

## *CEO's Annual Report*

During 2005 we took an important step forward, not only in moving into our own building, but also in developing and implementing our operating philosophy. Our shared vision states that: "As the credit union of choice, we "*Share the Advantage*" regarding the benefits of membership. We focus on being the primary financial institution for our members/owners, the employer of choice for our employees, and the model of service and integrity for our business and industry."

As a member of Share Advantage Credit Union you have chosen the credit union to be your financial institution. On behalf of the directors and staff we appreciate your confidence and support. What can we do to help you achieve your financial goals?

I think that it is important for you to see the accomplishments that your credit union achieved during 2005. The following is a partial listing of our accomplishments:

- *Shared vision stated* - As the credit union of choice, we "*Share the Advantage*" regarding the benefits of membership. We focus on being the primary financial institution for our members/owners, the employer of choice for our employees, and the model of service and integrity for our business and industry.
- Core values of *Service, Integrity and Trust* established.
- Member lending of \$7.8 million exceeded our goal by over \$300,000 and was over \$1.3 million more than 2004!
- 2005 Net Income of \$58,347 exceeded our budget by \$13,755, and included additional reserves for loan losses of \$11,000. This was over \$170,000 greater than 2004!
- Regulatory net worth increased to 7.51%.
- The following strategic relationships were added or expanded:
  1. Envoy's - added 3 new volunteer Envoys
  2. Credit Union Direct Lending Network added, which now includes a majority of Duluth-Superior new automobile dealers.
  3. Land-Home Financial Services, Inc. added to assist in the processing and underwriting of first mortgage loans

Share Advantage Credit Union - *Finding new ways to serve the members' financial needs - Today, Tomorrow, and the Future.* What can we do for you today? *Share the Advantage* with your family and friends!

Knut F. R. Hovde  
President & Chief Executive Officer