	\$ 1,869,643	\$ 2,891,457