

I. WELCOME AND INTRODUCTIONS

Doris Clark welcomed everyone to the 80th TwinStar Annual meeting and sang the National Anthem.

II. CALL TO ORDER

Doris introduced Jeff Kennedy, CEO. Jeff introduced the following members of TwinStar's Senior Management Team: Becky Breen, Scott Daukas, Matt Devlin, Jerrod Keller, Aaron Palmer, Kim Steepy, Tammy Teeter, Sharon Weinberg, and Elkan Wollenberg.

Jeff introduced the credit union's Board Chair, Rhodetta Seward, who called the 80th Annual Meeting to order at 10:38 a.m. Tammy Teeter was appointed Recording Secretary and Jerry Morrisette was appointed Parliamentarian.

III. INTRODUCTIONS

Rhodetta introduced the Board of Directors and Interns, Supervisory Committee and Intern. She requested all credit union volunteers stand and be recognized for their many hours of service. Rhodetta also recognized all employees in attendance and noted the Board's appreciation for their dedication and support of the credit union's vision and mission.

IV. 2017 ANNUAL MEETING MINUTES & CHAIR REPORTS

Rhodetta began the business portion of the meeting by establishing a quorum of 15 voting members was present. She noted a copy of the 2017 Annual Meeting minutes and a wrap up of the credit union's financials were provided at each table.

Rhodetta called for a motion to approve the minutes. The motion was made, seconded and approved.

The 2017 reports from the President (Treasurer), Board and Supervisory Committee Chairs were presented. Rhodetta asked for a motion to approve the reports. The motion was made, seconded and approved.

V. ELECTIONS

Rhodetta introduced the Nominating Committee representative, Gayla Gjertsen, who introduced the Nominating Committee as Chair Donna Feliciano and members Mark Neary, Brock Williams, and Nicole Colgan. She announced the following slate of candidates running for election:

Board of Directors – 3 year term	Supervisory Committee – 3 year term
Ron Hastie	Kim Wyman
Kim Martin	
Rhodetta Seward	

Since the four open positions were uncontested, Gayla called for a motion to accept the slate of candidates as presented. The motion was made, seconded and approved. Gayla thanked and congratulated each newly elected official.

VI. NEW BUSINESS

Rhodetta called for any new business. No new business was presented.

VII. ADJOURNMENT

Rhodetta thanked everyone for attending the Annual Meeting and requested a motion to adjourn. The motion was made, seconded and approved. The business meeting was adjourned at 10:45 a.m.

Annual Report 2018



Statement of Financial Condition as of December 31, 2018

Assets	2018	2017	2016	2015	2014
Cash and Cash Equivalents	120,283,454	98,789,411	106,702,973	119,881,329	74,289,896
Member Loans (Net after Allowance for Loan Loss)	1,087,053,586	995,396,806	876,864,439	777,923,559	697,486,237
Investments	53,039,903	70,593,667	98,911,413	81,915,648	86,111,928
Fixed Assets	42,647,711	38,650,969	34,937,250	27,860,351	28,034,190
Other Assets	58,298,060	55,426,972	51,014,897	41,852,292	39,720,424
Total Assets	1,361,322,714	1,258,857,824	1,168,430,971	1,049,433,179	925,642,675

Member Shares

Members Shares	1,159,923,315	1,109,588,266	1,028,245,865	921,072,953	818,352,130
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Net Worth

Regular Reserves	8,492,258	8,492,258	8,492,258	8,492,258	8,492,258
Accumulated Unrealized Gain/ Loss on Investments	(1,050,251)	(861,021)	(1,095,701)	(869,784)	(1,162,999)
Undivided Earnings	133,336,323	116,625,727	105,871,260	97,107,717	89,053,157
Total Net Worth	140,778,330	124,256,964	113,267,817	104,730,191	96,382,416

Liabilities

Accounts Payable & Other Liabilities	60,620,902	25,012,467	26,917,232	23,629,902	10,908,028
Accrued Payable Interest or Dividends	167	128	57	134	101
Total Liabilities	60,621,069	25,012,595	26,917,289	23,630,035	10,908,129

Total Member Shares, Net Worth & Liabilities	1,361,322,714	1,258,857,824	1,168,430,971	1,049,433,179	925,642,675
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Note: Unaudited Financial Statement as prepared by TwinStar Credit Union. Reflects only TwinStar Credit Union.



CEO's Message
Jeff Kennedy, CEO

TwinStar Credit Union experienced another year of solid growth spanning all areas of the credit union. While some economic indicators like trade and the stock market were volatile, others such as unemployment and wage growth were stable; both provided a good platform for TwinStar members to deepen their

relationship with us. Most notably our ChoiceLine Home Equity Line of Credit account grew by 13% and our Business Loan category grew by an impressive 23%.

We also experienced a rising rate environment in 2018 for the first time in more than 10 years. Deposit rates are on the rise at TwinStar and members responded by opening Certificate accounts at a rapid pace – the Certificate category grew by more than 50% in 2018. We will continue to offer some great value on our Money Market and Certificate accounts in the near term. In addition, we will make sure to deliver ongoing value to you with any checking account you use. It is an important way for TwinStar to deliver value regularly and to all members – you would have to look hard to find a better checking account lineup than the programs offered at TwinStar Credit Union.

All this activity resulted in a financial dashboard that exceeded goal in almost every area and we ended the year with capital at 10.42% of assets. This number represents a post-recession high water mark for capital. It is a very desirable range for capital that allows us to continue investing in technological enhancements, deliver value to members every day and maintain a safe, sound financial cooperative.

Another significant development in 2018 was the work and direction of the TwinStar Community Foundation. While we started our Foundation a few years ago, it took off in 2018 with identification of a firm mission and several community outreach programs to support it. We believe that well-fed kids create well-fed minds – we are working to make sure kids in our service areas have enough to eat. We worked with Homeless Backpacks organizations and other community partners as well as members who contributed to our programs to provide thousands of meals. It was very rewarding to work directly with the aid providing organizations and please keep your eye out for more TwinStar Community Foundation programs in the future.

We are proud of our growing financial cooperative – we now count more than 128,000 members. We are driven everyday to provide value to our members and we appreciate your ongoing patronage. I would also like to thank our volunteers and more than 400 staff members for their continued dedication and enthusiasm for our financial cooperative.

Respectfully submitted,

Jeff Kennedy
CEO



2018 Board Report
Rhodetta Seward, Chair

As our world becomes increasingly digital, TwinStar Credit must keep current in the ways we meet the needs of upcoming generations on the go. Survey results indicate our members expect knowledgeable, helpful employees together with customized service as well as the technological bells and whistles protected by the highest level of security. Providing quality training is a priority and the first step to having a positive influence on your lives. TwinStar Credit Union is well positioned to deliver everything our members want!

Our commitment to you guides every decision we make. TwinStar does not just introduce products to keep in step with the competitors – we create solutions with the intent to make your life easier. Staff members understand the importance of taking the time to listen to your needs and make sure you are aware of all the ways we can help.

In 2018, our membership grew to nearly 128,000 members. The positive results detailed below are all very important to a financial business and most companies revel in the success those numbers represent. We revel in the fact that every one of these numbers represents a household – a household that is making decisions about investing, retirement, buying a home or car. Being here to help you make these important transactions is the emphasis of TwinStar's mission.

TwinStar's commitment to this community does not end at our front door. The TwinStar Community Foundation and its work to fulfill its mission to end hunger in school-aged kids within the communities we serve, along with our generous employees, has enabled us to further prove that community involvement is part of the fabric and culture of our credit union.

Our total assets for 2018 ended at \$1.36 billion, an increase of \$102.4 million over year-end 2017. Lending statistics include:

Loan Productivity Comparison

Loan Type	2016	2017	2018
Consumer	17,464 loans for \$218.8M	16,468 loans for \$219.6M	15,341 loans for \$189M
Dealer Financing	5,198 loans for \$137.5M	6,343 loans for \$171.0M	7,569 loans for \$221M
Mortgage	730 loans for \$146.5M	580 loans for \$115.3M	433 loans for \$94M

Thanks to All

The Board of Directors recognize our success as an organization comes from our growing and diverse membership. We strive to exceed expectations with a strong strategic focus supported by the work of the TwinStar team and, most importantly, by you the member. On behalf of the Board of Directors, I would like to thank the Supervisory Committee, all the TwinStar employees and the membership for your support. We look forward to continued success.

Respectfully submitted,

Rhodetta Seward, Chair
Board of Directors



2018 Supervisory Committee Report
Erik Kupka, Chair

The Supervisory Committee is dedicated to ensuring the safety and soundness of TwinStar Credit Union's policies, procedures and practices as well as its financial stability. A responsibility of the Committee is to

confirm that the credit union's financial condition is stated accurately. We work to ensure the accuracy of records, make sure member deposits are adequately protected and that operations comply with all federal and state regulations, as well as our own bylaws.

In addition to our regulatory risk examination conducted by the State of Washington Department of Financial Institutions – Division of Credit Unions, we also fulfill our responsibilities by engaging the CPA auditing firm of CliftonLarsonAllen, LLP to perform the annual financial audit and verification of member accounts. The Committee believes that TwinStar is performing appropriately to sustain a safe and secure future; and it is well managed with a strong commitment to serving the membership. As your representatives, the Supervisory Committee will continue to perform oversight activities so that we are confident that our members' financial interests are well protected.

I wish to thank my fellow committee members, Board of Directors and employees for their dedication to TwinStar Credit Union.

On behalf of the entire Committee, we appreciate the opportunity to serve the members of the credit union in 2018. We will continue to work diligently to ensure that TwinStar remains a safe and sound institution throughout 2019.

Respectfully submitted,

Erik M. Kupka, Chair
Supervisory Committee

Financial Asset Growth

1938	\$1,473
1950	\$36,774
1960	\$467,129
1970	\$2,378,773
1980	\$20,545,115
1990	\$113,963,792
2000	\$354,800,950
2010	\$714,483,952
2011	\$781,764,275
2012	\$831,839,483
2013	\$881,691,558
2014	\$925,642,675
2015	\$1,049,433,179
2016	\$1,168,430,971
2017	\$1,258,857,824
2018	\$1,361,322,714

