

# Sound Shows Strength in Difficult Times

Funds deposited with Sound Credit Union are insured by the National Credit Union Administration (NCUA) and are backed by the United States Government. As a result of financial difficulties nationwide, the NCUA has temporarily increased share account insurance through December 31, 2009, to \$250,000. Retirement accounts (IRAs) continue to be insured separately for up to \$250,000. You may have additional coverage on multiple accounts based on different account ownership. To read more about your insurance coverage, visit their website at [www.ncua.gov](http://www.ncua.gov).

*A message from  
Richard C. Brandsma,  
Sound Credit Union  
President & CEO*



SOUNDCU.COM  
253.383.2016  
800.562.8130



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While negative market conditions are impacting many, we want you to know that Sound continues to be strong and stable. Over the years we have worked hard to build and maintain an excellent financial foundation and as a result we have money to lend and are offering competitive yields on deposit accounts during these difficult times.

But don't just take our word for it. Take a moment to review the enclosed September 30, 2008, consolidated financial statement to see how Sound continues to build income and capital to remain strong.

We are "well capitalized" as determined by the National Credit Union Administration (NCUA) and our capital position and net income continue to grow. Our Capital/Net Worth ratio is 10.98%. The NCUA requires a Capital/Net Worth ratio of at least 7% to be considered well capitalized.

We also want to re-assure you that there is no correlation between Sound Credit Union and the stock market. We are owned by you, our members, not by a group of stock holders or the general public.

In all areas of our business we are in excellent shape and are well positioned to face the future with strength and stability. If you would like more information about Sound's or any other credit union's financial condition, visit [www.ncua.gov](http://www.ncua.gov).

## *Statement of Income & Expense*

	12 months ending	12 months ending
<b>Income</b>	<b>09/30/07</b>	<b>09/30/08</b>
Interest on Loans	14,312,815	17,172,735
Other Income	12,390,912	13,027,054
<b>Total Income</b>	<b>26,703,727</b>	<b>30,199,789</b>

## **Expenses**

Operating Expense	12,161,484	12,825,032
Provision for Loan Losses	648,541	1,524,303
Dividend & Interest Expense	8,452,472	9,175,893
<b>Total Expenses</b>	<b>21,262,497</b>	<b>23,525,228</b>

Net Income	5,441,230	6,674,561
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## *Statement of Financial Condition*

<b>Assets</b>	<b>09/30/07</b>	<b>09/30/08</b>
Net Loans	229,365,798	259,535,416
Cash & Investments	110,584,694	131,557,341
Land, Building & Equipment	13,210,688	15,414,205
Other Assets	9,033,248	7,947,893
<b>Total Assets</b>	<b>362,194,428</b>	<b>414,454,855</b>

## **Liabilities & Equity**

Liabilities	28,578,436	37,260,361
Savings & Checking	146,009,759	151,189,055
Other Deposits	147,880,461	180,538,321
<b>Total Deposits</b>	<b>293,890,220</b>	<b>331,727,376</b>
<b>Total Equity</b>	<b>39,725,772</b>	<b>45,467,118</b>
<b>Total Liabilities &amp; Equity</b>	<b>362,194,428</b>	<b>414,454,855</b>