CAP COM was founded to help people make better financial decisions. With unwavering commitment, we continually look for ways to take that promise one step further.

The number of online bankers enjoying 24/7 account access has nearly doubled over five years to 62,000. Mobile app usage has quadrupled, and more than 42,000 members bank on the go. These tech savvy members are equally divided among the Millennial, Gen X and Baby Boomer generations.

We’ve invested in cutting-edge digital technology so you can use your mobile device for everything – from depositing a check, to finding, purchasing and financing the car of your dreams. Each day, our online and mobile channels receive more than 30,000 logins.

When you need to come into a branch, you’ll find that our buildings have adapted to welcome a more modern consumer. Renovations of our Latham Branch as well as the relocation of our North Greenbush Branch in a larger, more convenient location are two recent examples.

We are more than just a financial institution. As your trusted resource, we are here to help make banking easier. Staff are trained to make sure they provide you with the best member experience. In fact, during 2016, nearly 10,000 hours were devoted to staff training.

We are honored when you recognize us with awards that put us among the best companies in the Capital Region. Our job isn’t done until you leave our office smiling, reassured or living your dreams.

On behalf of the Board of Directors, thank you for your support. We look forward to continued success.

Edward A. Gilligan, Board Chairman
At CAP COM, we work to serve and delight our members, living our promise each day to take the member experience one step further.

What does this mean for you? It means that we will continue finding new ways to make it easier for you to rely on CAP COM for all your banking needs.

For some, that’s a new branch location, like the one we opened in North Greenbush in January. Our former branch served us well for more than 13 years but we had outgrown it. Now, our North Greenbush members enjoy a larger, modern facility that is just down the road with plenty of parking.

Earlier in 2016, we opened a similar branch on Route 9 in Malta, helping us bring convenience much closer to home for those of you in northern Saratoga County. We continue to look for areas where we can expand our reach and we expect to make an announcement in 2017 regarding additional branch locations.

Taking it one step further also means putting the physical branch experience right at your fingertips – no matter where you are. Keeping pace with a digital world, we are industry leaders when it comes to mobile and online banking products. We are excited about new enhancements in 2017.

In January, we replaced antiquated phone software that was no longer supported by the manufacturer with an upgraded phone system, giving you faster access to staff and easier self-service options for basic information and transactions. The phone is our lifeline and change in this area can be hard, but this change gave us more tools to serve you better. Our staff was there throughout the transition, carefully listening to your feedback and guiding you every step of the way.

I am most proud of the products and services we offer – among the best in our industry – for every one of your life stages.

More than 13,000 young school bankers are saving money and learning the importance of hard work at school. Our unique College Bound Program counsels thousands embarking upon the journey toward higher education and helps manage the financial impact this journey has on your family.

From buying your first car to the wonderful opportunity a home purchase brings, CAP COM and our Homeowners Advantage team make it easy and enjoyable for you. And, finally, when you are at the point of considering retirement, our team of experienced, nationally recognized advisors at CAP COM Financial Services can answer all your questions, including those on Medicare choices.

During 2017 our CAP COM Cares Foundation will surpass the $3 million mark in giving back to those who need us in the Capital Region. We can only accomplish this with fundraising efforts and your tremendous support of our BIG Benefit Raffles. On Page 7 of this report, you’ll be able to see just a few of the ways your generosity had an impact on our community.

It continues to be my honor to lead this tremendous organization into the future as we keep taking it one step further. Hard work is made easier by the collaboration of great teams. The partnership between our employees, Board, volunteers and membership continues to be a thriving example of the member-owned cooperative model on which our industry was founded and continues to thrive in today.

Paula A. Stopera, President/CEO
## Consolidated Statement of Financial Condition

**CAP COM FEDERAL CREDIT UNION AND SUBSIDIARIES**  
Consolidated Statement of Financial Condition  
December 31, 2016  

### 2016  
(Unaudited)

### ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 25,912,600</td>
</tr>
<tr>
<td>Investments</td>
<td>45,573,156</td>
</tr>
<tr>
<td>Loans held for sale, at market value</td>
<td>4,475,195</td>
</tr>
<tr>
<td>Loans to members, net of allowance for loan losses</td>
<td>1,226,758,632</td>
</tr>
<tr>
<td>Premises and equipment, net</td>
<td>49,981,028</td>
</tr>
<tr>
<td>NCUSIF deposit</td>
<td>11,218,377</td>
</tr>
<tr>
<td>Goodwill and other intangible assets, net</td>
<td>6,331,318</td>
</tr>
<tr>
<td>Other assets</td>
<td>25,165,896</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$ 1,395,416,202</strong></td>
</tr>
</tbody>
</table>

### LIABILITIES AND MEMBERS’ EQUITY

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits</td>
<td>$ 1,204,201,229</td>
</tr>
<tr>
<td>Borrowed funds</td>
<td>16,059,039</td>
</tr>
<tr>
<td>Accrued expenses and other liabilities</td>
<td>26,864,919</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>1,247,125,187</strong></td>
</tr>
<tr>
<td>Total members’ equity</td>
<td>148,291,015</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND MEMBERS’ EQUITY</strong></td>
<td><strong>$ 1,395,416,202</strong></td>
</tr>
</tbody>
</table>
# Consolidated Statement of Income

## CAP COM FEDERAL CREDIT UNION AND SUBSIDIARIES
Consolidated Statement of Income
For the Year Ended December 31, 2016

### INTEREST INCOME
- Loans to members $50,533,647
- Securities and investments 1,250,737
- Overnight deposits and other 104,049

Total interest income 51,888,433

### INTEREST EXPENSE
- Deposits 5,768,072
- Borrowed funds 247,327

Total interest expense 6,015,399

Net interest income before provision for loan losses 45,873,034

### PROVISION FOR LOAN LOSSES
Net interest income after provision for loan losses 39,123,034

### NONINTEREST INCOME
- Commissions and member service fees 7,608,615
- Card interchange fees 7,775,205
- Mortgage banking income 7,917,467
- Investment and brokerage services 2,359,567
- Insurance premiums 2,150,377
- Net gain on investments 180,905
- Other 405,267

Total noninterest income 28,397,403

### NONINTEREST EXPENSE
- Compensation and employee benefits 31,061,543
- Office operations 3,891,919
- Loan servicing 2,045,768
- Card servicing 4,184,319
- Office occupancy and equipment 4,568,653
- Marketing and promotions 1,514,704
- Data processing 3,315,738
- Professional fees and services 2,307,275
- Other 1,801,624

Total noninterest expense 54,961,543

### CONSOLIDATED NET INCOME
$12,828,894
CAP COM’s fiscal strength can be attributed to the balanced and careful manner in which we manage growth. We know that every step we take affects your wallet, as well as ours. So, we watch our balance sheet as we would our own household budgets.

We proudly report a strong growth in assets at the end of 2016 to $1.4 billion and we continue to achieve the highest designation for capitalization from our federal regulators, the National Credit Union Administration. We added to our loan portfolio producing a $150 million increase in loan balances that included a mix of home and auto loans, credit cards and commercial member business loans.

Several years of steady growth provides a strong foundation from which to consider future expansion of products, services and branch locations, as well as offer you competitive loan and deposit rates. We will continue to weigh every decision with careful consideration of the impact to our members.

Thank you for placing your trust in us.

David Jurczynski, Executive Vice President/Chief Financial Officer

CAP COM’s Supervisory Committee is made up of volunteers appointed by the Board of Directors. Working in partnership with CAP COM’s Internal Audit Department, we are committed to making sure your funds and interests are protected and that the Credit Union’s financial condition is fairly and accurately represented.

The committee chose the CPA firm of Crowe Horwath, LLP to perform the audit for the year ending December 31, 2016. The audit is being conducted in accordance with generally accepted auditing standards, which requires that it be planned and performed in order to obtain reasonable assurance that the financial statements are free from material misstatement. This audit also assesses the operations of the Credit Union and determines that no material weaknesses exist.

The results provide us with the confidence that the Credit Union is safeguarding members’ assets, is in compliance with applicable regulations and is following policies and procedures approved by the Credit Union Board of Directors.

A copy of the Consolidated Financial Statements, including the Independent Auditor’s Report may be obtained from the Credit Union upon written request. In addition to these audits, the National Credit Union Administration (NCUA) performs a periodic regulatory examination.

Please notify us of any situations you feel were not handled to your satisfaction. Our dedicated Post Office Box address can be found in your Lines of Communication newsletter.

On behalf of the members of the Supervisory Committee of the Internal Audit Department, thank you for your trust in CAP COM.

Marty Finn, Chairman
Giving makes the heart grow stronger

Donated over $2.9 million since inception

- 350 families shared a Thanksgiving meal
- 30 volunteers went back to school shopping
- 250 organizations supported
- 750 backpacks filled with school essentials
- 37 scholarships awarded every year
- 350+ winter jackets provided to children
- 2 round-trip airfare provided to reunite military families

Thanks to the help of generous donors and community partners like you, we are proud to share a snapshot of some ways we were able to have an impact on the community in the past year. Thank you for helping us change lives!

Through the YMCA’s Running Start program, 30 CAP COM volunteers partnered with a child from the YMCA to help them with back-to-school shopping.
Board of Directors
Edward A. Gilligan – Chairman
Patrick Kelly – First Vice Chair
Harold Hornig – Second Vice Chair
Daniel Johnson – Secretary
Paula A. Stopera – Treasurer
Mark Marchand – Director
James Thomas – Director
John Ericson – Director
William Fitzpatrick – Director

Supervisory Committee
Marty Finn – Chairman
Kyle Rueckert – Vice Chairman
Paul Dettenrieder – Secretary
James Thomas – Member
Lou Anne Bigaouette – Member
George Lenhardt – Associate Member
Judy Sogoian – Associate Member

CAP COM Board of Managers
Patrick Kelly – Chairman
Mark Marchand – Vice Chairman
David Jurczynski – Treasurer
Paula A. Stopera – Member
Robert Davis – Member
Chip Lawrence – Member
George Lenhardt – Member
Judy Sogoian – Member
John Ericson – Member

Senior Management
Paula A. Stopera – President/CEO
David Jurczynski – EVP/CFO
Diana VanAmerongen – Chief Banking Officer
John Shartrand – Chief Investment Officer
CAP COM Financial Services
Chris McKenna – Chief Lending Officer
Edward Glenning – Chief Technology Officer
Johanna Robbins – VP of Finance
Robert Roemer – VP of Innovation & Project Management
Sharon Phillips – VP of Strategic Marketing & Public Relations
Ginny VanAmburgh – VP of Lending
Arthur G. Chuang – VP of Loan Servicing and Loss Mitigation
Julie Hughes – VP of Corporate Services

Locations
Albany
4 Winners Circle
Brunswick
799 Hoosick Road (Route 7)
Clifton Park
1744 Route 9
Cohoes
219 Ontario Street
Colonie
341 New Karner Road (Route 155)
Glenmont
384 Bender Lane
Latham
4 Century Hill Drive
Malta
2439 Route 9
Niskayuna
582 Balltown Road
North Greenbush
100 Van Rensselaer Square (near Routes 4 and 43)

Contact Us
Member Service Center  (518) 458-8986
(800) 634-2340
CCFCU Fax    (518) 458-2261
Corporate Headquarters (518) 458-2195
(800) 468-5500

Online & Mobile Banking
www.capcomfcu.org

Federally insured by NCUA