

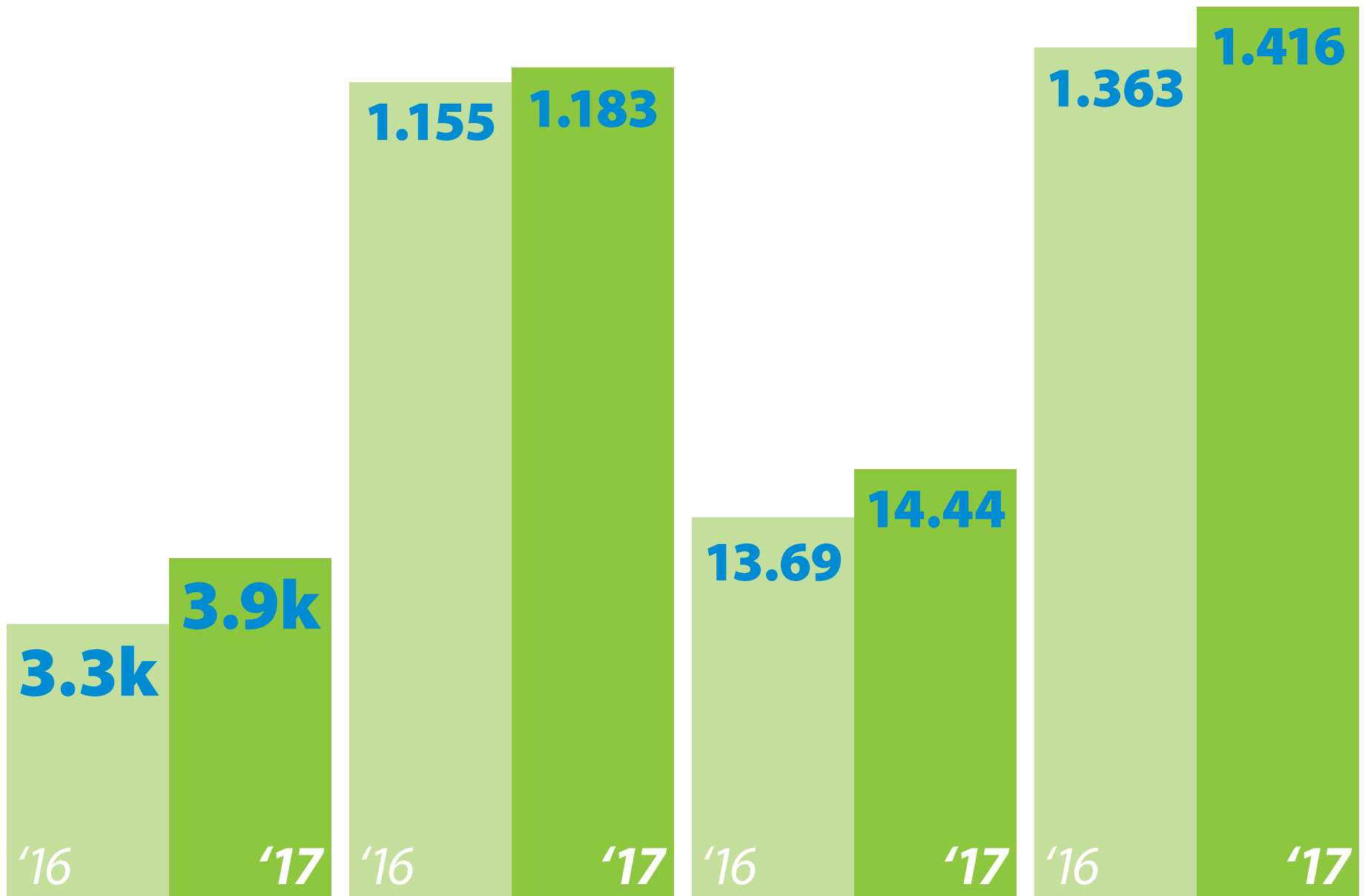
GREAT EASY FRIENDLY
RELIABLE HELPFUL
EXCELLENT FUN GOOD
SERVICED EPENDABLE
LOCAL AVAILABLE



CENTRA
CREDIT UNION

2017
Annual Report

Federally Insured by NCUA.

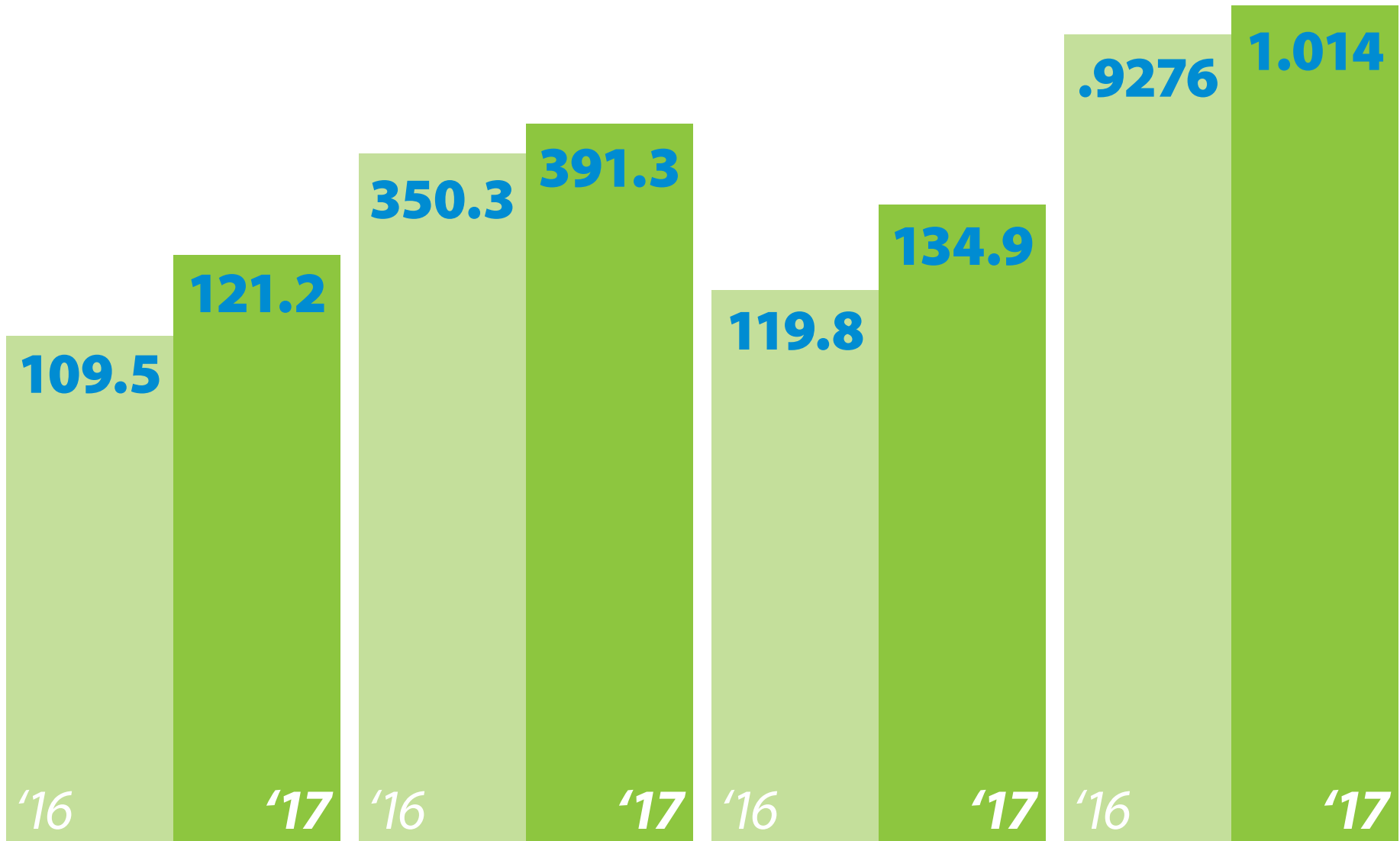


Primary Membership Growth

Total Deposits (Billions)

Net Income (Millions)

Total Assets (Billions)



Home Equity Loans (Millions)

Auto Loans (Millions)

Commercial Loans (Millions)

Loan Balances (Billions)



LORETTA M.
BURD

CHAIRPERSON'S REPORT

The Centra Management Team, Board and Supervisory Committee developed and launched the Centra 5-in-5 Plan in 2016 and this strategic plan remained front and center throughout last year. As part of the 5-in-5 Plan, we are focused specifically on Member Experience, Team Member Experience, Facilities, Technology and Member Growth. Last year, we worked on building the foundation necessary to successfully reach our goals within five areas of focus in the next five years. The accomplishments Centra had in 2017 show we are making progress.

The Centra 5-in-5 Plan and the five strategic

areas of focus were developed out of the desire to provide our Members with the highest quality service through highly-trained Team Members who provide our Members with the best possible banking experience. We are committed to strategic growth utilizing an approach designed to maximize return to our Members, Team Members and Membership.

Thank you for choosing Centra to be your Credit Union. We have been Centered Around You since our Credit Union began and we remain dedicated to serving you well today, and for generations to come.



RICK
SILVERS

PRESIDENT'S LETTER

Throughout the 2017 Annual Report, you will read about some big wins and also some great plans. We have a lot in store for the next several years and we have made significant strides towards reaching our goals with the implementation of new technology, focus on training our Team Members for success and a plan for proactively seeking Member Feedback to improve Member Experience. I could not be prouder to be on this journey with the rest of the Centra Team.

The future is bright for both Centra Credit Union and our Members. Our goals have been set with you in mind. We have been Centered Around You since the beginning and we will continue to be Centered Around You as we grow.

Thank you for trusting us to always have your best interest in mind. You are the reason Centra exists and the best part of what we do each and every day.

BOARD OF
DIRECTORS



Loretta M. Burd
Chairperson



Mary Stroh
Vice Chairperson



Jim Bickel
Secretary/Treasurer



Alan Degner



Donald Jackson



Amber Fischvogt



Brian McBroom



Randy Proffitt



Kesavan Venugopal

SUPERVISORY
COMMITTEE



Joseph Brown
Chairperson



Sara Jacobi



Tara Vatcher



Christopher Orben

SENIOR MANAGEMENT



Rick Silvers
President & CEO



Patty Knorr
Chief Experience Officer



Brad Davis
Chief Credit Officer



Dave Mann
Chief Financial Officer



Chris Bottorff
Southern Region
President
Chief Sales Officer



Norb Adrian
Chief Information Officer

Always Improving

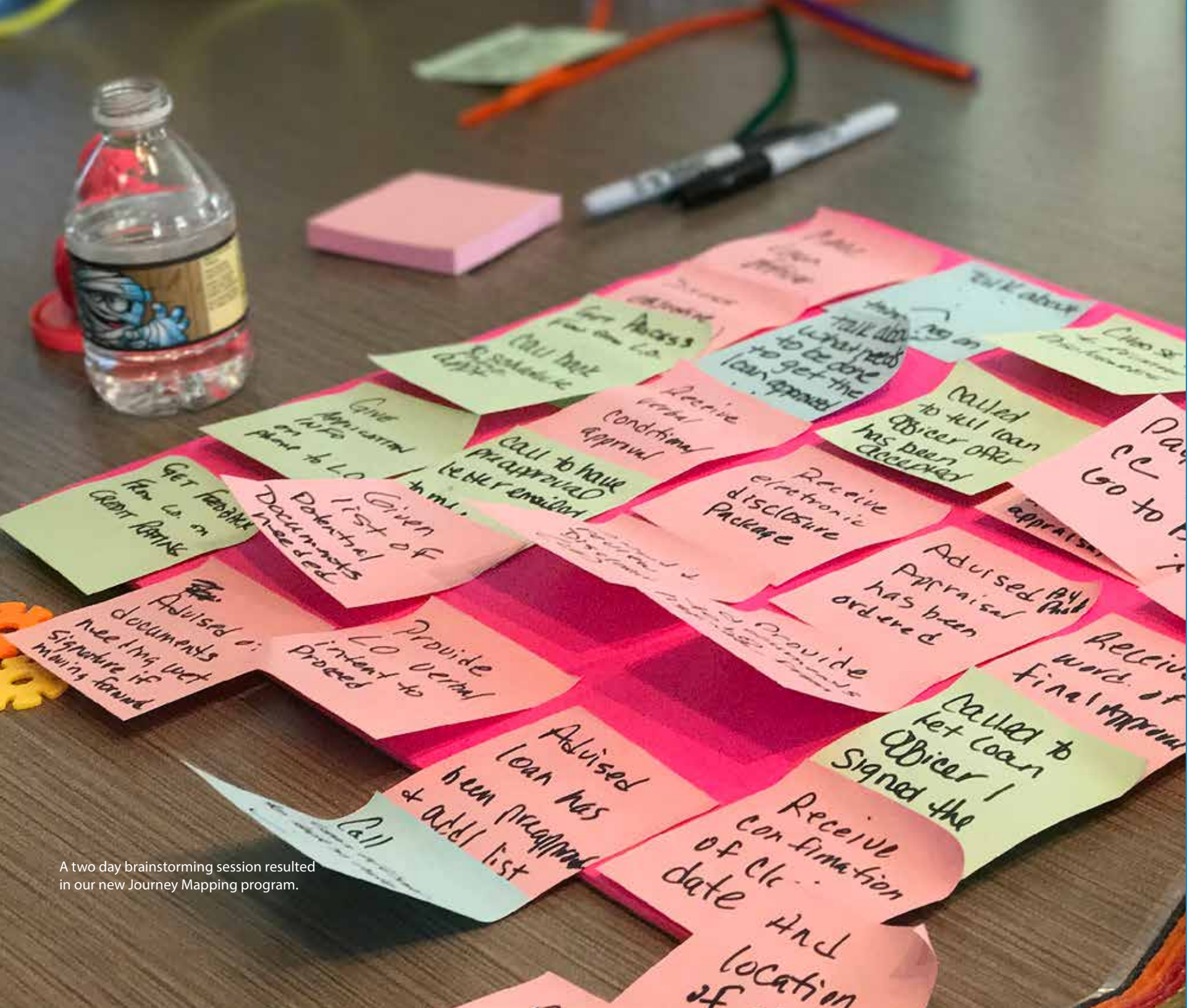
At Centra, we are Centered Around You in every stage of life. From first checking accounts to retirement planning, we are here to support our Members. See how we made a difference for our Members in 2017:

- We exceeded our goal for Member Service Scores in 2017.
- The Centra Lending Department saw a 10.65% increase in total Home Equity Loans. This means more Members than ever consolidated debt, completed home renovations and more.
- Indirect Lending increased its loan portfolio by 14.6%.
- Centra Financial Services helped more than 2,127 Members with both financial planning and insurance - a 6% increase over 2016.

In 2017, we turned the spotlight on the products and services we deliver with the introduction of the 5-in-5 Plan. It was with this plan in mind that we identified a need for more robust Member feedback and a better understanding of our Members' Experiences as they relate to our products and services.

Team Members closely examined the Centra Mortgage process in 2017 to identify potential areas of improvement. In 2018, Team Members will continue to put themselves in the shoes of Members by moving through additional banking experiences as Members would. We will also seek more Member feedback on specific experiences, such as opening an account or visiting a branch location.

What we do inside the walls of our Credit Union is important, but we also recognize that to best serve our Members, we must be involved in the communities in which our Members live and work. The Centra Foundation donated hundreds of thousands of dollars to local nonprofits and awarded 22 scholarships to high school students going to college. This is only the beginning. The Centra Foundation will continue to demonstrate the credit union mantra of "People Helping People" by providing financial and volunteer support to not-for-profit organizations located where we live and work.



A two day brainstorming session resulted in our new Journey Mapping program.

TEAM MEMBER EXPERIENCE



Team growth and training continue to allow us to better serve our members.

SUPPORT

Centra Team Members are a vital part of our existence. We recognize that to reach the large goals we have set for the next five years, we must provide the training and support required to make our Team Members successful.

In 2017, we implemented internal service surveys to gauge efficiencies in each department. While each department has strengths, we did identify places for improvement which we will work toward in 2018.

DEVELOPMENT

Team Member retention is something we are heavily focused on at Centra. In 2017, we launched a Team Member survey to assess engagement. Throughout 2018, we will be working toward increasing engagement and therefore, increasing retention. To further develop Centra leaders, a Leadership Development curriculum has been created and will be delivered throughout 2018.

LEARNING

The Centra Training Department delivered approximately 9,357 hours of live training and 25,000 hours of online training modules in 2017. The addition of a Corporate Communications Officer has given Team Members a new level of awareness and involvement through communication. These major accomplishments have put the Credit Union well on its way to reaching goals of better serving Members with more knowledgeable Team Members.

The momentum has been built and we are moving forward with Team Member Experience. In 2018, Centra will upgrade the online learning system for improved efficiency, put an increased focus on Human Resources strategy and build on the quality workforce already in place.

FACILITIES

It's our goal for our branch and ATM locations to be easily accessible, easily identifiable and inviting for our Members. We made steps in the right direction in 2017. The re-branding of our ATMs and updates at several of our Centra branches were only the beginning of this effort.

ACCESSIBILITY

GROWTH

In 2018, we will open the newest Centra location in New Albany, Indiana, complete with designs to match the most recently opened Centra branches. We are proud that the renovation of this new Centra branch was completed by a well-respected Centra Business Services Member who has been in business more than 60 years.

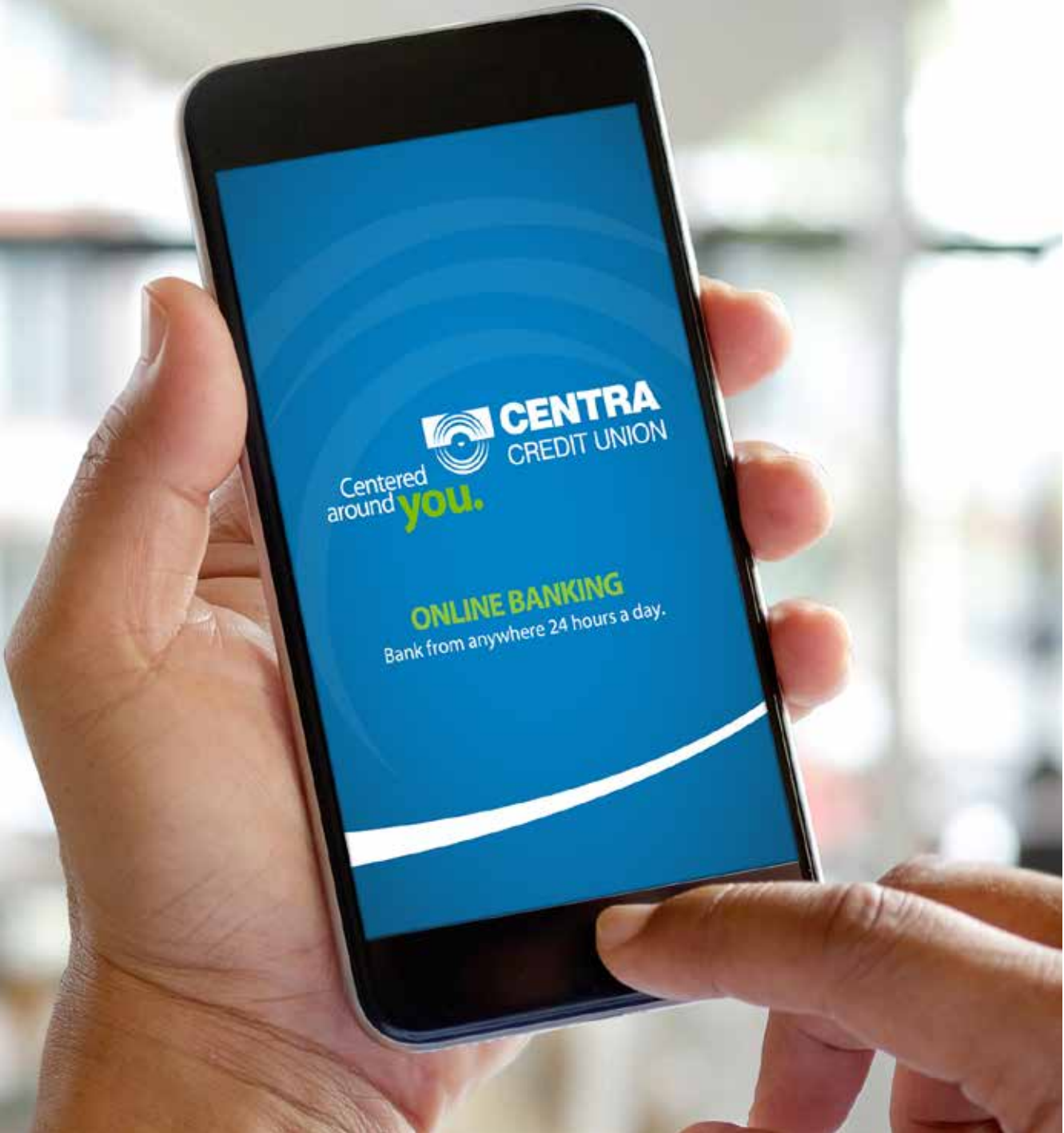
RENOVATION

Moving forward, we will increase our focus on expanding branches in convenient locations. In 2017, Centra refreshed all ATMs, updated outside signs at several locations, and began renovations at select locations such as the Seymour branch. As we expand, we will continue our commitment to keeping the Centra look and feel at all future locations so our Members will feel at home in every branch they visit.



We have extended our reach in New Albany, with another branch.

TECHNOLOGY



Our redesigned mobile banking system is all about ease of access for our members.

Evolving

Technology and the needs of our Members are consistently evolving and we are poised and ready to evolve alongside them.

Several of Centra's departments made great strides toward improving technology in 2017. The Centra Mortgage Department enhanced the benefits of a new mortgage processing system to provide Members with a quicker and simpler mortgage process. Business Services selected a vendor that will implement a Merchant Services program in 2018, as well as a vendor for a virtual vault. These new offerings just scratch the surface of what's to come in 2018.

A totally new Online and Mobile Banking System complete with a sleek, user-friendly interface

and additional capabilities launched in 2017. This update is part of a strong foundation we've built to make an even larger scale improvement and convert our entire internal system to a new, cutting-edge technology.

After implementation in May 2018, this upgraded Core Data Processing System will allow Centra to better serve Members with more personalized service and quicker, more efficient banking. As we continue with the 5-in-5 Plan, we will work to enhance all Centra technology and stay current with changing needs and available options. We will seek opportunities to adopt technology that makes managing finances easier for our Members.

Earning Trust

All the efforts we made in 2017 and the plans we have in store for the next few years are driven by the desire to retain our current Members and earn the trust and loyalty of new ones. We understand we will only achieve these goals by focusing on the needs of our current Members to deepen and strengthen our relationships with them and by offering relevant and competitive financial solutions.

In 2017, we took strides towards our goals by offering competitive product specials each quarter, eliminating more fees, marketing

creatively with campaigns like “Adulting” and implementing advanced technology. Thanks to these measures, Centra:

- Welcomed the most new Members since 2008 – nearly 4,000!
- Reached \$1 Billion in Loans
- Increased product usage by 4.4%
- Opened 4,761 new Checking Accounts
- Centra Business Services saw 12.8% loan growth and 6.3% deposit growth

2018 will be full of more of the same efforts to grow the Centra Membership and change lives along the way.



In cultivating a Team Membership that cares, our Membership is cared for.



JIM
BICKEL

TREASURER'S REPORT

Take one look at the numbers and you will see 2017 was a good year for Centra Credit Union and it was a good year for our Members and Team Members too. Centra is safe and sound. In fact we have now maintained a 5-Star Bauer Rating for 90 straight quarters.

We are proud to share we exceeded our 2017 financial goals with a record net income of more than \$14 Million – a nearly 5.4% increase over 2016. Additionally, in 2017, Centra outperformed its nationwide peer group in earnings, credit

quality, and capital levels – including being among the top 20% of peer institutions in earnings and capital. Our financials aren't the only metric that proves 2017 was a success.

We are moving full speed ahead with our 5-in-5 Plan and it shows. We've already achieved so much in our first year of the strategic plan and we're eager to do even more to make our Members' lives better through outstanding service and products.

CENTRA CREDIT UNION

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

AS OF DECEMBER 31, 2017 AND 2016

	2017	2016		2017	2016
Assets			Liabilities and Members' Equity		
Cash and cash equivalents	\$91,992,326	\$87,535,536	Liabilities:		
Interest bearing time deposits	16,127,007	51,286,997	Members' shares and savings accounts	\$1,183,365,318	\$1,155,396,036
Investment securities:			Borrowings	29,000,000	34,000,000
Available-for-sale	212,217,915	206,454,483	Other liabilities	24,909,872	8,305,369
Held-to-maturity	39,124,841	54,544,220	Total liabilities	1,237,275,190	1,197,701,405
Loans held-for-sale	1,329,875	3,018,000	Commitments and contingent liabilities		
Loans to members:			Members' equity:		
Net of allowance for loan losses	1,004,667,209	915,208,701	Regular reserve	64,719,656	58,069,720
Property and equipment	19,804,380	16,081,250	Undivided earnings	115,490,074	107,698,470
Federal Home Loan Bank stock	2,878,700	2,857,100	Accumulated other comprehensive loss	(1,137,503)	(230,333)
National Credit Union Share Insurance Fund Deposit	10,994,381	10,581,198	Total members' equity	179,072,227	165,537,857
Other assets	17,210,783	15,671,777	Total liabilities and members' equity	<u>\$1,416,347,417</u>	<u>\$1,363,239,262</u>
Total assets	<u>\$1,416,347,417</u>	<u>\$1,363,239,262</u>			

CENTRA CREDIT UNION

CONSOLIDATED STATEMENTS OF INCOME

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016		2017	2016
Interest income:			Non-interest expenses:		
Loans to members	\$36,505,532	\$31,579,893	Employee compensation and benefits	18,020,314	14,774,614
Investments	<u>6,076,357</u>	<u>4,943,745</u>	Professional and outside services	7,095,769	5,573,472
Total interest income	42,581,889	36,523,638	Office operations	5,393,142	5,211,998
Interest expense:			Office occupancy	3,033,507	2,669,929
Members' shares and savings accounts	8,144,962	6,991,548	Loan servicing	2,451,382	2,655,615
Borrowings	<u>1,133,243</u>	<u>1,296,961</u>	Other	2,211,271	2,017,628
Total interest expense	<u>9,278,205</u>	<u>8,288,509</u>	Educational and advertising	1,678,178	1,204,058
Net interest income	33,303,684	28,235,129	Indiana franchise tax	<u>531,352</u>	<u>462,745</u>
Provision for loan losses	<u>2,394,982</u>	<u>2,642,140</u>	Total non-interest expenses	<u>40,414,915</u>	<u>34,570,059</u>
Net interest income after provision for loan losses	<u>30,908,702</u>	<u>25,592,989</u>	Net income	<u>\$14,441,540</u>	<u>\$13,697,659</u>
Non-interest income:					
Fees and charges and other member fees	11,825,958	11,510,188			
Interchange income	7,577,577	7,072,681			
Insurance commissions	2,445,469	1,648,508			
Other income	1,132,051	806,046			
Gain on sale of loans	912,914	1,031,577			
Gain on sale of other assets	<u>53,784</u>	<u>605,729</u>			
Total non-interest income	<u>23,947,753</u>	<u>22,674,729</u>			

CENTRA CREDIT UNION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
Net income	\$14,441,540	\$13,697,659
Other comprehensive loss:		
Available-for-sale investment securities:		
Net unrealized holding losses on available-for-sale investment securities	(907,170)	(1,359,030)
Total other comprehensive loss	(907,170)	(1,359,030)
Comprehensive income	\$13,534,370	\$12,338,629

CENTRA CREDIT UNION

CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY

YEARS ENDED DECEMBER 31, 2017 AND 2016

	Regular Reserve	Undivided Earnings	Accumulated Other Comprehensive Income/(Loss)	Total
Balance,				
December 31, 2015	\$52,313,615	\$99,756,916	\$1,128,697	\$153,199,228
Net income	—	13,697,659	—	13,697,659
Required reserve transfer	5,756,105	(5,756,105)	—	—
Other comprehensive loss	—	—	(1,359,030)	(1,359,030)
Balance,				
December 31, 2016	58,069,720	107,698,470	(230,333)	165,537,857
Net income	—	14,441,540	—	14,441,540
Required reserve transfer	6,649,936	(6,649,936)	—	—
Other comprehensive loss	—	—	(907,170)	(907,170)
Balance,				
December 31, 2017	<u>\$64,719,656</u>	<u>\$115,490,074</u>	<u>(\$1,137,503)</u>	<u>\$179,072,227</u>

CENTRA CREDIT UNION

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016		2017	2016
Cash flows from operating activities:			Cash flows from investing activities:		
Net income	\$14,441,540	\$13,697,659	Net increase in loans to members	(95,747,635)	(109,629,291)
Adjustments to net cash provided from operating activities:			Proceeds from maturities, calls and paydowns of available-for-sale investment securities	70,725,616	80,557,313
Provision for loan losses	2,394,982	2,642,140	Proceeds from the maturities, calls and paydowns of held-to-maturity investment securities	15,210,254	20,251,186
Depreciation and amortization	1,955,485	1,869,617	Purchase of available-for-sale investment securities	(79,278,567)	(117,518,815)
Amortization of deferred loan fees and costs	4,807,059	4,780,875	Purchase of interest bearing deposits	—	(43,147,000)
Gain on sale of loans	(912,914)	(1,031,577)	Maturity of interest bearing deposits	35,159,990	69,083,546
Net amortization and accretion on investment securities	2,091,474	2,935,763	Increase in NCUSIF deposit	(413,183)	(461,077)
Changes in assets and liabilities:			Purchase of Federal Home Loan Bank stock	(21,600)	—
Other liabilities	16,604,503	4,815,759	Purchases of property and equipment	(5,678,615)	(1,958,184)
Other assets	(1,539,006)	(9,643,919)	Net cash used in investing activities	(60,043,740)	(102,822,322)
Loans held-for-sale	1,688,125	(1,411,320)	Cash flows from financing activities:		
Total adjustments	27,089,708	4,957,338	Net increase in members' shares and savings accounts	27,969,282	51,795,106
Net cash provided from operating activities	41,531,248	18,654,997	Payments on FHLB advances	(5,000,000)	—
			Net cash provided from financing activities	22,969,282	51,795,106
			Net increase/(decrease) in cash and cash equivalents	4,456,790	(32,372,219)
			Cash and cash equivalents - beginning	87,535,536	119,907,755
			Cash and cash equivalents - ending	\$91,992,326	\$87,535,536
			Supplemental Information		
			Interest paid	\$9,278,205	\$8,289,168

LOCATIONS

MEMBER SERVICE CENTERS

COLUMBUS

National Road

1430 National Road
PO Box 789
Columbus, IN 47202
(812) 376-9771

Union Street

601 Union Street
PO Box 789
Columbus, IN 47202
(812) 372-8811

26th Street

2020 26th Street
PO Box 789
Columbus, IN 47202
(812) 378-5962

SR 46 West

2165 Jonathan Moore Pike
PO Box 789
Columbus, IN 47202
(812) 376-7661

Walesboro

2010 W. 450 South
Columbus, IN 47201
(812) 342-4403

Edinburgh

11700 North U.S. 31
PO Box 158
Edinburgh, IN 46124
(812) 376-9979

SOUTH-CENTRAL INDIANA

Greensburg Plaza

1803 North Lincoln St.
Suite A
Greensburg, IN 47240
(812) 662-9392

Madison

303 Clifty Drive
PO Box 1050
Madison, IN 47250
(812) 273-8844

North Vernon

975 Veterans Drive
North Vernon, IN 47265
(812) 346-9596

Seymour

520 South Jackson Park Dr.
PO Box 363
Seymour, IN 47274
(812) 523-3230

Shelbyville

2450 E. State Road 44
Shelbyville, IN 46176
(317) 392-2100

SOUTHERN INDIANA

Clarksville Walmart

1351 Veterans Parkway
PO Box 2927
Clarksville, IN 47129
(812) 284-4180

Jeffersonville

2125 Veterans Parkway
Jeffersonville, IN 47130
(812) 288-2450

New Albany

710 Pillsbury Lane
New Albany, IN 47150
(812) 944-1325

New Albany Plaza

2150 State Street
New Albany, IN 47150
(812) 850-6300

River Ridge

450 Patrol Road
Jeffersonville, IN 47130
(812) 503-3154

Scottsburg

281 N. Gardner
PO Box 400
Scottsburg, IN 47170
(812) 752-3377

Scottsburg Walmart

1618 W. McClain
PO Box 354
Scottsburg, IN 47170
(812) 752-7010

Sellersburg

7812 State Road 60
Sellersburg, IN 47172
(812) 280-2820

INDIANAPOLIS

Carmel

11711 N. Pennsylvania,
Suite 101
Carmel, IN 46032
(317) 843-5380

Shadeland

4562 N. Shadeland Ave.
Indianapolis, IN 46226
(317) 541-1960

OUTSIDE INDIANA

Jamestown, NY

4720 Baker Street
PO Box 26
Lakewood, NY 14750
(716) 763-4405

Whitakers, NC

9377 N. U.S. 301
PO Box 100
Whitakers, NC 27891
(252) 437-9214

ADMINISTRATIVE CENTERS

COLUMBUS

Corporate Offices

3801 Tupelo Drive
PO Box 789
Columbus, IN 47202

Fox Pointe

2625 Fox Pointe Drive
Suite A
Columbus, IN 47203

Mortgage Center

70 Carr Hill Road
PO Box 789
Columbus, IN 47202

JEFFERSONVILLE

Southern Indiana Administrative Center

1990 Charlestown
New Albany Pike
Jeffersonville, IN 47130

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