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My favorite memory of 2019 was winning the Corporate Central flag football tournament, after not winning a game the year before!

#HometownCulture

OUR CORE VALUES

![Pyramid Diagram with Core Values: Service, Respect, Teamwork, Honesty, Integrity]
INVESTING IN A “HOMETOWN FUTURE.”

We’re making the right choices to stay local!

Shoreline Hometown Credit Union has spent the past four years making organization-wide changes to ensure we live up to our Hometown brand. Local leadership and community support has been a vital component of our existence and purpose. After 80 years of many credit unions being headquartered here in Manitowoc County, we are proud to stand as one of the last two local credit unions who have not merged into another credit union. Shoreline has had its struggles over the years, but we have emerged stronger with each challenge!

With that said, this year has been largely pivotal in our efforts to stay local. The sale of Memorial Drive has completed our consolidation efforts in Two Rivers and moving our corporate offices to the basement at our Manitowoc location has allowed us to reduce expenses by expanding our rental income from the Manitowoc location. We are also embarking on a digital banking platform expansion to increase our ability to serve underbanked and non-branched communities.

Due to a large write-down on the Memorial Drive property in 2019, we are showing a loss this year. However, when excluding one-time accounting adjustments, the credit union was profitable in 11 of the 12 months of the year. Leadership made the decision to sell the Memorial Drive property at a favorable price due to the new owner’s intent of reinvesting the funds back into the community. We are a strong credit union, who is in the financial position to absorb the loss to ensure the property would provide long-term benefits to Two Rivers. With the former branch sold, we can return savings to our members by offering lower loan rates.
MORE CONVENIENCE FOR OUR MEMBERS.

You don’t ever need to step into a branch!

We continue to provide new services to make life more convenient for our members. We’ve introduced deposit-accepting ATMs at both of our locations to make it easier for our members to perform routine transactions quickly and efficiently 24/7. Now members can drive-up, make a deposit or withdraw cash without waiting. If you hate to wait, make sure you try out our new ATMs!

Shoreline is also pleased to announce CAR-TASTIC™, your one-stop auto shop. CAR-TASTIC is the most effective way to save time, money, and stress while you search for your next vehicle. Over 15,000 Dealer Partners share their inventory with CAR-TASTIC — giving you plenty of choices. You can search, compare vehicles plus access CarFax® reports, request a quote, apply for a loan and get pre-approved online, and access a Kelley Blue Book Price Advisor Tool.

Total mobile and online access means you never have to step into a Shoreline branch again. If you love convenience, download our mobile app. Between our mobile app and online banking, we have everything you need in our “digital credit union” including the ability to:

• View account balances and details for savings, checking, certificates, loans, and credit cards.
• Open a new Shoreline deposit account.
• Apply for a loan.
• View funds on hold for savings and checking.
• View eStatements.
• View pending ACH transactions.
• View e-Alerts and other messages — including e-Statements.
• Perform instant transfers between accounts (as allowed in It’s Me 247 Standard Online Banking).
• Pay bills from your mobile device — including Bill Pay to family, friend or neighbor — no checks needed!
• **Mobile Check Deposit** allows you to quickly deposit checks using your Smartphone camera.

Need to talk to someone quickly? Try out our Web Chat feature on ShorelineCU.org. No more waiting. We can help you online by answering your questions quickly or by directing you to one of our experts.
GOOD THINGS FROM GOOD PEOPLE!

Our employees serve the community. We are truly local and care about what goes on in Manitowoc County. Shoreline Hometown Credit Union continues to support our community every year. It’s always a team effort, with many of our employees serving on many non-profit boards such as the Salvation Army, Kiwanis of Manitowoc, Noon Rotary, and the Two Rivers Business Association — just to name a few. Our employees enthusiastically step up to help out and spread Shoreline’s Hometown Values. We have hosted numerous American Red Cross Blood Drives in 2019 and will host one every 60 days in 2020.

We sponsored even more community events in 2019! We were the presenting sponsor for Kites Over Lake Michigan, Cars & Guitars, and the Kiwanis Car and Motorcycle Show. Major sponsorships include Kiwanis Fish Derby, Salvation Army, Miracle League, Adopt-A-Highway, Manitowoc Maritime Museum’s Subfest, Felician Village Car Show as well as Two Rivers Main Street events such as the Cool City Car Show, Ethnic Fest and the Hometown Christmas Parade.

• Shoreline has been sponsoring the Kiwanis Car, Motorcycle & Vintage Camper Show for the past five years. We provide marketing support for this show and volunteer to help out. The Shoreline Marketing team puts together a car show calendar every year to help raise additional money during the show. This year, the calendar raised approximately $2,000 more to help children in need in Manitowoc County.

• Shoreline also sponsors other car-show related events for Two Rivers Main Street (Cool City Car Show and Cruise), Felician Village Car Show and Cars & Guitars at The Automobile Gallery in Green Bay.

• We have been one of the sponsors for Subfest since its inception in 2015 — setting up an antique radio display in the museum during the event.

• For the sixth year in a row, Shoreline Hometown Credit Union has sold Season Pass Pins and matched the first $5,000 dollars of donations. Our employees are totally committed to this, decorating the branches with Salvation Army Christmas trees and wearing Shoreline Salvation Army shirts every Friday.

• Our employees organize and put on a fun learning day in our training center for the L.B. Clarke National Junior Honor Society the past three years. Additionally, we donate money to this wonderful group of kids.

• The list goes on and on. Our employees are on the move, helping out wherever they can. On their own time or on Shoreline’s time, they live the Shoreline brand of Hometown Values and Hometown Rewards every day!
At Shoreline Hometown Credit Union, our employees come to work every day and know they are making a difference. They help you, our members, and we help our employees grow in their careers. We’ve been an important part of this community since 1941. **We welcome. We serve. We give back.**

- **Shoreline’s culture is different.** The credit union has a philosophy of creating financial well-being for our members. This local, hometown place provides an opportunity for all. We focus on our members and each other as employees.

- **As a credit union, we are here to serve our members.** That’s what our employees do best from top to bottom. We follow our mission of helping members achieve financial success.

- **The Leadership Team knows everybody’s name.** Our employees are made comfortable with everyone they meet from the first week they work here. There’s a feeling of honest and open communication. And every day our employees know that they are affecting the lives of every member who walks through the door.

- **Shoreline Hometown Credit Union is incredibly diverse and inclusive.** Not every decision is made by leadership. All employees have input and are asked their thoughts on how to make things better.

- When a member steps into one of our branches or goes online to bank, they can experience our unique hometown brand — **it’s part of our Hometown Values in action.**

- **Whether it’s through our sponsorships or personal involvement with community organizations,** our employees are super proud of what we do to help people in the community and have fun at the same time.

- **Shoreline employees are really proud of our small business hometown partnerships.** We all work together to make Manitowoc County a great place to live, work, and play. If our name is attached to a community event, it gives our employees, members and everyone else a great place to go that’s affordable and fun.

- **Each and every year there are more fun opportunities for our employees at Shoreline.** We are excited to be here, because we do a lot of cool things.
My favorite memory of 2019 was our all staff training day at Tapped on the Lakeshore. Everyone had a really fun time, good camaraderie.

#HometownCulture
My favorite memory of 2019 was the Cool City Cruise and Car Show! #HometownCulture
All I can say is WOW! I just had a great experience at Shoreline. I received a personal loan from you guys this morning and worked with Kyle and Tomas. He was a pleasure. You guys really have a great crew over there and should be very proud. It was like working with a trusted friend. Wasn’t “banky” at all. So cool.

Jason Prigge - Vagabond Creative Studio and Co-Founder Coolest Coast
# AUDITED STATEMENT OF FINANCIAL CONDITION

For the years ending December 31, 2018 and December 31, 2019

<table>
<thead>
<tr>
<th>ASSET</th>
<th>12/31/18</th>
<th>12/31/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member Consumer Loans</td>
<td>$30,473,442</td>
<td>$27,288,723</td>
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<tr>
<td>Member Real Estate Loans</td>
<td>26,406,209</td>
<td>25,655,852</td>
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<tr>
<td>Member Business Loans</td>
<td>3,513,188</td>
<td>3,443,173</td>
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<tr>
<td>Allowance for Loan &amp; Lease Losses</td>
<td>(269,488)</td>
<td>(299,193)</td>
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<tr>
<td>Cash &amp; Equivalents</td>
<td>3,720,936</td>
<td>6,166,184</td>
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<tr>
<td>Investments</td>
<td>21,542,887</td>
<td>22,688,293</td>
</tr>
<tr>
<td>NCUA Insurance Fund</td>
<td>821,090</td>
<td>826,818</td>
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<tr>
<td>Fixed Assets</td>
<td>4,598,498</td>
<td>4,403,801</td>
</tr>
<tr>
<td>Other Assets</td>
<td>1,292,610</td>
<td>2,845,505</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$92,099,372</strong></td>
<td><strong>$93,019,156</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND EQUITY</th>
<th>12/31/18</th>
<th>12/31/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member Shares</td>
<td>$39,949,854</td>
<td>$40,568,542</td>
</tr>
<tr>
<td>Member Share Drafts</td>
<td>14,795,426</td>
<td>14,838,353</td>
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<tr>
<td>Member MMF Shares</td>
<td>11,318,284</td>
<td>10,857,118</td>
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<tr>
<td>Member IRA Shares</td>
<td>4,466,879</td>
<td>4,378,624</td>
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<tr>
<td>Member Savings Certificates</td>
<td>11,333,645</td>
<td>11,923,641</td>
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<tr>
<td>Member Health Savings Accounts</td>
<td>693,155</td>
<td>749,318</td>
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<tr>
<td>Current Liabilities</td>
<td>259,023</td>
<td>648,204</td>
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<tr>
<td>Regular Reserves</td>
<td>2,300,000</td>
<td>2,300,000</td>
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<tr>
<td>Undivided Earnings</td>
<td>7,175,460</td>
<td>6,595,608*</td>
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<tr>
<td>Unrealized Gain/(Loss) on Investments</td>
<td>(192,354)</td>
<td>159,748</td>
</tr>
<tr>
<td><strong>Total Liabilities and Equity</strong></td>
<td><strong>$92,099,372</strong></td>
<td><strong>$93,019,156</strong></td>
</tr>
</tbody>
</table>

*Adjustment to Retained Earnings for prior year operations of $119,462

<table>
<thead>
<tr>
<th>12/31/18</th>
<th>12/31/19</th>
<th>Peer</th>
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<tbody>
<tr>
<td>Delinquency</td>
<td>0.44%</td>
<td>0.62%</td>
</tr>
<tr>
<td>Loans/Shares</td>
<td>73.42%</td>
<td>68.22%</td>
</tr>
<tr>
<td>Loans/Assets</td>
<td>65.81%</td>
<td>61.10%</td>
</tr>
<tr>
<td>Fee &amp; Other Op. Income/ Avg. Assets</td>
<td>1.11%</td>
<td>1.12%</td>
</tr>
</tbody>
</table>
My favorite memory of 2019 was the Shoreline sponsored car shows and community involvement.

#HOMETOWN
My favorite memory of 2019 was being able to be so involved in our local community.

#HOMETOWN
SHORELINE CREDIT UNION LOCATIONS

Two Rivers
3131 Mishicot Rd.

Manitowoc
4400 Calumet Ave.

920-482-3700

Copyright 2020 Shoreline Credit Union. This information in this Annual Report is accurate as of December 31, 2019
Mission Statement

Our mission is to help our members achieve financial success. We achieve this by providing members with a safe place to save and borrow at reasonable rates. We excel at this by remaining committed to employing an honest, knowledgeable staff whose focus is on one member at a time.