

President/CEO
Robert L. Aresti

Executive Vice President
Karen Bauer

Vice President of Finance
Jeffrey Canniff

Vice President of Technology
Jackie Miller

Strategic Operations Manager
Peter Skinner

Marketing Manager
Jennifer Comes

Branch Manager, Enfield Office
Justin Fox

Accounting Manager
Patrick Husereau

Director of Human Resources
Kim Trimble

IT Manager
Larry Flannery

Lending Manager
Rosey Wemmell

Loss Prevention Manager
Joan Allaire

2016

Member-Focused for 65 Years



Federally Insured by NCUA

We welcome the 65th anniversary of 360 Federal Credit Union! 2016 was the second year 360FCU operated under a community charter. The expanded charter allows any person who lives, works, worships, volunteers or attends school in Hartford, Tolland or Middlesex counties to become a member of 360FCU.



360FCU won the Louise Herring Philosophy-in-Action Member Service Award given to a credit union for its practical application of credit union philosophy within the actual operation. It is awarded for internal programs and services that benefit the membership. Our Community Savings Challenge was chosen for this award and saved our members over \$443,275 in loan interest in just two months! This award was presented by the Credit Union League of Connecticut.

We are especially proud of the dramatic increase in our Remote Deposit Capture usage (RDC). Through RDC, the Credit Union deposited \$5 million and accepted 12,600 member checks electronically.

Looking forward to 2017, 360FCU will be offering more benefits for the convenience and safety of our members. We will be launching a program to begin providing our debit card holders with the EMV chip Visa® debit card. Visa debit card usage is at an all time high with approximately 2.4 million transactions valued at \$110 million in 2016. The EMV debit card provides enhanced security for in-person debit card transactions.

Also in 2017, 360FCU plans to add another service location for our members in the Bloomfield/Hartford community. We will be announcing our plans in the near future, stay tuned.

Lastly, I want to thank the Staff, the Board of Directors, Supervisory Committee members and other Volunteers for 360FCU's continued success in 2016.

Mark Angelica
Chairman, Board of Directors

Our community charter has given us good momentum in 2016. We had a banner year for new members in 2016, a total of 1,594 to be exact. Our membership has grown to 17,273. We are seeing corresponding growth in our electronic access; our members, new and existing, are taking advantage of our convenient and no cost electronic services. We added 1,300 mobile users during the year and the total of all mobile transactions increased from 6,400 in January to 9,800 in December.



Our total assets grew by \$8.5 million equating to a 4% increase and loan growth was strong at \$8.4 million representing just under a 6% increase. Deposits increased by approximately 5% or \$9.2 million. The primary indicator of strength, our Capital Ratio ended the year at 10.44% represented by over \$23 million in reserves. A level of 7% is considered to be well-capitalized by federal regulators and we remain well above that level. In an effort to fully recognize some potential upcoming loan losses, we prudently and conservatively put extra funds into our Allowance for Loan Loss account, an *additional* reserve above and beyond the \$23 million specifically for loans. As a result we posted a negative net income of \$736,000 for the year but added a level of protection to our strong capital.

We continued to make enhancements to our member experience by updating our online account opening, implementing the use of tablets in our branches, upgrading our contact center, introducing online appointment scheduling and enhancing our interoffice system connections with fiber to increase speed and cost effectiveness.

As always, our annual community events and donations are too numerous to mention, but some examples include: educational scholarships, lunch and learn seminars, financial literacy for adults and youth, Shred-It and electronic recycling events, and employee jeans days to support many different causes from Breast Cancer Awareness to the March of Dimes. I am extremely proud of the staff for their selfless giving of time and financial support to so many worthwhile causes.

You will not see us stand still in 2017. We will continue with an ambitious plan to further enhance your experience with us providing you with the important products and services you have come to rely upon.

I thank the Board of Directors, Volunteers, Management and Staff for their many contributions to our success in 2016 and especially thank all of you for continuing to trust us to serve your financial needs now and into the future.

Robert L. Aresti
President/CEO



(L to R): Frank Porter, *Chairman*; Joan Allaire; Karen Bauer; and Peter Skinner. Missing from photo: Rosey Wemmell.

As Chairman of your Credit Committee, I am happy to present you with the Committee's report for 2016. Our entire portfolio which includes loans for vehicles, homes and home improvements as well as credit cards increased by \$8.4 million, or 5.8%.

We closed 2,284 loans and mortgages for \$45 million compared to 2015 when we closed 1,987 loans and mortgages for a total of over \$37 million. As of December 31st, we held 6,641 loans and mortgages, and 6,850 Visa® accounts for a gross total of \$151.8 million.

On behalf of the Committee I would like to thank the Board, Volunteers, Management and Staff of the Credit Union; and all of our valued members. Every year our Committee looks forward to serving you!

Thank you.

Frank Porter
Chairman



(L to R): Jerry Faszczka; Mark Senecal; and Ken Lafrennie, *Chairman*. Missing from photo: Geraldine Kurzeja.

The Supervisory Committee is an independent committee that reports directly to the Board of Directors. We are a four member committee tasked with the responsibility of protecting the Credit Union's assets and safeguarding the members' accounts. We act independently on behalf of our membership. Currently serving on the committee are volunteers Ken Lafrennie, Jerry Faszczka, Mark Senecal, and Gerri Kurzeja.

The Supervisory Committee establishes an annual plan to conduct periodic audits that will monitor and assure regulatory compliance and financial stability. We employed independent third party CPA firms who along with an internal compliance auditor provided audit support and control. Additionally, one of the independent accounting firms performed an annual audit of our financial statements. Also, annually the Credit Union undergoes a safety and soundness examination by the National Credit Union Administration (NCUA). Our third party CPA's have once again given our Credit Union a clean, favorable, unmodified opinion. It is our opinion that the 360 Federal Credit Union remains financially strong and well managed and that the Board of Directors are providing excellent direction and control.

I would like to thank the Supervisory Committee, Board of Directors, Management, Staff and Volunteers who have worked diligently to maintain our level of excellence. Going forward, our team of professionals will continue to monitor the financial condition and soundness of the Credit Union to assure we maintain the high standards we have established for our valued members and ourselves.

Ken Lafrennie
Supervisory Committee Chairman



(L to R): Jerry Faszczka, *Secretary*; John Tiroletto, *Treasurer*; Lois Daly, *Director*; Chinh Bui, *Vice Chairman*; Mark Angelica, *Board Chairman*; John Roche, *Director*; Travis Ramsdell, *Director*; Lloyd Oakes, *Director*; and Frank Porter, *Director*.

Senior Management Team



(L to R): Karen Bauer, *Executive Vice President*; Jeffrey Canniff, *Vice President of Finance*; Robert Aresti, *President/CEO*; and Jackie Miller, *Vice President of Technology*.

Assets	December 31,	
	2016	2015
Cash and cash equivalents	\$2,540,463	\$2,904,196
Investments:		
Held-to-maturity	32,386,215	29,114,159
Other	30,204,324	31,628,200
Federal Home Loan Bank (FHLB) stock	330,500	369,400
Loans receivable, net of allowance for loan losses	149,208,064	141,305,299
Accrued interest receivable	431,463	417,676
Premises and equipment, net	3,856,790	3,834,178
National Credit Union Share Insurance Fund deposit	1,907,360	1,830,487
Other assets	1,301,201	2,067,487
Total Assets	\$222,166,380	\$213,471,082

Liabilities and Members' Equity	December 31,	
	2016	2015
Liabilities:		
Members' share and savings accounts	\$197,462,165	\$188,216,945
Accrued expenses and other liabilities	3,135,670	2,862,046
Total liabilities	<u>\$200,597,835</u>	<u>\$191,078,991</u>
Commitments and contingent liabilities		
Members' Equity:		
Regular reserve	4,284,9155	4,284,915
Undivided earnings	18,909,889	19,620,269
Accumulated other comprehensive loss	(1,628,128)	(1,514,962)
Equity acquired in merger	1,869	1,869
Total members' equity	<u>\$21,568,545</u>	<u>\$22,392,091</u>
Total Liabilities and Members' Equity	\$222,166,380	\$213,471,082