Our Catalog of Services

Share Savings, plus:
- Savings Certificates
- High Yield Accounts
- Christmas Club Accounts
- IRA Accounts

Favorable Loans:
- Loans by Mail
- Preapproved Loans
- First Mortgage Loans
- Second Mortgage Loans
- Home Equity Line of Credit
- Car Loans, Personal Loans

Checking:
- Interest-bearing Accounts
- Overdraft Protection

VISA

CU-Card for ATM use

Discount Brokerage

Self-directed IRA's

US Savings Bonds
- Sell & redeem

On-Line Computer Service

Convenience Services:
- Direct Deposit
- Payroll Deduction
- Automatic Transfers
- Travelers Checks
- Money Orders

Transfers:
- Western Union Transfers
- Wire Transfers
- Telephone Transfers (limited by Regulation D to 3 per month)

Free Notary Service

Financial Counseling

New & Used Car Cost Guides

Consumer Information

At Hutchinson Only:
- Safe Deposit Boxes
- Drive-up Facilities
- After-hours Depository

HUTCHINSON
CREDIT UNION

Hutchinson Office
900 East 23rd
P.O. Box 1645
Hutchinson, KS 67504-1645
316-669-0177

Wichita Downtown Office
245 North Waco, Suite T-600
Wichita, Kansas 67202
316-266-5141

1988 ANNUAL REPORT

HUTCHINSON
CREDIT UNION

Agenda

Annual Meeting / March 11, 1989

Hospitality Hour
Call to Order
- Roll Call
- Introduction of Guests
- Approval of Minutes and Agenda .... James Woods
- Report of Board of Directors .... James Woods
- Report of Treasurer .... Loretta Fletchall
- Report of Supervisory Committee .... Ed Switzer
- Report of Credit Committee .... Kendall Griggs
- Report of the President .... Margaret Banker
- Unfinished Business

New Business
Election of Officers
Program .... Dan Glickman
4th District Congressman

"Washington Update"

Board of Directors

James E. Woods
Chairman

Richard Westphal
Vice Chairman

Loretta Fletchall
Secretary-Treasurer

James Hayes

LeRoy Broxterman

Lynn Rogers
Wichita Office

Dennis Blick
Wichita Office

Minutes of the Annual Meeting

Annual Meeting / March 26, 1988

The fortieth Annual Meeting of the Hutchinson Credit Union was held March 26, 1988 at the Hutchinson Holidome. Approximately 300 members attended.

The meeting began with a social time, an hors d'oervre buffet and music. Chairman James Woods called the meeting to order. Reverend Don Moor gave the invocation. Special guests, including Ariel Perrill, a charter member of the credit union, were introduced.

Chairman Woods presented the agenda for the meeting. Ariel Perrill moved the minutes of the 1987 Annual Meeting be approved as printed. After a second by Duane Anstine, the motion was approved.

Chairman James Woods' report highlighted the formation of the credit union in 1948, the recent merger with the Farm Credit Bank Employees Credit Union and the importance of the continued support of the membership.

The treasurer's report was presented as printed. Duane Anstine moved the treasurer's report be accepted as printed. Following a second by Irvin Strand, the motion was approved.

Supervisory Committee Chairman Ed Switzer reported a satisfactory audit of credit union records has been completed by an independent certified public accounting firm. A motion for the approval of the report was made by Mr. Switzer, seconded by John Summervill. Motion carried.

Kendall Griggs, as chairman of the Credit Committee, gave his report. The duty of the Credit Committee was explained and the number and dollar amount of loans was reported. Mr. Griggs moved his report be approved. Second by Dan McNeely. Motion carried.

Margaret Banker, President, introduced the credit union staff. Her report reminded us of the early beginnings of the credit union, the uniqueness of such an organization and the importance of the volunteers who serve.

As chairman of the Nominating Committee, Dale Keller presented the slate of nominees for the various committees. They were as follows:

Board of Directors	**Nominees**
Four to be elected-3 year term	Loretta Fletchall, Richard Westphal, Lynn Rogers and James Guy
Credit Committee	
Three to be elected-3 year term	George Sanders, Steve Schulke and John McCannon
Supervisory Committee	
One to be elected-three year term	Margaret Mullins

Mr. Keller called for nominations from the floor. Ruby Munzer moved the nominations cease and the nominees be elected by a unanimous ballot. A second was made by Kay Dundas. Motion carried.

The program was presented by Margaret Banker. The slide presentation was entitled "Our Future Begins at Forty". The birth and evolution of the Hutchinson Credit Union was the major theme.

Garth Strand conducted the drawing for door prizes.

There being no further business the meeting was adjourned.

Loretta Fletchall
Loretta Fletchall
Secretary-Treasurer

James E. Woods
James E. Woods
Chairman

Report of the Chairman

Welcome to the forty-first annual meeting of the Hutchinson Credit Union. Your presence here illustrates the democratic processes on which this organization was founded.

The past year has been both challenging and successful. Challenging as evidenced by the many financial institutions which have faced failures or bailouts. Successful as indicated by the Treasurer's report on the facing page. However, no measure of success can be as important as our members satisfaction and support. By keeping financial soundness and member satisfaction as ongoing goals, your credit union has been able to change and grow and is now providing more services to more members than ever before.

The months ahead will hold new challenges and changes. There will be a new President of your credit union. There may be a change in our building or location in response to our continued growth and to enhance our existing service. The new administration in our country will no doubt bring about changes that will have an impact on us all.

Our past has shown us that the Hutchinson Credit Union has the formula for success. Dedicated volunteers, working with a competent, professional staff towards the satisfaction of our members. This formula has served us well. With the continued support of you, the member, it will carry us into the future.

James Woods
Chairman

Democratic Control

Credit union members enjoy equal rights to vote (one member, one vote) and participate in decisions affecting the credit union, without regard to the amount of savings or deposits or the volume of business. The credit union is autonomous, within the framework of law and regulation, recognizing the credit union as a cooperative enterprise serving and controlled by its members.

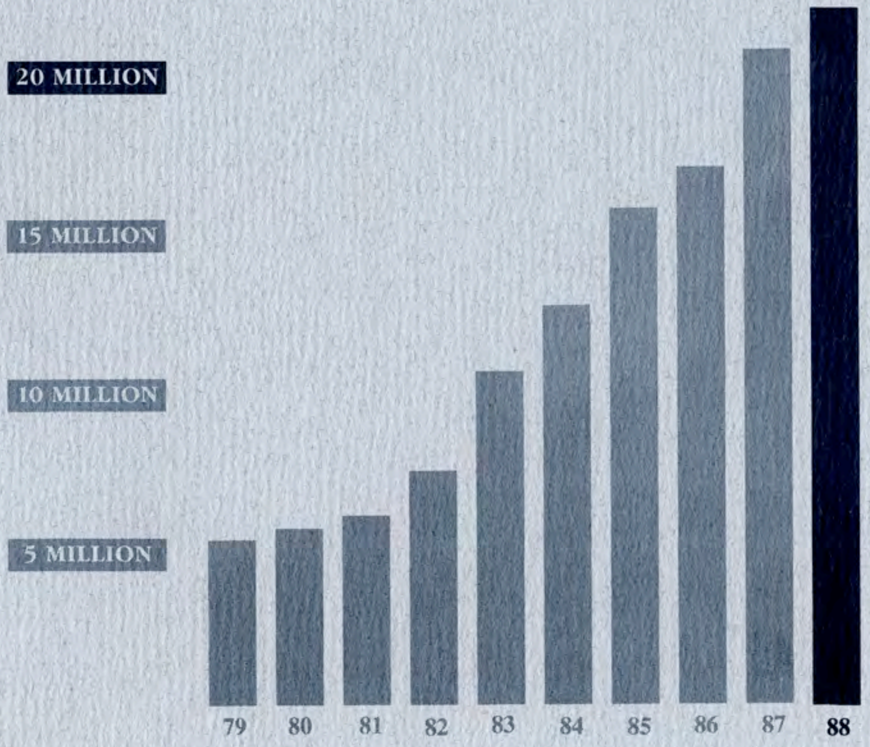
Report of the Treaurer

The actual asset, liability, income and expense totals comparing 1987 and 1988 are shown on the following pages. A total of $1,189,660.89 was returned to the members in the form of share and certificate interest. The remaining net income of $109,617.95 was placed in reserves to meet state and federal requirements. The totals also show increases as follows:

Asset Growth 10.27%
Savings Growth 9.74%
Loan Growth 30.84%

The graph at the bottom of the page indicates a long history of this kind of growth. Such success is only achievable by the credit union's commitment to service, safety, soundness and of course the support of you, the member.

Loretta Fletchall
Secretary-Treasurer



Financial Statement

YEAR END CLOSINGS

ASSETS	December 31, 1987	December 31, 1988
Cash Accounts	$ 386,063.48	$ 683,887.02
Loans to Members	13,545,994.46	17,723,539.99
Investments	5,821,921.82	3,484,430.54
Building and Land	428,000.76	409,977.36
Furniture and Fixtures	92,592.76	80,637.48
Prepaid Expenses	58,398.16	89,328.63
Accounts Receivable	0.00	20.00
Accrued Income	27,902.40	18,554.69
Total Assets	$ 20,360,873.84	$ 22,490,375.71
LIABILITIES		
Total Shares	$ 10,754,095.32	$ 11,714,230.25
(Regular Shares)		
(Christmas Club)		
(Club Shares)		
(High Yield)		
(IRA)		
Share Certificates	6,559,866.46	6,868,643.69
Expandacheck	1,848,980.01	2,447,045.40
Accounts Payable	22,649.71	181,613.71
Reserves	842,028.50	884,731.74
Undivided Earnings	218,079.30	285,031.96
Unearned Interest	115,174.54	109,078.96
Total Liabilities	$ 20,360,873.84	$ 22,490,375.71

Distribution of Income

INCOME	1987	1988
Interest of Loans	$ 1,421,849.03	$ 1,742,725.40
Income from Investments	406,423.05	396,616.40
Other Income	190,761.25	202,722.92
Total Operating Income	$ 2,019,033.33	$2,342,064.72
OPERATING EXPENSES		
Compensation	$ 292,035.52	$ 331,419.76
Employee Benefits	53,416.47	55,290.94
Travel and Conference Expense	6,397.83	12,325.23
Association Dues	16,870.83	16,265.53
Office Occupance and Operations	222,644.74	258,356.78
Education and Promotion	29,088.79	40,521.11
Loan Servicing	12,502.70	11,417.99
Professional Expense	107,138.05	132,647.36
Provision for Loan Losses	81,200.00	74,400.00
Members Insurance	20,616.78	55,598.57
Supervisory Expense	6,270.99	6,898.49
Interest on Borrowed Money	1,915.44	21,798.71
Annual Meeting Expense	9,761.92	14,257.39
Miscellaneous Expense	10,013.10	11,588.02
Total Expenses	$ 869,873.16	$ 1,042,785.88
Gross Earnings	$ 2,019,033.33	$ 2,342,064.72
Less Operating Expense	(869,873.16)	(1,042,785.88)
NET OPERATING INCOME	$ 1,149,160.17	$ 1,299,278.84
Non-Operating Income	59,350.26	0.00
NET INCOME BEFORE DIVIDENDS	$ 1,208,510.43	$ 1,299,278.84
Less Dividends on Shares	(575,816.09)	(718,371.37)
Less Certificate Dividends	(484,320.60)	(471,289.52)
NET INCOME TO RESERVES	$ 148,373.74	$ 109,617.95

Report of the Supervisory Committee

A professional firm of Certified Public Accountants was again employed to conduct an audit of all credit union records. In accordance with generally accepted auditing standards, each asset, liability, income and expense account was tested. The final report indicated all records and documentations are accurate.

An audit by the Kansas State Department of Credit Unions is a part of the annual check on the business of the credit union. Due to the merger of the Farm Credit Bank Employees Credit Union with Hutchinson Credit Union in 1987, the National Credit Union Administration (NCUA), our national share insurance agency, also performed an audit of the merged credit unions.

The three audits each indicated all books to be in balance, loan portfolios accurate and well kept, and the financial status of the credit union well above average.

With these proper checks and balances, the credit union is again in a position to move forward into the coming year.

Ed Switzer,
Chairman

Supervisory Committee
Maggie Mullins, Ed Switzer, *Chairman*; Warren Peterson

Report of the Credit Committee

	1987	1988
Total Number of Loans	4,707	8,992
Total Dollar Volume of Loans Made	$8,048,901	$12,438,768
Number of Loans Made Since April 1, 1948	44,522	53,514
Total Dollar Volume of Loans Since April 1, 1948	$61,570,335	$74,009,103
Loans Charged-Off Since 1948	$251,859	$265,942
Recoveries From Charged-Off Loans	$23,337	$24,499

One of the goals of your credit union for 1988 was to increase the total loan volume and meet the members' credit needs by offering reasonable and competitive consumer loan rates. This goal was accomplished by providing more readily available loans as the highest priority to the members of the credit union.

The total number of loans made in 1988 was up 91% from a year ago. The total dollar volume of loans made in 1988 was up 55% from last year.

The credit committee's basic function in the credit union is to monitor and review loan advances and documentation in accordance with the Kansas Credit Union By-Laws, Kansas Statutes and Regulations, and By-Laws and Policies as established by The Board of Directors. Your credit committee maintains the utmost confidentiality to its members and the credit union as a whole.

Lee A. Spence,
Chairman

Steve Schulke

John McCannon

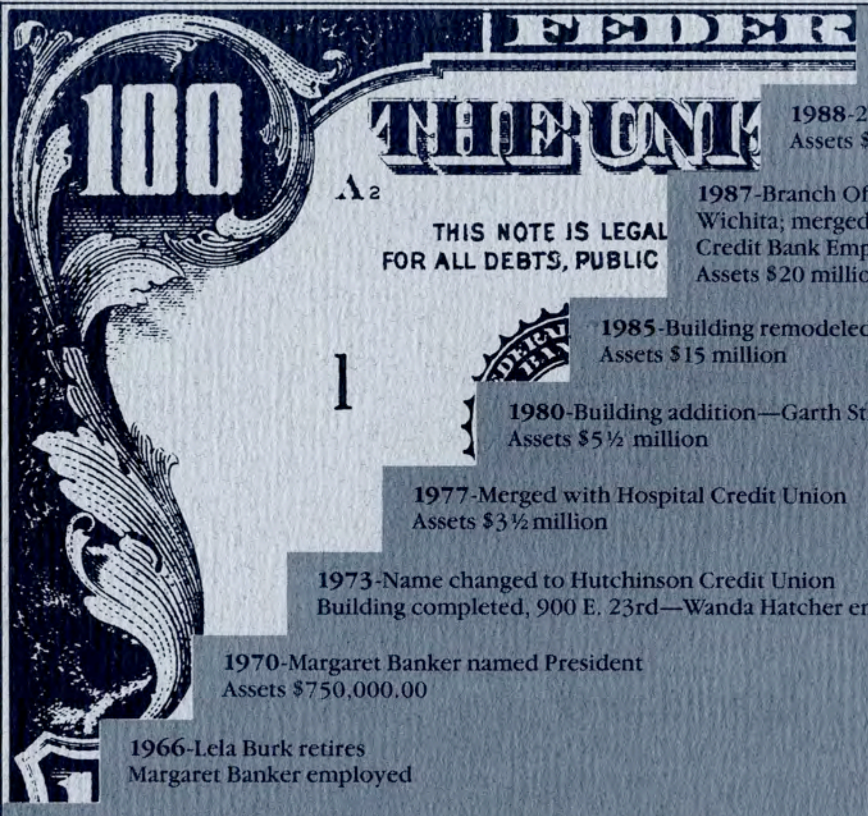
Credit Committee
Kendall Griggs; George Sanders; Lee Spence, *Chairman*

Highlights

In 1949 - 115 Members, 11 Loans—Income $89.00, Expenses $88.47
Total Loans $1,326.08

In 1989 - 8,292 Members—Income $2,342,064.00
Operating Expense $1,042,785.00—Dividends $1,189,660.00
Total Loans $17,584,519.00

Steps to Success



1989-????

1988-21 Employees
Assets $22+ million

1987-Branch Office in Wichita; merged with Farm Credit Bank Employees C.U.
Assets $20 million

1985-Building remodeled
Assets $15 million

1980-Building addition—Garth Strand employed
Assets $5½ million

1977-Merged with Hospital Credit Union
Assets $3½ million

1973-Name changed to Hutchinson Credit Union
Building completed, 900 E. 23rd—Wanda Hatcher employed

1970-Margaret Banker named President
Assets $750,000.00

1966-Lela Burk retires
Margaret Banker employed

1948-Hutchinson Teachers Credit Union organized
Assets $315.00 approximately

From Margaret

Last year, our 40th Anniversary, we said we were ready to move into the next century together. Our theme then was "Our future begins today".

And we did begin our future by reviewing our past. It was informative and fun. What a wonderful past it has been for me to serve you for 23 years. The steady growth of this credit union is evidence of the cooperation and support from the membership, the volunteers and the staff to provide the best financial place of business available to the members.

In this year of change through the democratic process in our government, it is good to know each credit union member may enjoy equal rights to vote and participate in the decisions affecting the credit union. At this, our annual meeting, we exercise that privilege as we vote on our representatives for leadership. Congressman Glickman is here to give us the latest message from our Capitol, and we are free to listen.

Ownership makes a difference and causes credit unions to be unique. Perhaps that helps to explain the growth and trust within the credit union system.

I am proud to be a part of this system, as I am proud to have been your employee for these past years. It has been a fantastic experience and I have loved working with and for such wonderful people.

1989 will bring changes --- a new President certainly. Possibly a change in location to better serve our growing needs, regulatory changes and changes in the local financial climate.

What a busy, exciting year is ahead. I am confident this credit union will meet the challenges ahead and continue into the future as a leader in the financial market place.

Thanks --- and God bless!

Margaret Banker
President