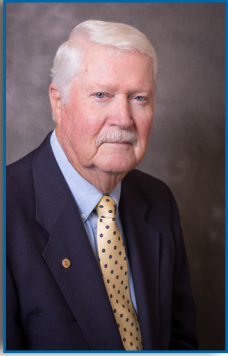


Summit Credit Union

2017 Annual Report



Report of the Chairman, G. A. "Jack" Thornton

The ongoing responsibility of your Board of Directors is to maintain a financially strong, stable, and growing organization. Our net income for 2017 totaled \$1.79 million – the eighth consecutive year that our net income has exceeded \$1 million. This has allowed us to continue increasing our contingency fund for growth and emergencies (capital), which now

equals 13.6% of our total assets. This is a very strong capital position.

In 2017 assets increased to \$235.2 million, outstanding loans held steady at \$163.0 million, and deposits increased to \$201.6 million. The majority of our growth in assets and deposits occurred as a result of the merger of two credit unions. On February 1 we merged Corning Cable Systems Credit Union, and on October 1, the Century Employees Savings Fund Credit Union – both headquartered in Hickory, NC.

Branch Offices

We opened a new branch in Hickory to accommodate our expanding presence there. We moved our Cloverdale Branch to a much-larger branch at 1100 S. Stratford Road (Winston-Salem). And just this past March, we closed our 3rd Street Branch in downtown Winston-Salem due to the sale of the building which housed our branch.

We're High-Tech

We offer exciting remote delivery services like Mobile App 24, Home Banking 24, Bill Payer, Remote Check Deposit, People Pay, Apple-Android-Samsung Pay, and Instant-Issue Debit Cards. And through our network of ATM providers, our members have access to more than 55,000 ATMs nationwide. In addition, we have ATMs placed in 20 business partner locations.

... Yet We're Committed to Members' Financial Well-Being

Last year we:

- Conducted 106 educational seminars, mostly in business partner facilities
- Granted educational scholarships totaling \$16,000 to 14 members
- Continued to develop our Path to Financial Success
- Expanded our offerings of a free Credit Score Analysis

As we move forward into 2018, be assured that your Board of Directors and management team are dedicated to serving your financial needs, delivering the very best financial products, and services to you and your family.

BOARD OF DIRECTORS

G.A. "Jack" Thornton, <i>Chairman of the Board</i>	Paul Francis, Treasurer	Brenda Gibson Daniel Greene
Tom Welch, <i>Vice Chairman</i>	Sharisse Fuller, Secretary	Paul Martino Rick Miller Roger Pyatt

SUPERVISORY COMMITTEE

Don Wolford, Chairman
Dan Greene
Jill Bennett

BALANCE SHEET	12/31/2017	12/31/2016
Assets		
Cash	\$3,976,049	\$2,653,419
Loans	163,033,747	142,855,837
Less Allowance for Loan Loss	(1,409,393)	(1,343,456)
Investments	57,692,252	37,633,633
Land & Buildings	6,411,589	5,344,207
Furniture, Equipment, & Other Fixed Assets	825,451	410,442
Other Assets	4,670,398	3,676,195
Total Assets	\$235,200,093	\$191,230,277

Liability & Equity		
Accounts Payable & Liabilities	\$1,590,085	\$810,218
Deposits	201,671,219	165,985,974
Regular Reserve	4,092,181	3,732,719
Merged Equity	9,602,546	3,884,885
Undivided Earnings	18,244,062	16,816,481
Total Liability & Equity	\$235,200,093	\$191,230,277

INCOME STATEMENT	12/31/2017	12/31/2016
Operating Income		
Interest on Loans	\$10,183,708	\$9,271,820
Income From Investments	745,691	454,964
Other Income	4,302,336	3,769,679
Total Income	\$15,231,735	\$13,496,463
Less Member Dividends	756,130	691,110
Income After Dividends	\$14,475,605	\$12,805,353

Expenses		
Operating Expenses	\$11,322,421	\$9,790,688
Transfer To Reserves For Loan Losses	1,260,640	1,456,551
Non-Operating Loss	105,502	69,085
Total Expenses	\$12,688,563	\$11,316,324
Net Income	\$1,787,042	\$1,489,029



Our 2017 Numbers

End of 2017



eStatements Users
8,555



Bill Payer Users
1,855



Home Banking Users
11,631



Mobile Deposit Users
7,029

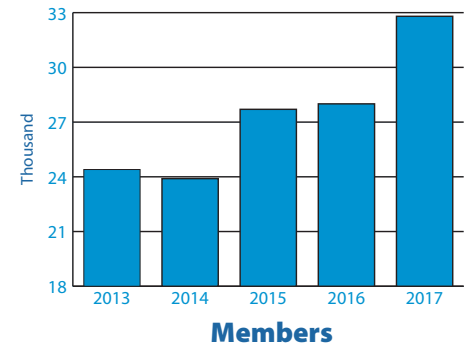
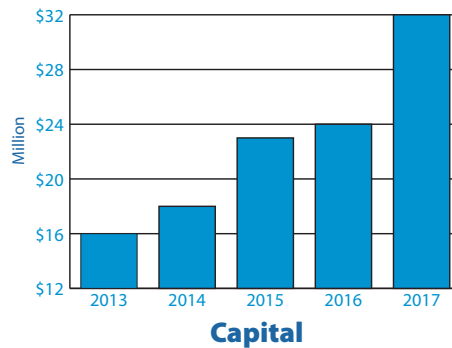
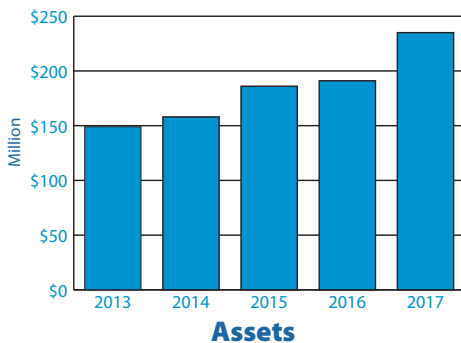
2017 Totals



Debit Card Transactions
4.6 million



Call 24 Transactions
52,262



2017 Supervisory Committee Report

The Supervisory Committee is charged with monitoring the overall operations of the credit union. It ensures the highest degree of safety and soundness and guarantees that the best interests of the membership are protected.

The Supervisory Committee employed the auditing firm of Nearman, Maynard, Vallez, CPAs to assist in performing its duties. A comprehensive annual certified audit was performed as of the close of business on March 31, 2017.

In addition to this annual audit, a yearly examination is performed by the North Carolina Credit Union Division, the agency that regulates state-chartered credit unions in North Carolina. The examination was conducted in September 2017 as of the close of business on June 30, 2017.

Based on audits and examinations performed during the course of the year, your Supervisory Committee is satisfied that the credit union's accounting records and reports are prepared promptly and accurately. The system of internal controls being used are sufficient and the plans, policies, and procedures established by the Board of Directors are currently being followed.



Don Wolford, Chairman

BRANCH LOCATIONS

GSO Market St. - ATM
8210 West Market St. (27409)

GSO Summit Ave. - ATM
800 Summit Ave. (27405)

Hickory - ATM
102 First Ave. NE (28601)

Oxford
128 College St. (27565)

Raleigh
3840 Ed Dr., Suite 100 (27612)

W-S Stratford Executive Park - ATM
1100 S. Stratford Rd. (27103)

MANAGEMENT TEAM

Sam Whitehurst, President & CEO	Christine Long, Manager Raleigh Branch
Carol-Shan Nault, EVP & COO	Debbie Gile, Manager GSO Summit Ave. Branch
Debbie McCain, EVP & CFO	Jessica Wilson, Manager W-S Stratford Executive Park Branch
Glenn Kirk, EVP Marketing & CUSO Services	Mike Dickerson, Manager Oxford Branch
Marc Jacobson, EVP Risk Management & Mortgage Lending	Paula Hill-Cuthrell, Manager GSO Market St. Branch
	Sharron Scronce, Manager Hickory Branch

CONTACT NUMBERS

Member Service Call Center
336-662-6200 or 800-632-0210

24/7 Loan Call Center
336-662-6202 or 800-288-5252

Mortgage Center
336-662-6206 or 877-223-9563

Call 24 Telephone Banking
336-662-6201 or 800-522-4212

Retirement Planning & Investments
Triad, NC: 336-662-6262
Western NC: 336-662-6230
Eastern NC: 919-247-0969

Auto & Homeowner Insurance
336-662-6240 or 866-334-1491

CO-OP Shared Branches
800-919-2872
summitcu.org/locations