FINANCIAL SUMMARIES & HIGHLIGHTS

BALANCE SHEET

<table>
<thead>
<tr>
<th>ASSETS:</th>
<th>December 31, 2016</th>
<th>December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>42,303,824</td>
<td>41,720,820</td>
</tr>
<tr>
<td>Allowance for Loan Losses</td>
<td>(651,883)</td>
<td>(880,015)</td>
</tr>
<tr>
<td>Cash &amp; Investments</td>
<td>26,250,062</td>
<td>23,436,271</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>2,251,459</td>
<td>2,354,790</td>
</tr>
<tr>
<td>Other Assets</td>
<td>1,203,500</td>
<td>1,283,545</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>71,356,963</td>
<td>67,915,410</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES &amp; CAPITAL:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits</td>
<td>63,267,134</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>215,531</td>
</tr>
<tr>
<td>Net Worth</td>
<td>7,874,298</td>
</tr>
<tr>
<td>TOTAL LIABILITIES &amp; CAPITAL</td>
<td>71,356,963</td>
</tr>
</tbody>
</table>

Net Worth Ratio 11.04% 10.11%

INCOME STATEMENT

<table>
<thead>
<tr>
<th>December 31, 2016</th>
<th>December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Income</td>
<td>3,296,533</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>2,290,402</td>
</tr>
<tr>
<td>NET INCOME</td>
<td>1,006,131</td>
</tr>
</tbody>
</table>
During 2016, the staff and board of the credit union completed an important journey together as we established our mission statement, core values and vision statement. These vital declarations will serve as the foundation for everything we do at Valley. As strategies are being discussed, members being served and decisions being implemented, we will use these statements and values as our framework to ensure that we are staying true to our strategic direction.

Mission Statement: “Serving for Your Success”
Core Values: Trustworthy, Excellence, Listen, Unity and Educate
Vision Statement: “At Valley, each member will see us as their primary financial partner. We will provide all members with personal and professional experiences that differentiate us from our competitors.”

We take pride in the fact that we are a member-owned, financial cooperative. That’s right, you own us and we work for you. We will always do our best to serve you in a way that you can succeed financially. As a member of the cooperative, you will receive better rates and be charged fewer fees than banks that offer the same products and services.

In 2017, Valley is celebrating its’ 60th anniversary of serving our members in the Greater Salem area. Community is a significant part of our identity. The credit union and its employees are actively engaged with community events donating both their time and funds.

Financially, the credit union is very stable with a net worth ratio of 11.04% at the end of 2016. This reflection of financial health is well above both regulatory standards and the average of our credit union peer group.

Thank you for your membership,

Denny Nielsen  
Board Chair

Pat Force  
President and CEO

2016 Board of Directors  
Denny Nielsen, Chair  
Marilyn Bacon, Vice Chair  
Tyler Clark  
Rob Kansky  
Kathleen Noll  
Adam Tallinger  
Patrick Vance

2016 Supervisory Committee  
Rob Kansky, Chair  
Lee Espey  
Earlene Naylor  
Jeff Scofield
Each year, your Supervisory Committee hires an independent accounting firm to evaluate the soundness of Valley Credit Union’s operations and activities. This ensures that management implements sound internal controls and maintains practices and procedures that adhere to generally accepted accounting principles (GAAP). In doing so, they carry out the following primary responsibilities:

- Protection of members’ funds and interests
- Safeguarding of assets
- Compliance with regulations, policies and procedures
- Reliability of financial records

Based on the results of the 2016 annual audit performed by certified public accountants Moss Adams LLP, I’m pleased to share our conclusion that Valley Credit Union has adequate financial controls and is financially sound. A copy of their audit is available to members upon request.

Rob Kansky
Chair

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**Loan Products**
- Mortgage
- Home Equity
- Auto / RV
- Credit Card
- Personal
- Business

**Account Access Services**
- Mobile Banking
- Online Banking
- Bill Pay
- Credit / Debit Cards
- 30,000 Free ATMs

**Deposit Accounts**
- Checking
- Savings
- Money Market
- Certificate of Deposit
- IRA’s

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