



## ECONOMIC UPDATE

The U.S. economy still perplexes the economic “experts.” Frankly, they have good reason to be confused as the economy continues to behave in a manner that does not conform to accepted economic theory. The almost daily erratic variances in the stock and bond markets are not helping the situation. There is a lot of anxiety and that seems to be evident in the fact that consumers have not yet begun to increase their spending.

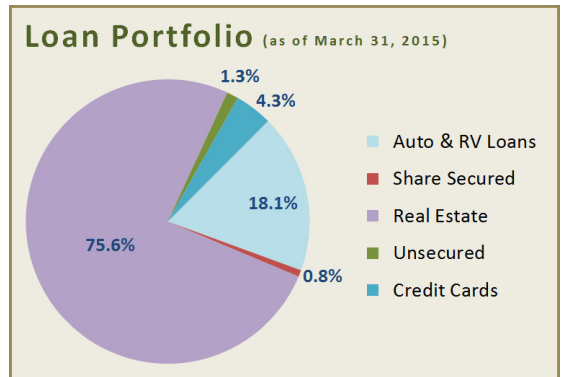
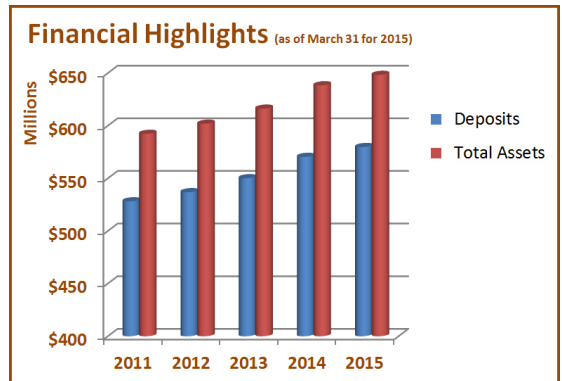
The most significant question in the minds of most people who watch the changing conditions of the economy is when the Federal Reserve Bank’s Federal Open Market Committee (FOMC) will begin to push rates upward. The FOMC has met the unemployment goal of 5.5% but is well short of the 2% inflation standard. There is substantial disagreement amongst economists on whether or not rate increases will hurt the economic recovery, but a lot will depend on when and how fast the rate increases occur. However, one certainty is that lending rates will rise before deposit rates.

Most economic watchers seem to agree our economy is in much better shape than all other major countries with the exception of China which continues to be the world’s fastest growing country based on Gross Domestic Product (GDP). California’s economy, which would have the 7th largest growing economy if it were its own country, is in much better shape than a few years ago. The impact of the drought has been limited, thus far, to high unemployment in the agricultural sector which only represents a small proportion of the state’s job market and only 2% of the state’s GDP. However, higher prices on many key grocery items are expected over the next few years which will affect everyone’s wallet.

Locally, the three counties (Contra Costa, Alameda, and Solano) within your Credit Union’s membership service area have benefited from the upsurge in the technology industry. Technology has accounted for a significant proportion of the increased demand for housing and service industries (e.g. restaurants, transportation, and entertainment businesses) which has boosted job growth and increased tax revenues for local governments.

Your Credit Union continues to focus on providing the superior service that members expect and deserve. Please remember to tell your relatives and friends that still have their accounts at a bank that it just doesn’t make financial sense to do so. Contra Costa FCU offers truly lower fees, lower loan rates, higher interest on deposits, and most importantly, your best financial interest at heart.

Key Figures (as of March 31, 2015)	
Assets	\$648,355,573
Deposits	\$579,771,401
Loans	\$181,255,432
Capital Ratio	10.18%
Branch Locations	6
Co-op ATMs	30,000
CCFCU ATMs	10
Members	27,232
Employees	60



Statement of Condition	
as of: March 31, 2015	
Loans (net)	\$179,202,959
Investments & Cash	448,073,014
Fixed Assets (net)	1,980,058
Other Assets	19,099,542
<b>Total Assets</b>	<b>\$648,355,573</b>
Member Shares	\$579,771,401
Liabilities	2,581,669
Member Capital	66,002,503
<b>Total Liabilities &amp; Equity</b>	<b>\$648,355,573</b>

Income Statement	
Year To Date as of: March 31, 2015	
Loan Interest Income	\$1,810,300
Investment Interest Income	874,186
Non-Interest Income	457,443
<b>Total Income</b>	<b>\$3,141,929</b>
Operating Expense	\$2,266,512
Dividends Paid To Members	378,101
Provision for Loan Losses	(200,000)
<b>Total Expense</b>	<b>\$2,444,613</b>
Non-Operating Income (Expense)	-
<b>Net Income</b>	<b>\$697,316</b>

