

Financial Current

A PUBLICATION OF *Kitsap Credit Union*



JULY 2009

CEO Update

In keeping with our promise of providing services members want including better access to their money in more places where they live and work, I am pleased to announce that we will be opening the doors of our new Silverdale Highlands branch and office complex in late July.

This three story facility at Ridgetop Boulevard and Myhre Road is the culmination of our efforts to re-establish a second Silverdale location to meet the expanding needs of the large number of current and prospective members who live, work and shop in the north side of town. It will house a branch, our home loan and member business lending departments.

Be watching for a mid August formal grand opening celebration of the Highlands complex in local media. The celebration will include the introduction of an exciting new high rate checking account. "Stay tuned" for more information!

In other news, despite a weakened economy, Kitsap Credit Union continued to experience high levels of member loan originations through the first five months of the year. Vehicle lending

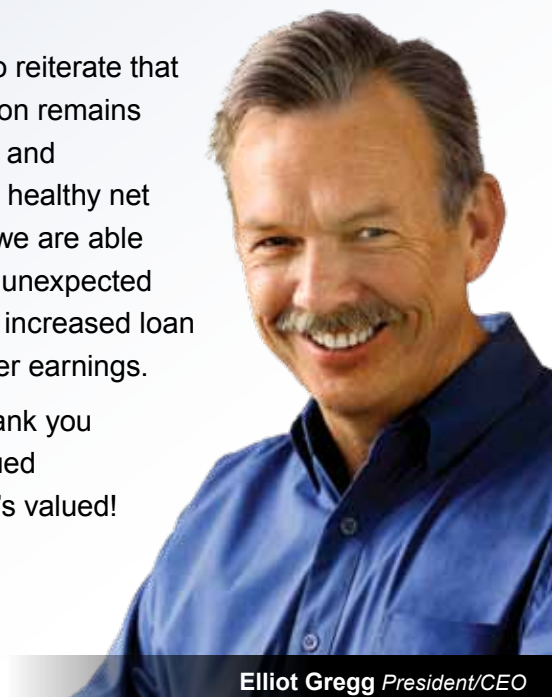
led the way during that period with \$109.4 million in fundings, followed by \$56.6 million in real estate loans. We pledge to continue our conservative approach and sound underwriting principles when granting member loans during these challenging economic times.

"We pledge to continue our conservative approach and sound underwriting principles..."

Members have also consistently looked to KCU as a safe haven for their investments. We realized \$67.4 million of new deposits into our various insured savings accounts through May.

Finally, I wish to reiterate that your Credit Union remains well capitalized and because of this healthy net worth position we are able to address any unexpected events such as increased loan losses and lower earnings.

As always, I thank you for your continued membership. It's valued!



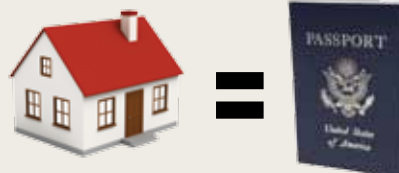
Elliot Gregg President/CEO



Michelle Member

More Than A Home It's Travel

Use the equity in your home to take the vacation of your dreams.



Call or visit us to ask about a Home Equity Loan today.



Kitsap Credit Union In The Community

at the following events!

July 4
Kingston 4th of July
Parade and Celebration

July 10
Homebuilder's Association
of Kitsap County Annual
Golf Tournament

July 14 & 15
AARP Driver's Safety
Class

July 24 & 25
Whaling Days

July 28
Poulsbo Regal Cinema
Family Film Festival

August 4
Silverdale Regal Cinema
Family Film Festival

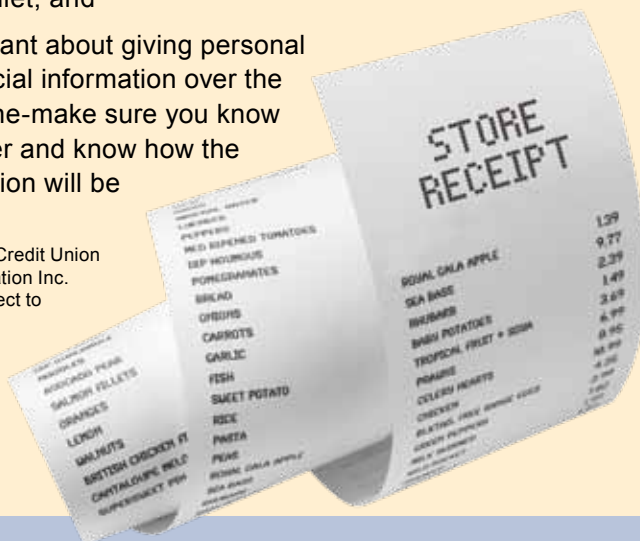
Carelessness Can Cost You

Many Americans are concerned about someone stealing their credit card, check, or debit card numbers, but they may be ignoring one easy way thieves can access financial accounts: receipts.

Disregarding receipts that have valuable information greatly increases the risk of credit and debit card fraud. Thieves easily can find receipts with valid account numbers in trash cans. Some steps you can take to prevent thieves from stealing your financial information:

- Shred all preapproved credit offers, credit and debit card receipts, insurance forms, financial statements, and other paperwork containing personal and financial information;
- Check Credit Union statements and other financial statements monthly for discrepancies and order a credit report once a year to make sure no one else is using your personal information to obtain credit cards or services;
- Don't print your Social Security number on your checks and don't carry your Social Security card in your wallet; and
- Be hesitant about giving personal or financial information over the telephone-make sure you know the caller and know how the information will be used.

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Member Account Verification

As a member-owned financial cooperative, our highest priority is to ensure the safety and soundness of your Credit Union and its assets. This includes consistently evaluating the adequacy and effectiveness of Kitsap Credit Union's internal controls. The Supervisory Committee is the entity charged with this oversight responsibility. The Committee is comprised of trained volunteers who are Kitsap Credit Union members and who report directly to you, our member-owners.

One of the many control testing methods completed each year is the annual Member Account Verification. The Supervisory Committee has engaged Clifton Gunderson, LLP Certified Public Accountants, to complete the annual audit of Kitsap Credit Union accounts. In conjunction with the audit, the auditors will select a sample of members' share/savings and loan accounts to verify the account balances as of June 30, 2009, directly with account owner by letter. If your account has been selected as part of the auditing process, you will receive a letter from Clifton Gunderson, LLP requesting information on a designated account. We appreciate your help with the Account Verification; it helps maintain our 75-year history of being a safe, sound, and secure financial cooperative.

Managing Your Finances in a Slow Economy

With constant media reports on the state of the economy some people may be worried about how to manage their financial obligations. While we may not have control over the economy, we do have control over the actions we take to prepare for unexpected financial events.

Kitsap Credit Union wants to help our members maintain sound financial footing in the rocky landscape of our nation's current

economy. One of the tools we provide free to all members is the BALANCE Financial Fitness Program. The professional financial counselors at BALANCE can help you develop a workable spending and savings plan, make a plan for getting out of debt, understand and improve your credit report, or plan for your financial future. Contact a BALANCE counselor by calling (888) 456-2227, or check out the online resources through our website: kitsapcu.org.

