



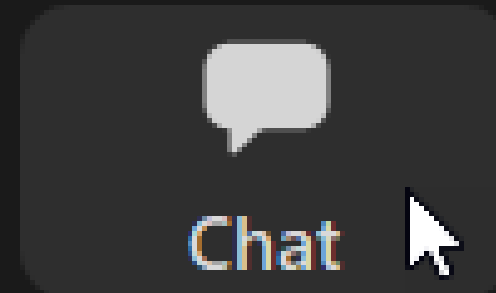
Welcome to the 2020 Annual Stockholders Meeting

June 17, 2020

2020: the Year of “Virtual Meetings”

All participants have been muted,
all web cameras deactivated

**To make a motion or ask
a question, please use the
Chat feature**



You may chat directly to the host,
or to all participants.

Call to Order

We've done this 50 times before, but in the year of the asterisk, this'll be our first "virtual" version

- As chairperson, I move for unanimous consent to accept the Minutes of the 2019 Annual Stockholders Meeting
 - Published here: elections.cuanswers.com
- If there is a second, please send the word "Second" in a chat
- If there is any opposition, please send the word "Opposed" in a chat

2020: The Year of the Asterisk*

CHAIRMAN'S REPORT

Scott McFarland, CU*Answers Board Chairperson

2020 will be the year of the coronavirus asterisk*

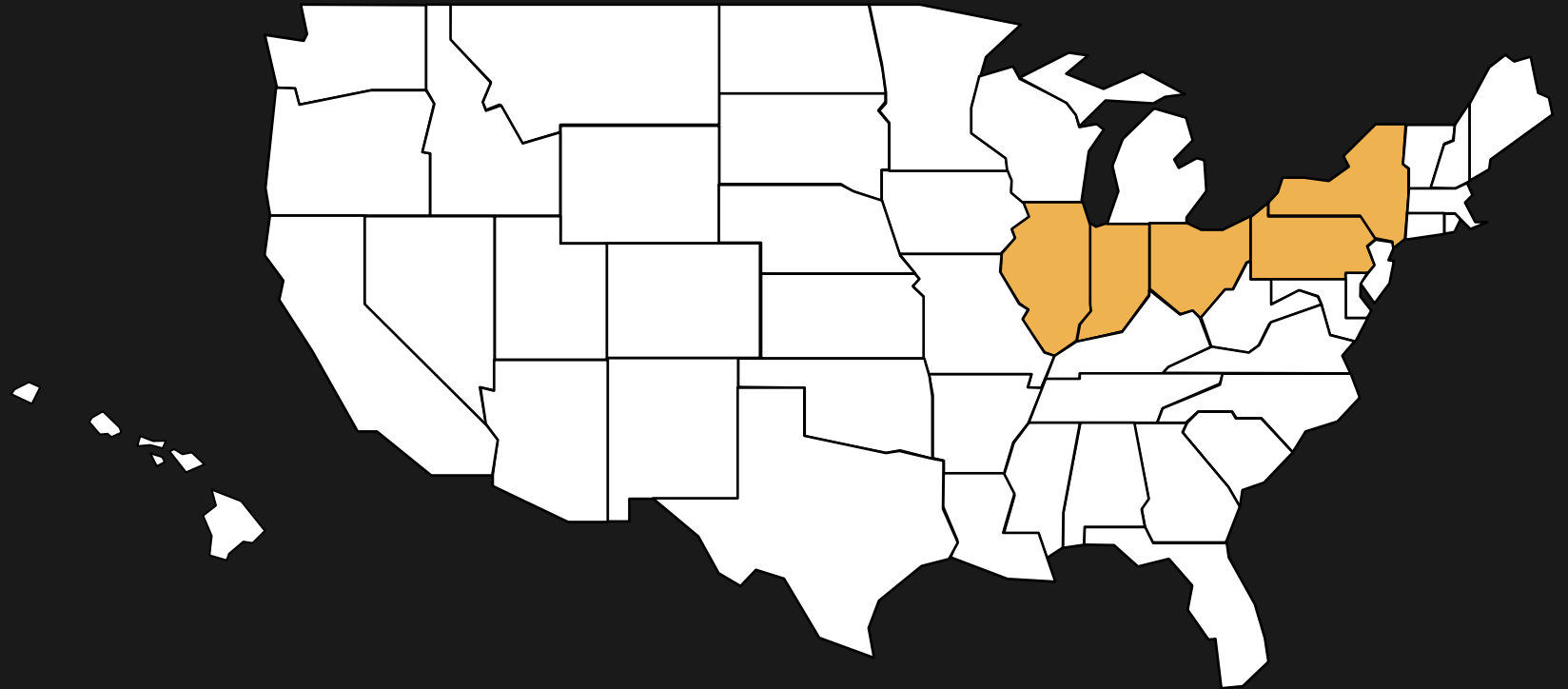
*Expect notations on transcripts, work evaluations, etc., explaining the extraordinary circumstances of coronavirus



But we're here to talk about 2019
(remember when life was simple?)

Welcome to 5 new owners in 5 states!

- **DayMet CU**
Dayton, OH
- **EmpireOne FCU**
West Seneca, NY
- **Illinois Community CU**
Sycamore, IL
- **Ingersoll-Rand FCU**
Athens, PA
- **TLCU Financial**
Mishawaka, IN



Member size range: 4,100 to 10,500 members
Average size: 7,040 members

Thank you!

7



Your 2019-2020 Board of Directors



Scott McFarland, Chairman
CEO, Honor Credit Union
Board Member since Aug 2009



Linda Bodie, Director
CEO, Element Federal CU
Board Member since Oct 2013



Tom Gryp, Director
President/CEO, Notre Dame FCU
Board Member since Oct 2016



Jeff Jorgensen, Director
CEO, Sioux Empire Federal CU
Board Member since Dec 2009



Kris Lewis, Director
CEO, Allegan Community CU
Board Member since Oct 2018



Dean Wilson, Director
CEO, FOCUS Credit Union
Board Member since Jan 2008



Vickie Schmitzer, Sec'y/Treas.
CEO, Frankenmuth Credit Union
Board Member since Oct 2007

ASSOCIATE BOARD MEMBERS

Bill Burke
CEO
Day Air CU



Carolyn Mikesell
CEO
Public Service CU



Thank you!

As always, I want to thank my fellow Board members
for another great year, and for all their hard work

2020 Board Elections

NOMINATING COMMITTEE

Tom Gryp, Nominating Committee Chair

A year for the record books

ONLINE VOTING PARTICIPATION HITS AN ALL-TIME HIGH

YOUR 2020
NOMINATING COMMITTEE



COMMITTEE CHAIR
Tom Gryp, Notre Dame FCU



Scott McFarland, Honor CU



Make Sure Your Voice is Heard!

Vote Electronically

Now through June 12, 2020

Visit the CU*Answers Elections website at:
elections.cuanswers.com

CU*Answers will be hosting our annual meeting virtually Wednesday, June 17, 2020 at 4:30 PM Eastern Time. To register for the annual meeting, [click here](#) – once registered, you will receive a confirmation email containing information on how to attend the meeting.



Today's Election Protocols

- All votes have already been counted; no new votes will be accepted at this time
- You've already heard from the candidates via the elections website, so no live speeches this time around
- Enough electronic votes have been received to achieve a quorum
- If you wish to change your previous vote, send an email in the next 10 minutes to:
stephanie.underwood@cuanswers.com

A list of
shareholders
entitled to vote
has been
published at
cuanswers.com

Thanks to this year's candidates!

➤ Gregory Gurka
Forest Area FCU



➤ Val Mindak
Park City CU



➤ Vickie Schmitzer
Frankenmuth CU
(Incumbent)



➤ Dean Wilson
FOCUS CU
(Incumbent)



We'll come back and reveal the results in a bit...

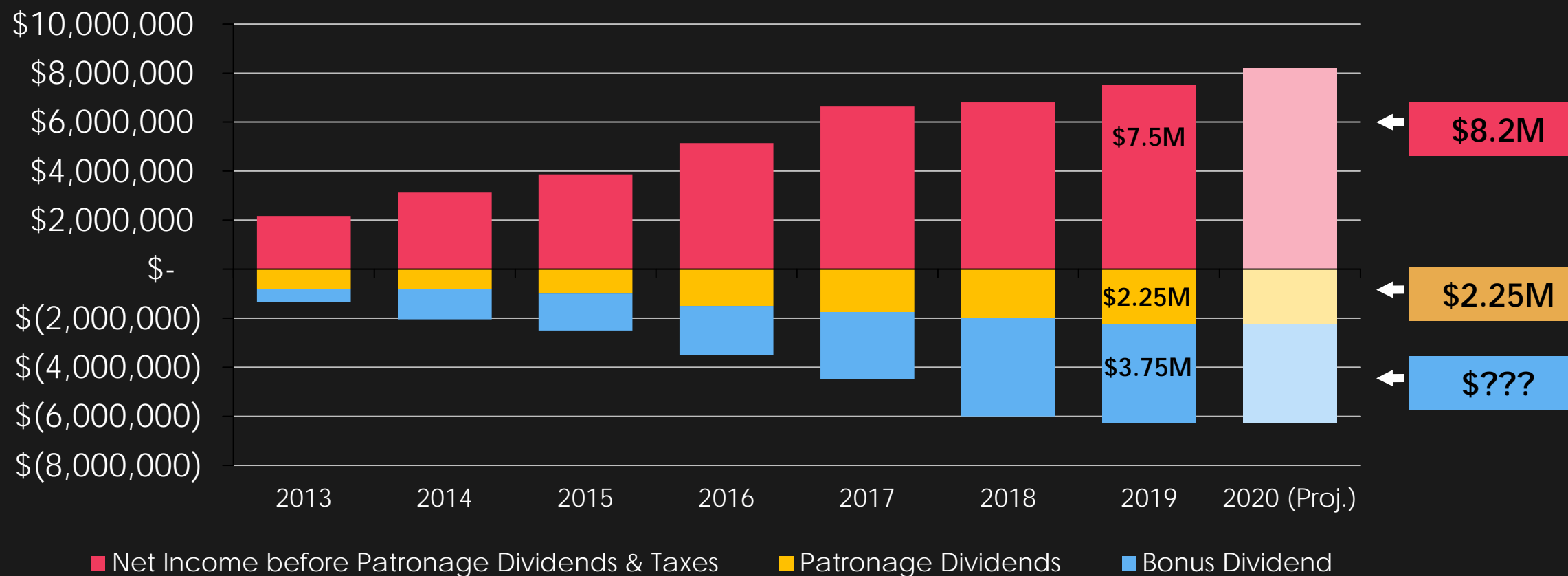
A Look at the 2019 Numbers

THE BENCHMARK BEFORE THE ASTERISK

CFO REPORT
Bob Frizzle, CFO

Net Income & Patronage Dividends

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



2019 Numbers Worth Celebrating

| Detail | YE 2018 | YE 2019 | 2019-2018 % Change | 2018-2017 % Change | 2017-2016 % Change |
|---|-----------|-----------|-----------------------|-----------------------|-----------------------|
| Total Assets | \$38,989K | \$42,539K | 9.10% | 14.35% | 7.3% |
| Total Liabilities | \$19,562K | \$21,920K | 12.06% | 5.39% | 8.3% |
| Total Equity | \$19,427K | \$20,618K | 6.13% | 25.05% | 6.3% |
| Retained Earnings | \$3,877K | \$4,220K | 8.85% | 8.03% | 22.8% |
| Book Value of Class A Stock (\$ per share) | \$719.53 | \$758.04 | 5.40% | 15.80% | 8.8% |
| Book Value of Ownership | \$143,906 | \$151,608 | 5.40% | 15.80% | 8.8% |

Year-end 2019 Dividend Payments

These numbers can flex, and I predict they will again in the future

| Detail | YE 2018 | YE 2019 | 2019-2018 % Change | 2018-2017 % Change | 2017-2016 % Change |
|---|-----------|------------------|-----------------------|-----------------------|-----------------------|
| Patronage Dividend (\$) | 2,000,000 | 2,250,000 | 12.5% | 14.3% | 16.7% |
| Bonus Patronage (\$) | 4,000,000 | 3,750,000 | -6.3% | 45.5% | 37.5% |
| Ownership Dividend Rate | 4.0% | 4.0% | 0.0% | 0.0% | 0.0% |
| Ownership Dividend (\$) | 775,868 | 844,071 | 8.8% | 21.5% | 6.9% |
| Book Value of Class A Stock (\$ per share) | 719.53 | 758.04 | 5.4% | 15.8% | 8.8% |
| Price to Purchase CUSO Ownership | 330,000 | 330,000 | 0.0% | 13.8% | 5.5% |

2020 Net Earnings as of May 2020:

\$3.1M after adjustments for \$1.5M patronage dividends and \$1MK taxes
(projected to be **\$1.7M** by 9/30/20)

2019 Return on Investment

2019 Gross Income Submitted by Owners to CU*Answers **\$ 31,025,688**
(Excludes all vendor pass-throughs)

| | | |
|---|--------------|----------|
| 2019 Patronage Dividends Paid | \$ 6,000,000 | |
| 2019 Class A Stock Dividends Paid | 844,071 | (4.0%) |
| 2019 Interest Paid Credit Unions on Loans | 317,135 | (~5.75%) |

Total Revenue Returned to Credit Unions **\$7,161,206**

2019 Return Per Total Dollars Received: \$0.2308

$\$7,161,206 \div \$31,025,688$ (excludes vendor pass-throughs) = 23.08% return per CU*A \$ received

Understanding this formula is important to how we set the boundaries for our future

2017 Return Per Total Dollars Received: **\$0.1979**

$\$5,346,530 \div \$27,023,005$ (excludes vendor pass-throughs) = 19.79% return per CU*A \$ received

2018 Return Per Total Dollars Received: **\$0.2510**

$\$7,060,522 \div \$28,132,658$ (excludes vendor pass-throughs) = 25.10% return per CU*A \$ received

2019 Return Per Total Dollars Received: **\$0.2308**

$\$7,161,206 \div \$31,025,688$ (excludes vendor pass-throughs) = 23.08% return per CU*A \$ received

Investing in a community and building a network

The logo for site-four, featuring the word "site" in black and "four" in green with a stylized green plus sign.

20%
ownership stake

The logo for Xtend, featuring a green upward-pointing arrow above the word "Xtend" in green.

1.23%
ownership stake

The logo for eDOC INNOVATIONS, featuring a blue globe icon with a white "i" inside, followed by the text "eDOC INNOVATIONS" in blue.

48%
ownership stake

The logo for TRUST EXCHANGE, featuring a blue and green diamond icon followed by the text "TRUST EXCHANGE" in blue.

10%
ownership stake

The logo for Payveris, featuring a blue circular icon with a white "P" inside, followed by the text "Payveris" in blue.

<1%
ownership stake

The logo for CU* NORTHWEST, featuring the text "CU* NORTHWEST" in blue, with "A CREDIT UNION SERVICE ORGANIZATION" in smaller text below.

3.70%
ownership stake

The logo for my VIRTUAL StrongBox, featuring a blue square icon with a white "X" inside, followed by the text "my VIRTUAL StrongBox" in blue.

A convertible
debt investment

...and now,
turning to the
asterisk* year

- **Member behavior and the impact on our revenue streams**
 - What will be impacted, how much and how long?
- **Staffing/employee expenses**
 - Impact of hiring freeze, opportunity to grab newly unemployed talent: Operation Clawback
- **Customer/market interaction**
 - T&E impact – not just financial
 - 50th anniversary celebrations
 - Trade shows
 - Client visits/priorities

Thinking About 2020 Year-end

cuasterisk.com Network Revenue Numbers Continue To Impress

CU*Answers Direct Revenues

➤ Projected for 2020 **\$62.0M**



cuasterisk.com

Grand Total: **\$83.9 million**

Our Network Partners

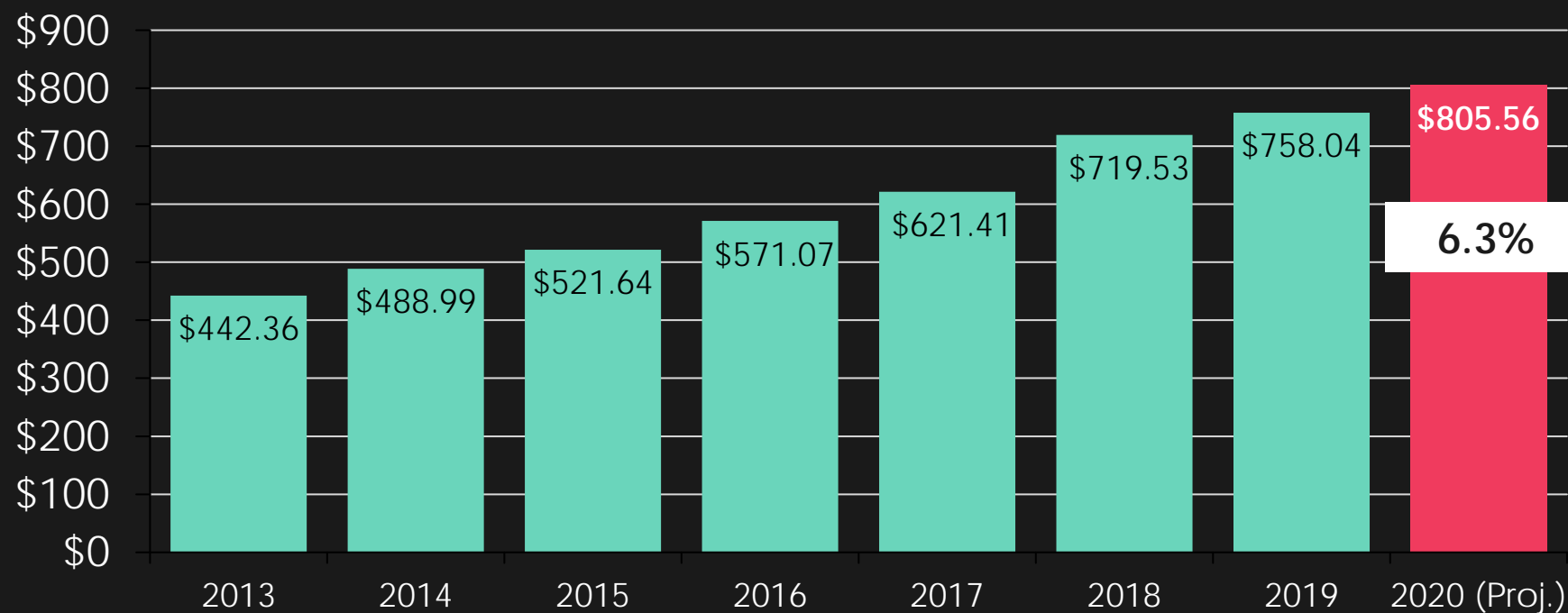
Projected
for 2020

| | |
|--------------------|---------------|
| ➤ eDOC Innovations | \$5.9M |
| ➤ CU*NorthWest | \$5.0M |
| ➤ CU*South | \$7.0M |
| ➤ Xtend | \$3.8M |
| ➤ Site-4 | \$900K |

Visit www.cuasterisk.com to keep up with
network partners, products and services

Projecting Shareholder Value

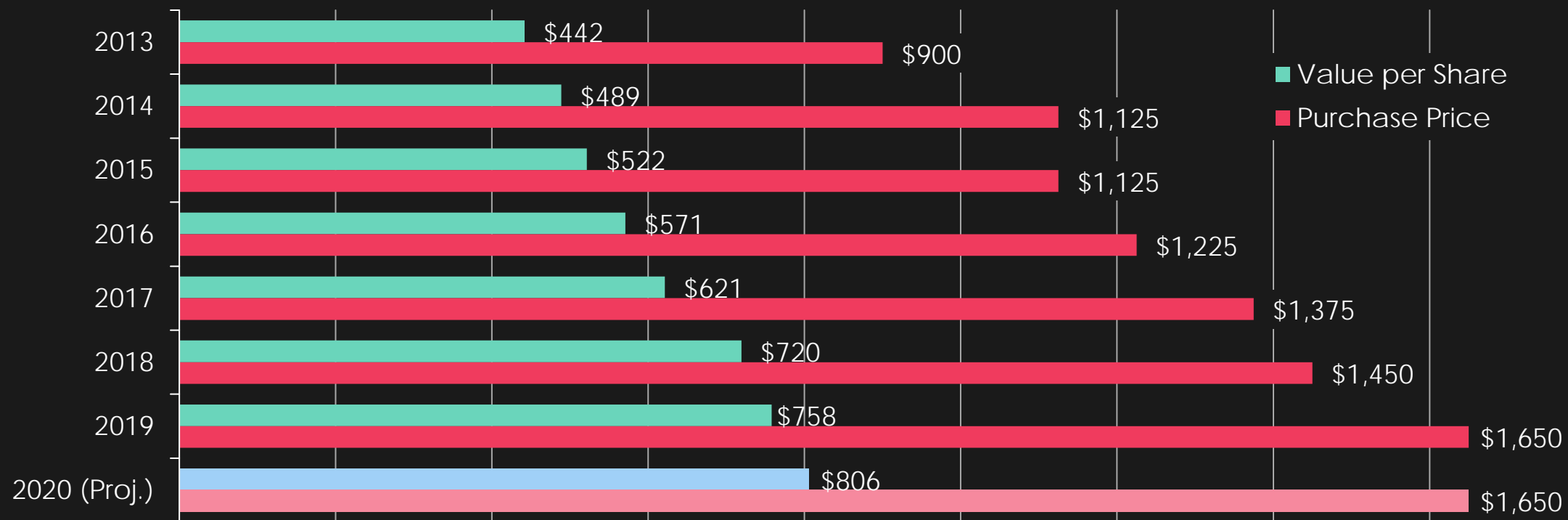
Depending on when you bought in, your perspective is different



| THE PRICE OF OWNERSHIP OVER THE YEARS | |
|---------------------------------------|------------|
| 1991: | \$59.31 |
| 2000: | \$176.00 |
| 2005: | \$460.00 |
| 2010: | \$495.00 |
| 2015: | \$1,125.00 |
| 2020: | \$1,650.00 |

The Importance of Our Per-share Price

Balancing today's payback against the value of your equity



Let the Board know how you hope they vote: Current year dividends to help your operations, or shareholder value for the long term

The Big Question

- Will our economy bounce back in 2021, or will we see an echo of the coronavirus?
- While we have contingencies, we're going in to 2021 confident and optimistic
- The big wrinkle will be how big and how fast we can build our future in Las Vegas

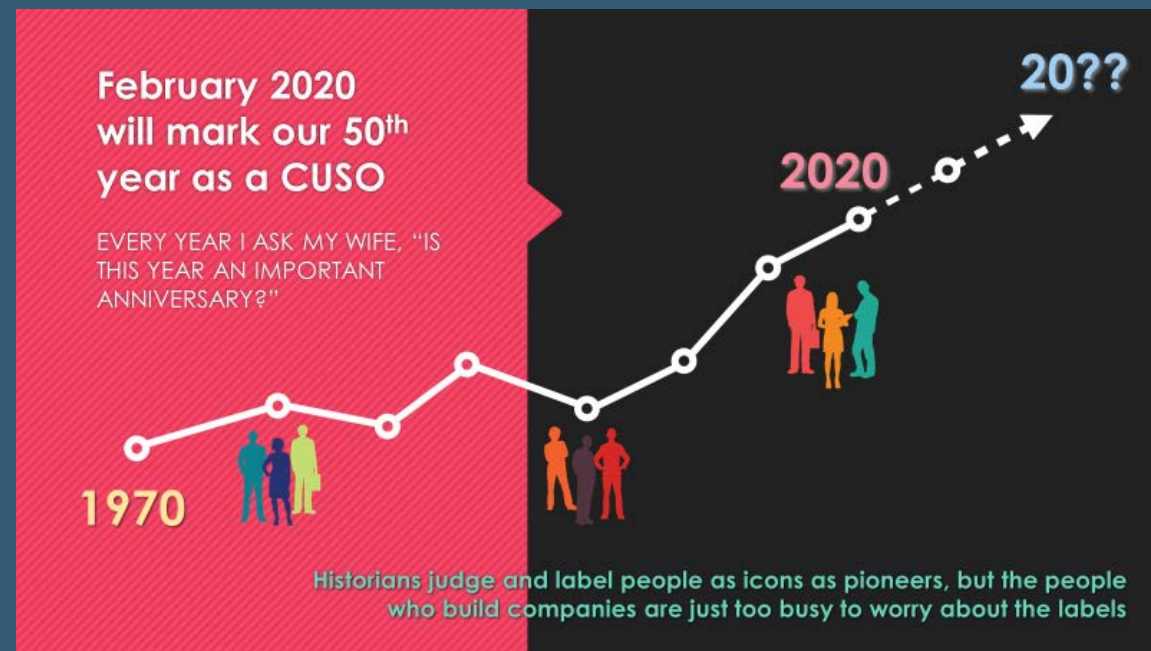
If I could predict this with any certainty, I'd already be a commentator on Fox

Diet Coke and Lemonade

CEO COMMENTS
Randy Karnes, CEO

Diet Coke and Lemonade

- No year started off with higher expectations than 2020
 - We were going to have record-breaking parties
 - We were going to debut multiple new generations of some old standards
- It was going to be hectic, and I planned to be on a diet Coke caffeine high from last June right until today



If everything had stayed on plan, I already would have wowed you with 120 Leadership Conference slides

On March 24th, 2020 became
the year of the asterisk*




2020 will be the year of the coronavirus asterisk*

*Expect notations on transcripts, work evaluations, etc., explaining the extraordinary circumstances of coronavirus



Making Lemonade: Adjustment #1

Refocus Our Financial Engine

|  | | | | |
|---|---|---------------------|--|----------------------|
| Month | Approved Budgeted Annual: Net Income | Monthly Variance | Adjusted Budgeted Annual Net Income | Variance % Change |
| October 2019 | \$2,803,897 | \$31,705 | \$2,835,602 | 1.13% |
| November 2019 | | \$113,124 | \$2,948,726 | 3.99% |
| December 2019 | | \$224,185 | \$3,172,911 | 7.60% |
| January 2020 | | \$229,668 | \$3,402,579 | 7.24% |
| February 2020 | | \$100,257 | \$3,502,836 | 2.95% |
| March 2020 | | \$37,772 | \$3,540,608 | 1.08% |
| * April 2020 | \$1,591,745 | \$25,655 | \$1,617,400 | 1.61% |
| May 2020 | | \$145,544 | \$1,762,944 | 9.00% |
| June 2020 | | - | - | - |
| July 2020 | | - | - | - |
| August 2020 | | - | - | - |
| September 2020 | | - | - | - |
| Total YTD Variance - Oct - March | | \$736,711 | Original Budget | |
| Total YTD Variance - April - September | | \$171,199 | Recast Budget | |
| Total YTD Budget to Actual | | \$907,910 | *Original and Recast | |
| *Budget Recast included an accrual for a Bonus Patronage Dividend of \$3.7M which is reflected in the estimated net income. | | | | |

- Reengineer revenue for a marketplace turned upside down
- Respond with precision to being an essential business
- Refocus our expenses for the critical, maximize our refunds, and invest in the moment
- Focus on paying \$6 million in total dividends to invest in our shareholders' success and their budgets for an asterisk year

Making Lemonade: Adjustment #2

Build a High Availability People Plan

CU^{ANSWERS}

Getting Ready for Project Restaurant

March 17, 2020

Planning for our goal of compensating 100% of our people.

We're preparing to take our business recovery/contingency planning up several notches.

CU^{ANSWERS}

Project Restaurant:

On-call Remote Support

April 6, 2020

Supporting our teams with remote on-call "fire squad" backup players for critical functions

What's remote on-call support?

While many of our colleagues have been set up to work from home via VPN connections, we do have some who have been designated as remote on-call support staff.

This is different from our traditional on-call support that our clients use after hours to reach a CSR, or Operations, or a support programmer. Instead, these teammates are available during Project Restaurant to assist, support, and fill in as needed – like a "fire squad" for other teams who may need them.

Where does your team need a fire squad?

To determine a list of specific roles our on-call players could fill, managers should answer the following questions for their specific team. Use the separate On-Call Remote Support Team Manager Worksheet answers to ORD.

1. What are the most mission-critical tasks for which your team is responsible? By mission-critical, we mean high impact, time-sensitive – things that must be done within a day or two without exception.
2. For each of these tasks, how many of the people on your team can perform them right now, or with minimal further training or special configuration needed?
3. How many people on your team (or another team) would be able to pinch-hit, with minimal training or setup (refreshing a stale password, for example)?
4. Suppose one or more members of your team suddenly were not available to work. Do you have a backup for each mission-critical task covered, or do you need a fire squad player to provide backup support?



v1 April 8, 2020

CU^{ANSWERS}

Project Amazon

COVID-19 ILLNESS REPORTING PROCESS

Responsibilities of Working Together After Project Restaurant



v1 April 8, 2020

CU^{ANSWERS}

Project Amazon: Illness Reporting Protocols FOR MANAGERS

A question we are hearing lately is, "what do I do when an employee reports to me that they are sick or that they have been exposed to someone who's sick?" The first rule of thumb is, don't panic, and don't overreact.

We all know that employees will get sick for a number of reasons, and it won't necessarily have anything to do with COVID-19. Sometimes it's just a

runny nose.

Our goal is to help minimize panic and overreaction.

Here are some questions to help you report if they are not

NECESSARY QUESTIONS

TO ASK AN EMPLOYEE WHO'S SICK

A What is wrong?
Be specific. If you've been diagnosed with the flu, say so. If you have flu-like symptoms but no official diagnosis, say so. Report if you have a fever or a headache, and so on.

V1 May 12, 2020

CU^{ANSWERS}

Back To The Future

BRINGING OUR REMOTE WORKERS BACK TO THE OFFICE

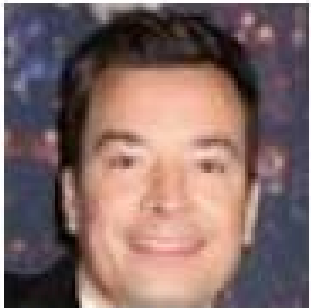
Our Plan for Incorporating Project Amazon Into New Workplace Templates



No year should be wasted, and 2020 will go down as the year we proved we're ready for anything, with new time-tested designs

Making Lemonade: Adjustment #3

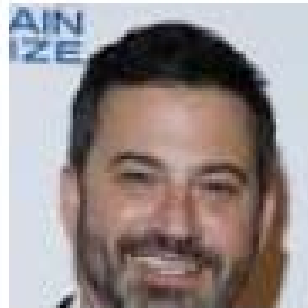
Write a New Script for the 2020 Leadership Conference



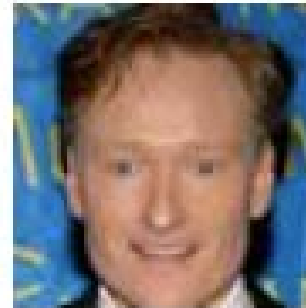
Jimmy
Fallon



Stephen
Colbert



Jimmy
Kimmel



Conan
O'Brien



David
Letterman



Randy
Karnes

Making Lemonade: Adjustment #3

Write a New Script for the 2020 Leadership Conference



Jimmy
Fallon



Stephen
Colbert

The CU*Answers Leadership Conference Show

Debuting on cuanswers.com

July 1



Peter
Dinklage



Randy
Karnes



Unexpected gifts from 2020:

➤ **Time to rethink priorities**

- Who, what, when and where

➤ **A glimpse of what's next**

- The inspiration to address it now

➤ **The confidence to endure**

- A picture of new leaders to come, with the experience to win in the future

➤ **The inspiration of local reliance**

- Cooperative communities at their best

The
party's
been
moved

2020 CEO Strategies November 10-12

Tuesday, November 10

REKINDLING RELATIONSHIPS AND CATCHING UP, CU TO CU

- ▶ **8:00am-12:00pm** CEO Roundtable: What did COVID-19 teach you about the future?
- ▶ **1:00pm-2:00pm** What COVID-19 Taught CU*Answers About the Future
- ▶ **2:00pm-3:30pm** How CU*Answers plans to use what we learned, throughout 2021 and 2022

EVENING NETWORKING EVENT TO PUT THE PARTY BACK INTO OUR COMMUNITY

Wednesday, November 11

CEO STRATEGIES: A REFRESHER COURSE ON STRATEGIES AND TACTICS THAT MIGHT HAVE SLIPPED OFF YOUR RADAR

- ▶ **8:00am-3:30pm** Deeper dive on the major topics touched on during the June 2020 Leadership Conference announcements

EVENING NETWORKING EVENT TO REACTIVATE THE BUZZ ABOUT WHERE WE'RE ALL GOING

Thursday, November 12

CEO DEVELOPERS BOOT CAMP

- ▶ **8:00am-12:00pm** Rallying our CEOs for three major projects in 2021-2022
- ▶ **1:00pm-2:00pm** Charging the future as development partners

CU*ANSWERS
Celebrating **50** Years
1970 - 2020

But for it to be a party, you all have to
show up ... please be bold!

2021: Back to an Action Flick

While most of you are too sophisticated for this franchise, **Fast & Furious** is the perfect title for what I hope we all anticipate for next year



F9

Full disclosure: We don't really go fast or get that furious over too much. But when you throw Charlize Theron's name into the mix, we're full-throttle on board. The South African goddess joins the on-screen pit crew for the next film in the *Fast Saga* as Cipher, a bowl-cut criminal mastermind and cyberterrorist who teams up with John Cena's Jakob to seek revenge on Vin Diesel's Dom. Cardi B makes an appearance, and Justin Lin is back in the driver's seat as director.

Original release date: May 22

Now set for: April 2, 2021

...Now on to the next 50 years!



And now let's get the
results of the election!

...and the winners are

Your 2020-2021 Board of Directors



Scott McFarland
Honor Credit Union



Linda Bodie
Element Federal CU



Tom Gryp
Notre Dame FCU



Jeff Jorgensen
Sioux Empire Federal CU



Kris Lewis
Allegan Community CU



Dean Wilson
FOCUS Credit Union



Vickie Schmitzer
Frankenmuth CU

ASSOCIATE BOARD MEMBERS

Bill Burke
CEO
Day Air CU



Carolyn Mikesell
CEO
Public Service CU



Congratulations,
Dean and Vickie!



Back to Our Chairman

Do we have a motion to adjourn?



Thank you for attending!