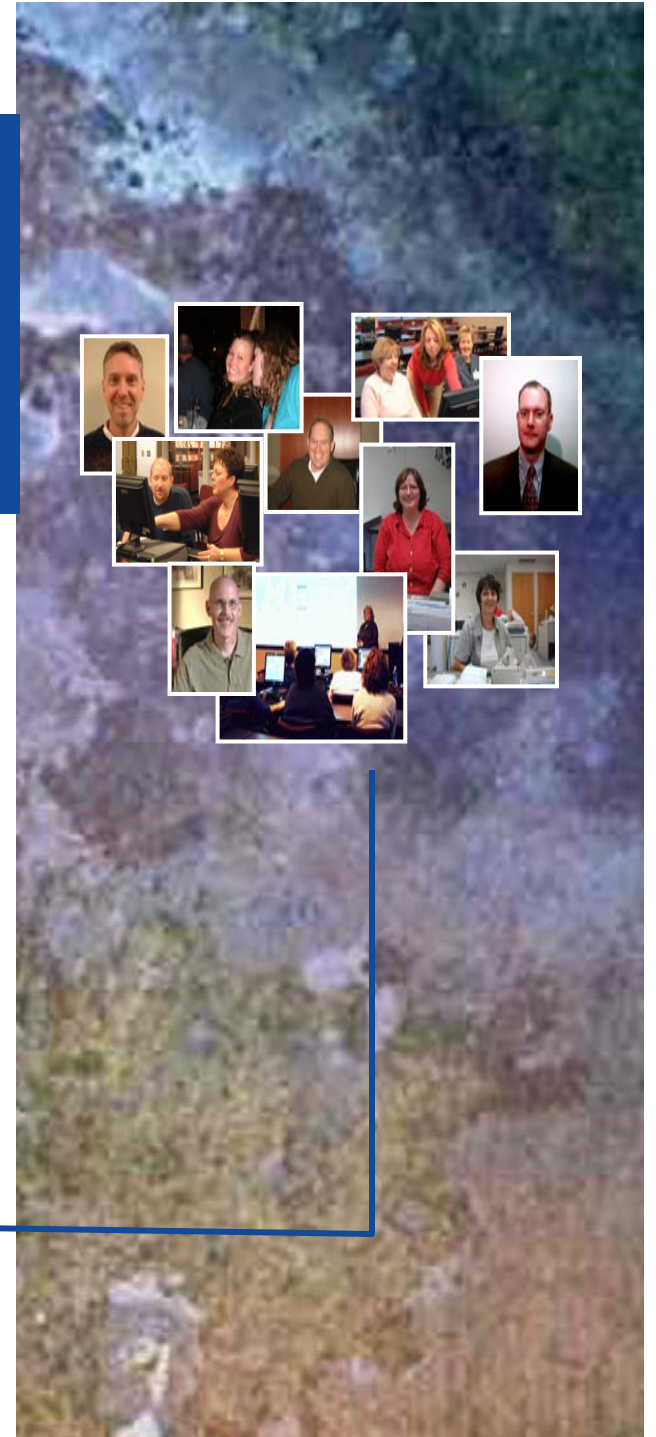


The Place to Be

CU*Answers Annual Stockholders Meeting

June 17, 2009

CU*ANSWERS
A CREDIT UNION SERVICE ORGANIZATION



Agenda

- Call to Order
- Chair of the Board: Year in Review
 - Review 2008 Minutes
 - Chairman’s Comments
- Election of Board Members
- CFO Report
 - Review Financial Reports
- CEO Report
 - Gun-to-the-head Urgency Partnered with an Awakening to “Anything Is Possible”
- Board Election Results
- Adjourn

The Place to Be

- A new format for our bi-annual reports
 - Chair of the Board comments in video
 - CEO comments in video
- What does “The Place to Be” mean to me and the multiple hats we all wear?

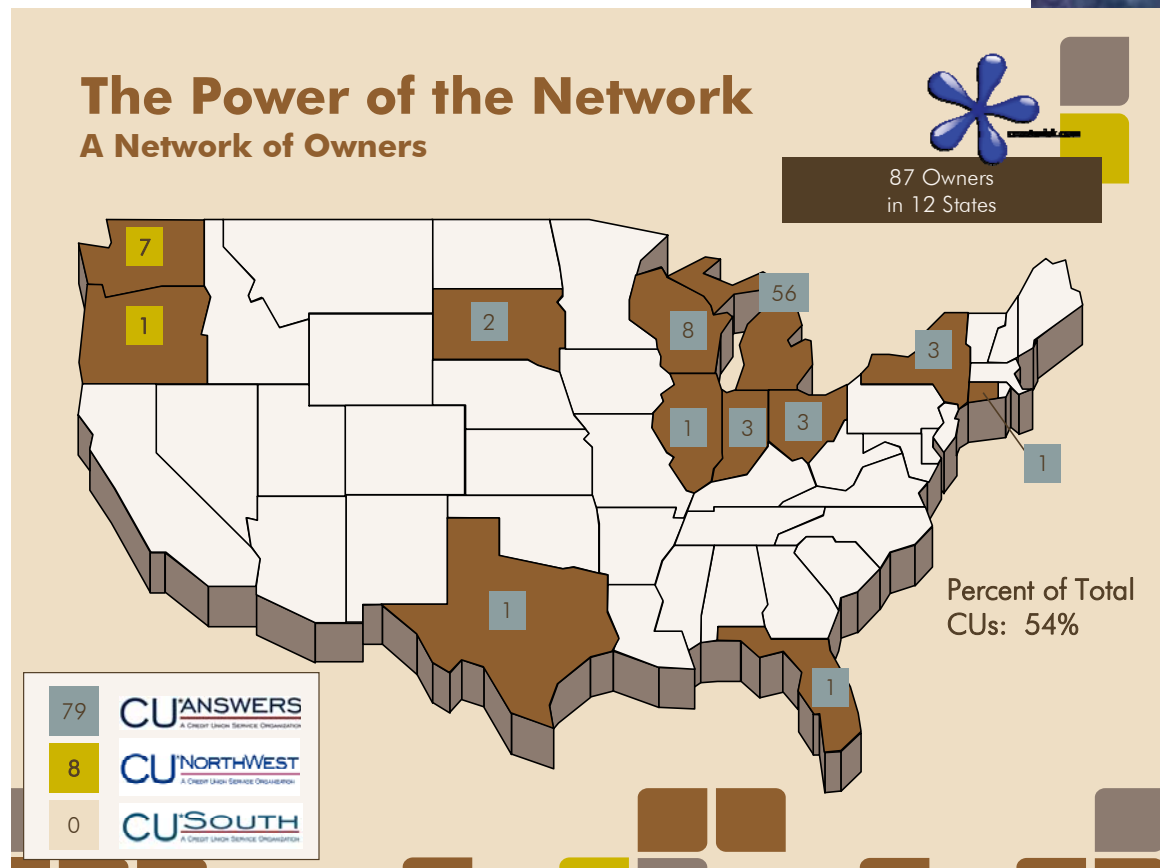




The Ownership Hat

Our Commonalities as Shared Owners

- Through our actions as vested stockholders, we proactively add our voice at the business level
- More than a focus group or casual commentators, we step up to the responsibility of ownership



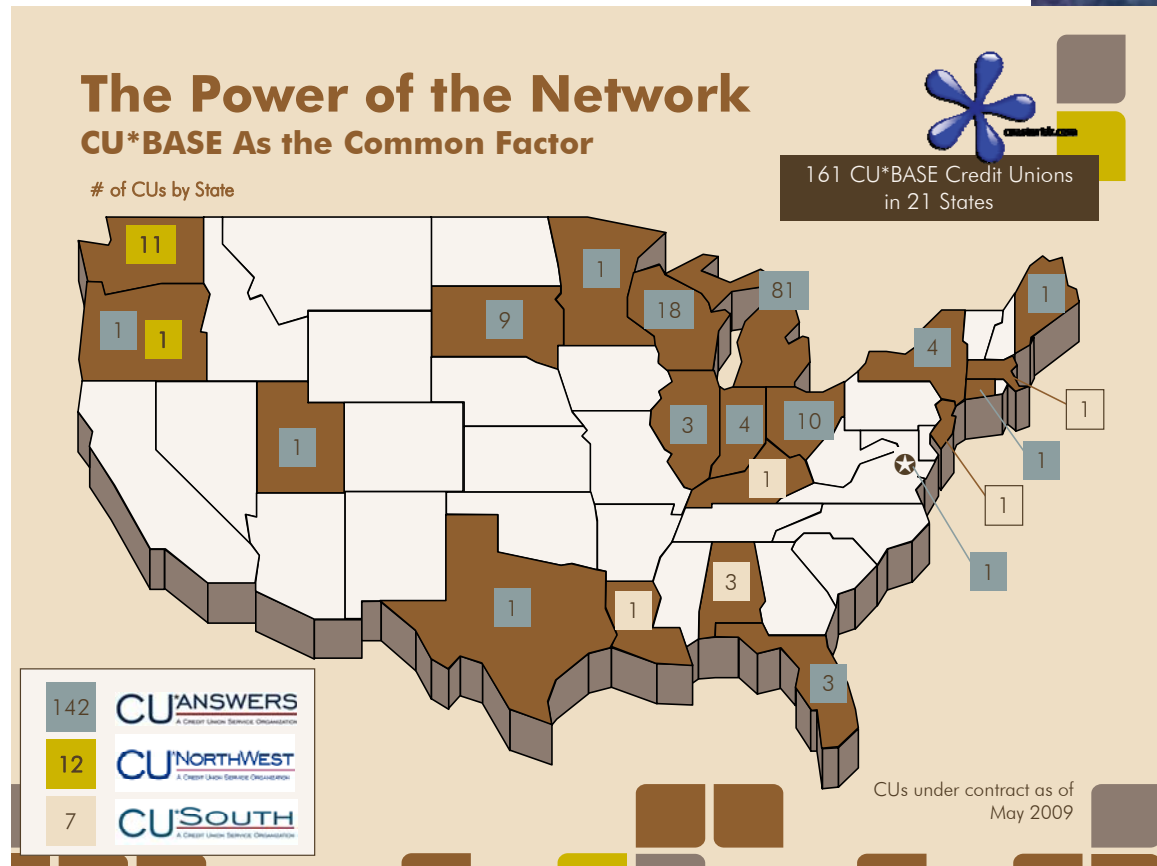
Welcome to our newest owners: **Sioux Empire FCU**
and **Sarasota Municipal Employees CU**
...and there are a few more waiting in the wings



The Client Hat

Our Commonalities as Operating Peers

- When it comes to day-to-day experiences, we're all in the same boat
- Our vision for where we hope to go is amplified by our voice in CU*Answers and the network we share



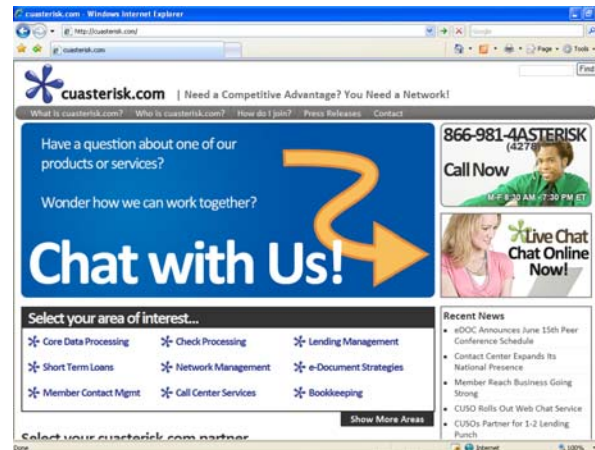


The Network Architect Hat

Our Commonalities as Builders of Capability

- More than saying, “you can buy from us,” we are building a network where we extend our experience to those who would build it for themselves
- In doing so, we strengthen our model and better understand our own potential for the future

www.cuasterisk.com



Your Board



Vickie Schmitzer



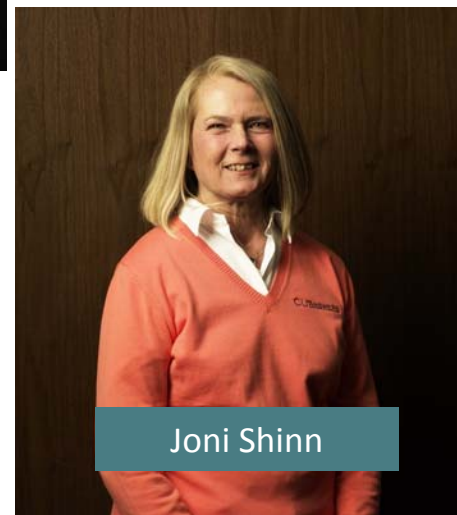
Dean Wilson



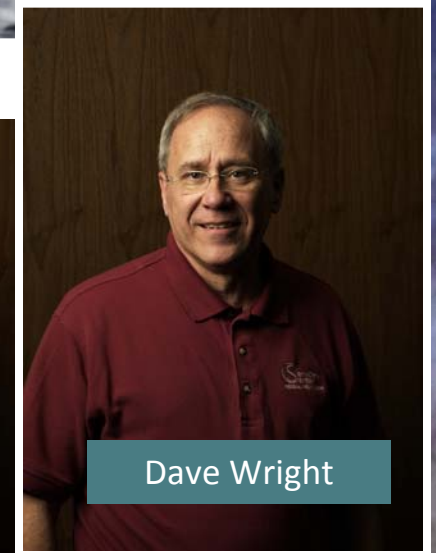
Ray Ward



Dave Ohman



Joni Shinn



Dave Wright



Chris Butler

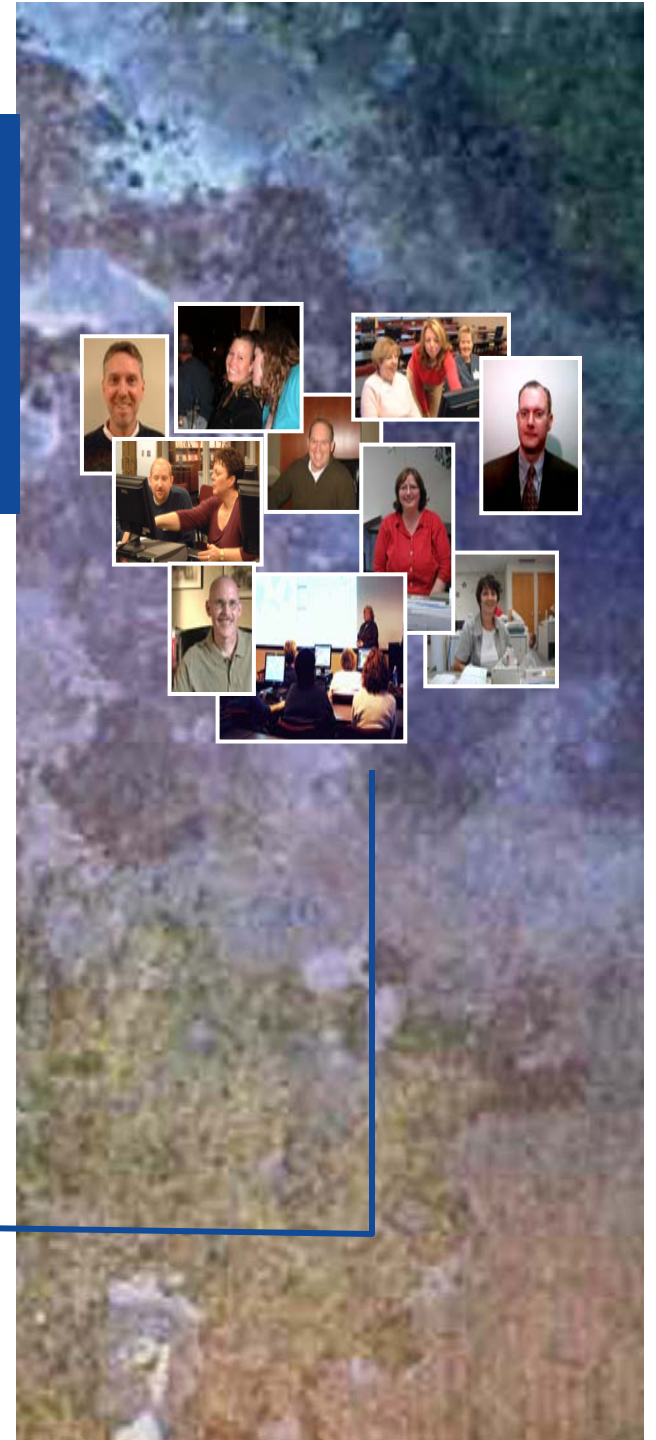
These people start every day with no time to spare in just running their credit unions...and somehow they find the time to work hard at ensuring the future of this CUSO

Board Elections

Let's hear from the candidates and get to the voting...



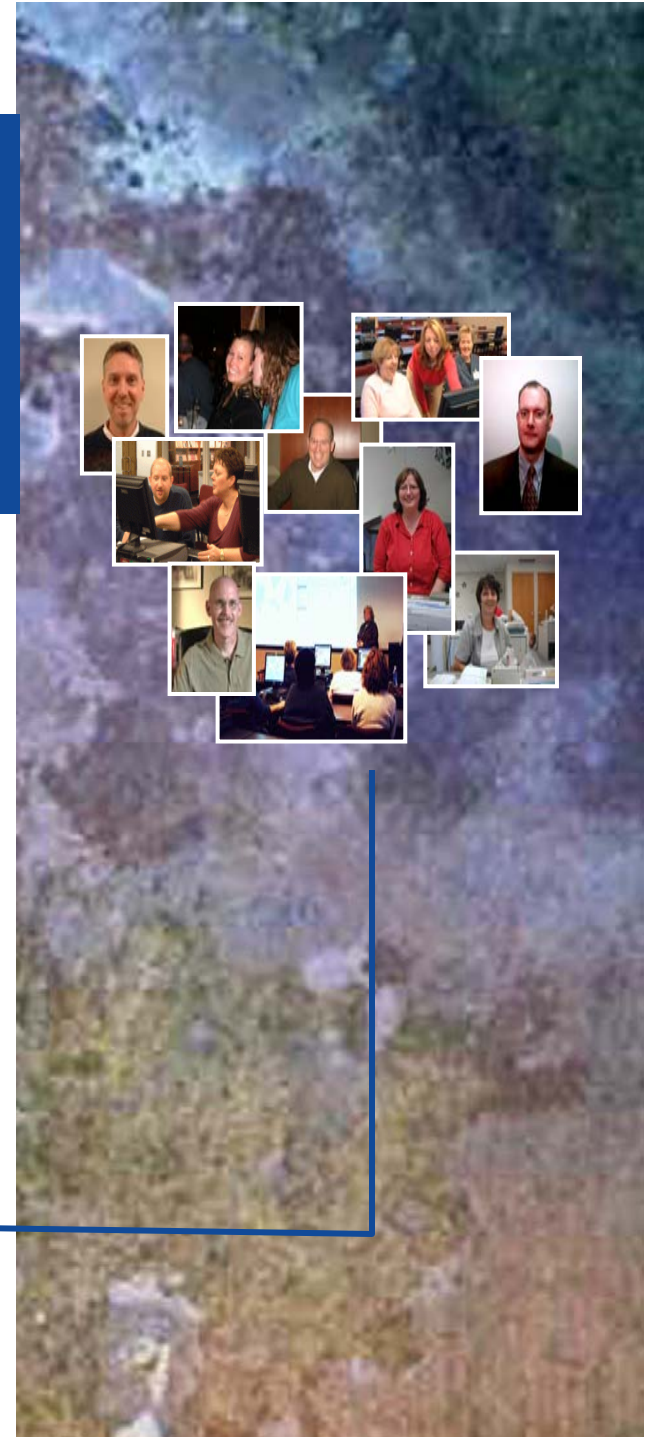
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A Look at The Numbers

CFO Report

CU*ANSWERS
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This is the 2009 Annual Meeting, but...

- Every year about this time, Randy sets the vision for next year (2010)
- But our annual Stockholder's Meeting is about last year's numbers (2008)
- And my comments are about where I see us closing out the current year (2009)



It's kind of a "who's on first" scenario, and you have to pay attention

The 2008 Numbers Were Worth Celebrating

- The big picture from the consolidated 2008 financials:

Detail	YE 2007	Restated 2007	YE 2008	Change % Since Last Rpt
Total Assets	\$14,553K	\$15,462K	\$16,262K	11.7%
Total Liabilities	\$11,509K	\$11,965K	\$12,213K	6.1%
Total Equity	\$3,045K	\$3,498K	\$4,050K	33.0%
Retained Earnings	\$(1,038K)	\$(573K)	\$4K	100.0%
Book Value of Class A Stock (\$ per share)	\$137.61	\$158.07	\$183.03	33.0%
Book Value of Ownership	\$27,522	\$31,614	\$36,606	33.0%

As you heard earlier today, our investment in eDOC took a left-hand turn in 2008, and now we're off to the races...both as electronic document strategists and as vested investors

The 2008 Numbers Were Worth Celebrating

- Year-end 2008 dividend payments

Detail	YE 2007	YE 2008	Change Amt	Change %
Patronage Dividend (\$)	\$200,000	\$400,000	\$200,000	100%
Ownership Dividend Rate	4.00%	4.25%	0.25%	6.25%
Ownership Dividend (\$)	\$99,286	\$125,200	\$25,914	26.10%
Class B Payout Rate	4.00%	4.00%	0.00%	0.00%
Class B Payout Dividend (\$)	\$22,304	\$22,304	\$0	0.00%
Book Value of Class A Stock (\$ per share)	\$137.61	\$183.03	\$45.42	33.00%
Price to Purchase Ownership in CUSO in 2009	\$92,000	\$92,000	\$0	0.00%

The rebound in 2008 for CU*Answers stockholders was one for the record books...I look forward to seeing how the 2009 numbers will come out

2008 Return on Investment

2008 Gross Income Submitted by Owners to CU*Answers <i>(Includes all vendor pass-throughs)</i>		\$ 18,097,090
2008 Patronage Dividends Paid	\$ 400,000	
2008 Class A Stock Dividends Paid	125,200 (4.25%)	
2008 Class B Stock Dividends Paid	22,304 (4.00%)	
2008 Interest Paid Credit Unions on Loans	<u>598,747</u> (~8.75%)	
Total Revenue Returned to Credit Unions		\$ 1,146,251

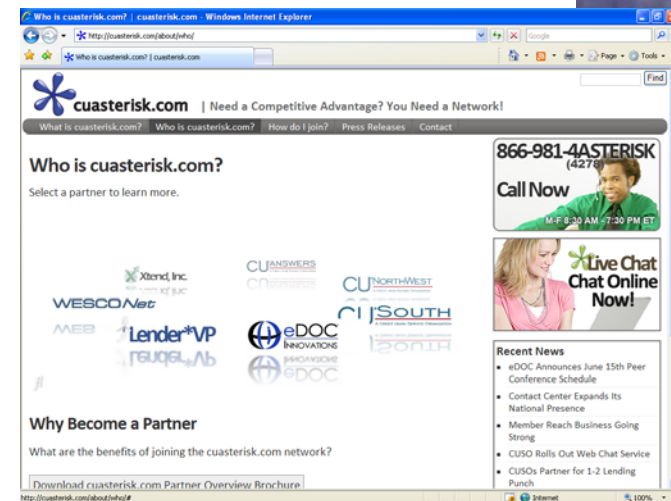
Return Per Total Dollars Received: \$0.1127

$\$1,146,251 \div \$10,171,495$ (excludes vendor pass-throughs) = \$ 0.1127 return per CU*A \$ received

Thinking About 2009 Year-End

Network Revenue Numbers Continue to Impress

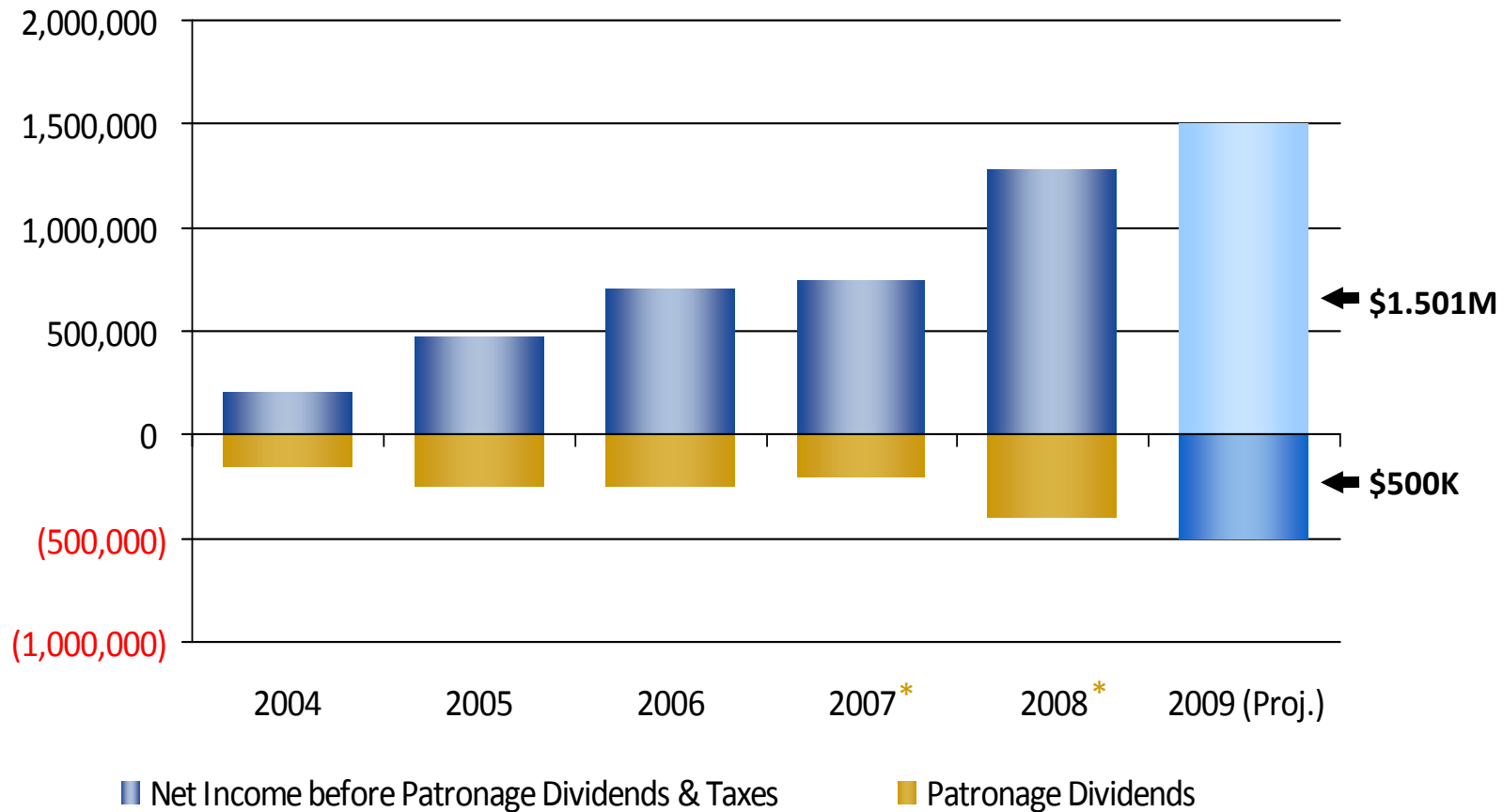
- CU*Answers direct revenues continue to evolve with new processes, internal capabilities, and new offerings
 - Projected for 2009: **\$27.739M**
- Just as important, CU*Answers' influence through partnering with other CU*BASE networks and investing in new initiatives is starting to really add up
 - Xtend projected for 2009: **\$894K**
 - eDOC projected for 2009: **\$3.214M**
 - CU*NW projected for 2009: **\$927K**
 - CU*S projected for 2009: **\$231K**
 - Processing Alliance proj. for 2009: **\$568K**



Keeping track of all of our network partners, products, and services is a real challenge
Visit www.cuasterisk.com for a running total

2009 Net Income & Patronage Dividends

What do shareholders get, and what are we putting away for our future?

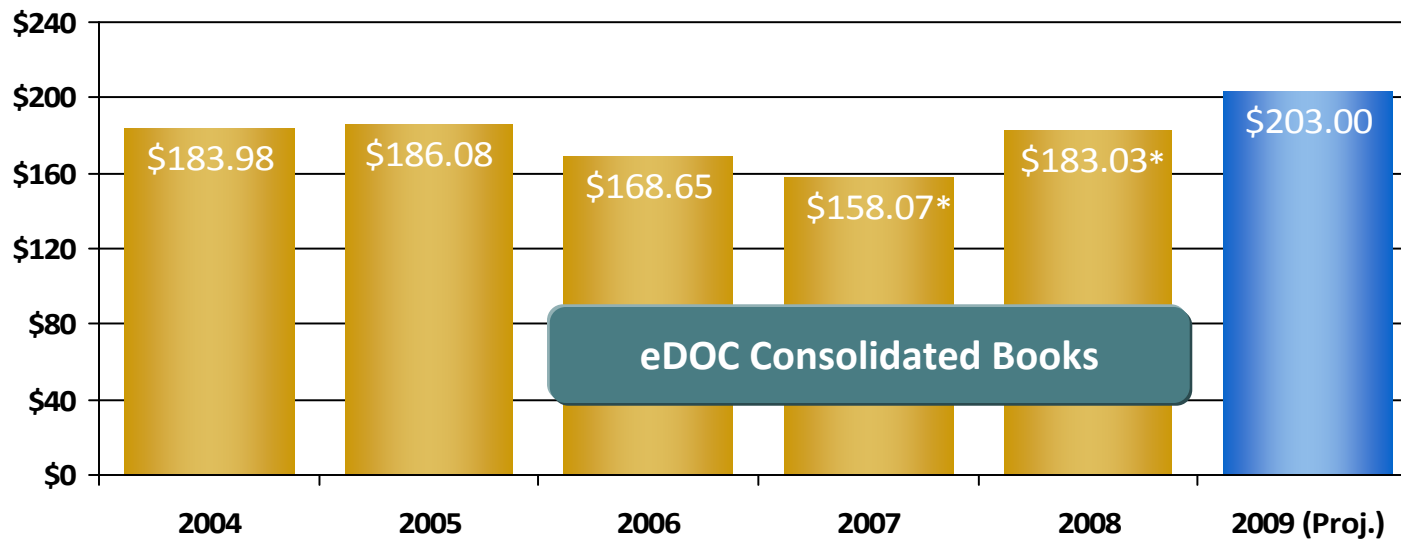


*Before Consolidation

Projecting Shareholder Value

We Recovered In 2008; In 2009 We're On The Right Track

- The eDOC footnote ended with 2008, the practice of consolidated books ended with year-end
- Depending on when you bought in, your perspective is different
Ownership price 1985: \$10, 1991: \$59.31, 2000: \$176, 2005: \$460, 2009: \$460

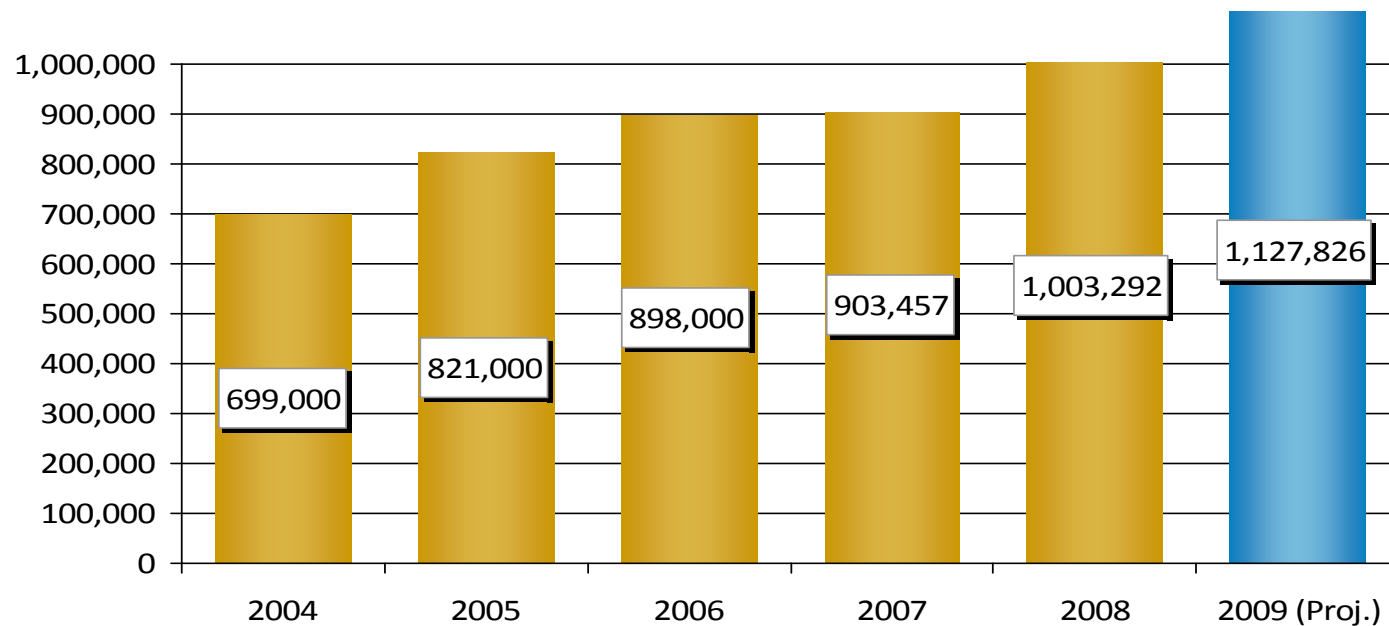


The delta is the additional capital paid in to participate as an owner, paid so as not to dilute the ownership value of the pioneers before you

*Restated 9/30/08

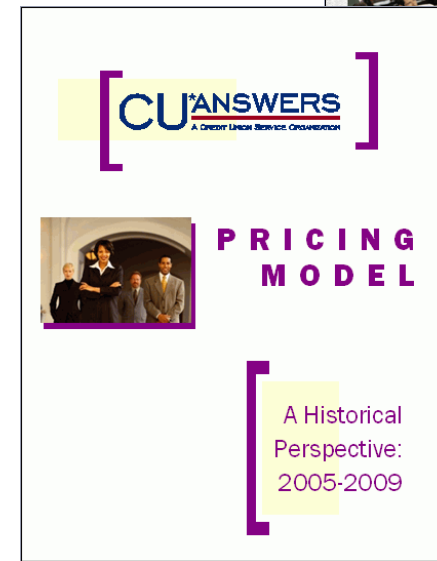
Members Served

- 2009 has been a great conversion and sales year – we go into 2010 with new clients waiting for their conversion date
- The numbers below represent CU*Answers alone, and these days, that's not the whole story...keep your eye on cuasterisk.com



Conclusion

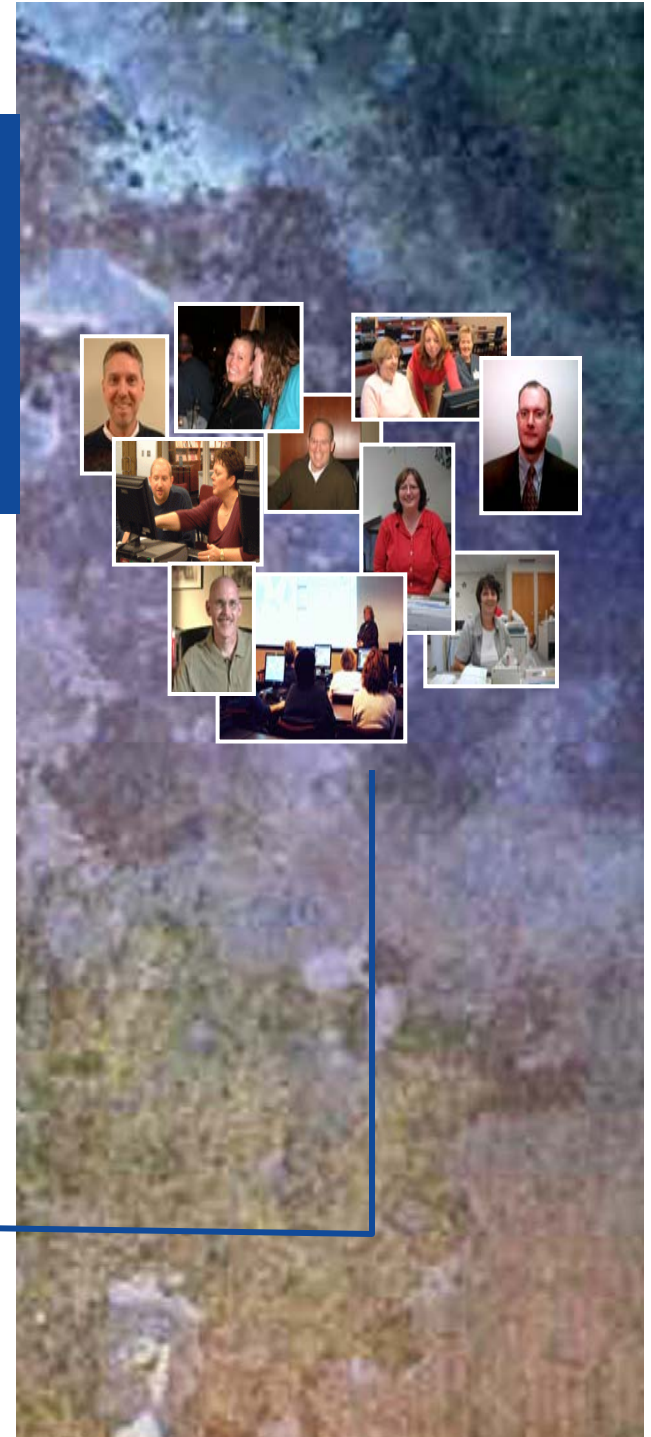
- Every year Randy steals my thunder by announcing pricing cuts and other details about some amazing financial things our CUSO accomplishes
- *Mark your calendars...* I hope you will join Randy and I on **July 28** (live in GR) or **August 4** (via webinar) for a discussion about our financial engine: your pricing
- To understand your investment thoroughly, you need to understand how the model earns, not just the results
- See you next year!



CEO Report

Gun-to-the-head Urgency
Partnered with an Awakening to
“Anything Is Possible”

CU*ANSWERS
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Everyone is Challenging the Future



- This year I was challenged by more people than ever as to how I saw the future for the industry, credit unions, and particularly CU*Answers
- I was asked many times, “do you have a game plan in these turbulent times?”

ElectionCenter2008
updated 3:16 a.m. EST, Wed November 5, 2008

Obama: 'This is your victory'

STORY HIGHLIGHT

- NEW: Sen. Barack Obama
- NEW: Sen. John McCain
- Obama will be inaugurated
- He will be inaugurated

Next Article in Politics

READ VIDEO

(CNN) -- Barack Obama told supporters that "change has come to America" in a historic presidential election.



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3. Speculation grows about return of Steve Jobs to Apple
4. Michigan native dies on her

GM and Chrysler's bankruptcy cases at a glance

By The Associated Press
Posted: 06/04/2009 01:11:13 PM PDT
Updated: 06/04/2009 01:11:13 PM PDT

A summary of developments in the Chapter 11 bankruptcy cases of General Motors Corp. and Chrysler Group LLC.

GENERAL MOTORS—DAY 4

WHERE DOES IT STAND? Thursday marked Detroit-based GM's fourth day under court protection

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Business

JOBPOSTINGS

Jobless rate hits 9.4 percent in May; layoffs slow

WASHINGTON – With companies in no mood to hire, the jobless rate rose to 9.4 percent in May, the highest in more than a decade, with employers cutting 345,000 jobs last month.

Full Story »

Stocks end mixed as unemployment rate checks gains

WASHINGTON – With companies in no mood to hire, the jobless rate rose to 9.4 percent in May, the highest in more than a decade, with employers cutting 345,000 jobs last month.

Full Story »

Feds indict Washington Mutual mortgage fraud perpetrators-New York business litigation lawyers

2009-06-05 04:43:30 (GMT) (JusticeNewsFlash.com - Business Litigation, Featured, Justice News Flash)

Federal attorneys filed charges against 9 people for \$92 million WaMu mortgage fraud scheme.

New York, NY (JusticeNewsFlash.com)—The U.S. Attorney's Office in Brooklyn filed federal charges against, real estate developer Thomas Kontogiannis plus eight other defendants in U.S. District Court in Brooklyn, New York on Thursday. Reuters reported lawyers for the federal government charged nine persons with conspiracy to commit bank and wire fraud through an orchestrated \$92 million mortgage fraud scheme aimed at Washington Mutual Bank and a subsidiary of Credit Suisse Group AG, DLJ Mortgage Capital Inc.

PRINT & SOCIAL

PRINT

STUMBLE UPON

DIGG IT

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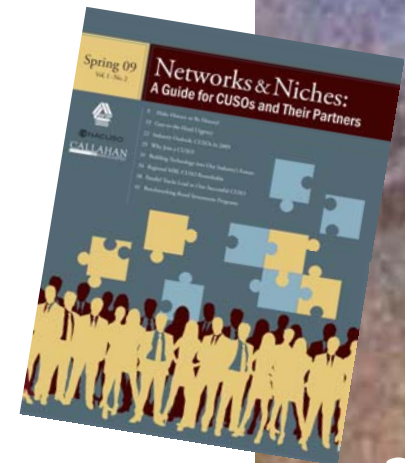
FACEBOOK

BUZZ UP

Everyone is Challenging the Future

- One of my favorite projects this year was writing this article for Callahan & Assoc. and talking at NACUSO to other CUSO leaders about securing all of our collective futures
- In this article, I recommended 10 things for CUSO planners to consider, and tonight I want to make sure you are confident that we are walking the talk: it's important to your investment
 - 5 things for CUSO planners looking to *leverage* today's environment
 - 5 things for CUSO planners looking to *survive* today's environment

For years now, people have been saying that CUSOs might be the answer to reengineering credit union designs and finding a way to break through with a collaborative scale to influence the market. **At no time in my career has it felt so right for CUSOs to flex their muscles and create a new vision across the board.**



5 things for CUSO planners looking to

Leverage Today's Environment

1

Be ready to expand your focus.

Anticipate an exit of current competitors and a pull-back by potential new players. Now is the time to look for opportunity everywhere. When marketplace bubbles burst, there is always a rebirth in the repricing of assets, opportunities, and changing mindsets that follow.

5 things for CUSO planners looking to

Leverage Today's Environment

1

Be ready to expand your focus.

2

Be seen, shake hands, have a well-known resume for collaboration.

Organizations looking to pull back have a problem, "What should we do with our clients and unmet needs?" Are you known in the marketplace as a potential solution? Will others reach out to you with opportunity?

5 things for CUSO planners looking to

Leverage Today's Environment

1

Be ready to expand your focus.

2

Be seen, shake hands, have a well-known resume for collaboration.

3

Double your customer and stakeholder communications.

Now is the time to be on the minds of everyone who contributes to your success. Sharpen your value statements and be ready to be part of optimistic conversations about the future. Be more than empathetic to the issues; be a solution builder and let the marketplace know you are committed to emerging from these challenging times a stronger player. Find like-minded alliances, and expand the goodwill in your brand.

5 things for CUSO planners looking to

Leverage Today's Environment

1

How much can you invest right now to build relationships that will last a decade? Listen to your customers' big-picture issues right now and work hard to be part of their solutions.

2

Be s

collaboration.

3

Double customer and stakeholder communications.

4

Whenever possible, take on the problems of your customers.

5 things for CUSO planners looking to

Leverage Today's Environment

1

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4

When you consider the problems of your customers.

5

Lower your entry barriers for new and old projects.

Revisit every initiative that you have with your customers and make sure project startup barriers are very low or non-existent. If you do not want to see your customer momentum bottom out, find ways to get projects off the ground without customer cash investment. Sell execution and forward direction, not ideas and up-front customer risk.

5 things for CUSO planners looking to

Survive Today's Environment

1

Review your capital planning and future needs.

Declining capital in credit unions will make competition for credit union venture funds a lot tougher in the next three years. Where do you fit in your primary investors' priorities? Ramp up your marketing and sales abilities in relation to securing funding for the future.

5 things for CUSO planners looking to

Survive Today's Environment

1

Review your capital planning and future needs.

2

Broaden your investor pool, and build a network of participating CUs.

Revisit the strength of the customer owner model and leverage the peer-to-peer roots of the credit union industry. Diversify your ownership model and spread the risk and returns over more credit unions.

5 things for CUSO planners looking to

Survive Today's Environment

1

Review your capital planning and future needs.

2

Broaden your investor pool, and build a network of participating CUs.

3

Guarantee your board members' success and reputations.

Investor oversight and competency are under increasing scrutiny and pressure. Make sure that your governance model, board reporting, and business issues are maximizing every possibility to strengthen how the marketplace and regulators see your board's participation. Be more than transparent; be interactive and pro-investor in all matters.

5 things for CUSO planners looking to

Survive Today's Environment

1

Understand the increased pressure on credit unions to do their due diligence and risk assessments on all vendor-supported activities. The expense is more than just a one-time event; every CUSO needs to lower these expenses if they hope to thrive in the future. Do the work, distribute the reports, and lower the client cost of doing business with your organization.

2

participating CUs.

3

your board members' success and reputations.

4

Take on the risk-assessment challenge for your customers.

5 things for CUSO planners looking to

Survive Today's Environment

1

The more you hear about systemic risk and the increasing roles of CUSOs in today's credit union industry, the more you should anticipate that the NCUA will have to change the scope of how they work with CUSOs. More than just controlling where credit unions can invest or loan money, the NCUA will move to better understand the risk in credit union-shared businesses in the future. What will it mean for you and your team?

2

B

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3

ons.

4

Talk about risk-related challenges for your customers.

5

Prepare for an active NCUA role in CUSOs.

Walking the Talk is Something We All Need to Do

- “At no time in my career has it felt so right for **CUSOs** to flex their muscles and create a new vision across the board”
 - My goal for your investment
- “At no time in my career has it felt so right for **credit unions** to flex their muscles and create a new vision across the board”
 - My goal for all of you
- “At no time in my career has it felt so right for **members** to flex their muscles and create a new vision across the board”
 - My hopes for our country
- Earlier today I challenged the entire group to prove that our network of CUSOs, credit unions, and professionals is the proof of concept for the credit union industry moving forward
- I believe we are on track and that our futures are bright

Thank you, owners!

Good night!

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