



Profile – March 2010

CU Business Group is a CUSO formed to assist credit unions in offering business loan and deposit services. CU Business Group is owned by eight corporate credit unions and partners with three other corporate credit unions as remarketers.

The following are highlights of our history:

- ❑ Initially formed in August 2002 as a CUSO of Northwest Corporate – hired three staff, all with well over twenty years experience in commercial banking.
- ❑ CU Business Group is now a staff of twenty-five working with 326 credit unions in 39 states to help them deliver quality business services.
- ❑ Our loan services include underwriting, loan documents, risk monitoring, consulting and training on business loans. We do not fund loans – we only provide recommendations, advice and training. To date, Credit unions have submitted over \$1.9 billion in business loan packages for our review.
- ❑ Independent loan reviews are an integral part of the services we provide. As credit unions grow their own in-house programs it is imperative that they review and maintain a sound business loan portfolio. Our staff has the knowledge and expertise to provide these independent reviews for quality control or problem situations.
- ❑ The CUBG Participation Network is a major strength, bringing together all our credit unions to share in buying and selling opportunities on larger loans.
- ❑ A large part of our consulting work centers in the business deposit area. Credit unions are typically not set up to handle business accounts and we spend considerable time helping them with account structure, pricing, operations and compliance.
- ❑ We also help credit unions put together a complete package of business services. This includes merchant bankcards, business ACH and tax payments, marketing materials, and training on products and sales techniques.
- ❑ Education sessions are a major part of our role in the industry. Our education staff lead sessions regularly across the country and via webcast on all aspects of business services. These offering include in-depth business lending education to credit union staff and executives as well as detailed cash flow analysis instruction.
- ❑ CU Business Group's technology products include the Portfolio Risk Manager, an automated tool for monitoring every loan in the business portfolio.



CU Business Group Products and Services

Strategic Consulting

- Board and management education
- Strategic options for building your business services program including recruiting/interviewing
- Market demographics, program potential and breakeven analysis customized for your credit union

Business Deposit Consulting

- Structure and pricing of core deposit accounts and package services
- Operations, compliance, and systems guidance and expertise
- Marketing ideas, templates and resources
- Education and training for management and staff
- Expertise in advanced products, e.g. merchant bankcards, ACH, tax payments

Business Loan Consulting

- Policy development, forms, and procedures
- Processes, work flows, quality control steps
- Contract loan administration
- Education and training in operations, compliance and all aspects of business lending

Business Loan Origination

- Commercial real estate, term, lines of credit, construction, agriculture, SBA
- Complete analysis and risk-rated credit presentation
- Assistance with pricing and loan structure
- Loan documentation compliant in all 50 states

Risk Monitoring

- Periodic financial review and analysis, including updated risk ratings
- Tools and consulting for proper MBL portfolio monitoring
- Assistance with problem loans and workouts
- The *Portfolio Risk Manager*, a software tool for automated MBL risk monitoring

Loan and Participation Servicing

- Book your loan or participation on CUBG's system
- Includes funds management/distribution reporting and all detailed accounting

Loan Participations

- Established network makes buying or selling easy
- Standardized processes, parameters and legal agreements
- Expertise to guide your credit union through the entire process

Loan Review and Quality Control

- Independent loan reviews for quality assurance and management comfort

Education

- Complete webinar program covering a variety of important business services topics
- *Nuts 'n Bolts Course Series*, three five-hour courses on the basics of business lending and deposit operations
- *Analyzing Business Loans*, a three day course covering all aspects of business loans
- Customized training to fit your credit union's or association's need

CU Business Group, LLC

8909 SW Barbur Blvd., Suite 200 Portland, OR 97219 | Toll-free 866-484-2876 | www.cubg.org



Core Staff Expertise

Larry Middleman, President/CEO

30 Years Experience



Larry is the founder of CU Business Group and brings many years of banking expertise to the credit union industry. His background is based in community banking where he has extensive experience in leading business banking and cash management practices, including product development, pricing and sales. As a CPA and consultant, Larry has done extensive work with banks and credit unions throughout the United States to expand product lines, improve efficiency and increase profitability. His primary role at CU Business Group is consulting with credit unions on business services planning, program development, pricing and education.

Larry Robbins, Senior VP/Chief Credit Officer

42 Years Experience



Larry has many years of experience in the banking industry. Positions he has held include senior commercial loan officer, credit administrator, special assets officer and credit analysis training officer. He has extensive background in originating all types of secured and unsecured business lines of credit, term loans, agricultural loans, commercial real estate loans and Small Business Administration (SBA) loans. Larry has in-depth experience as a workout specialist for delinquent and classified credits. He is also a qualified instructor for TaxAnalysis and Moody's Financial Analyst underwriting programs. Larry leads the commercial loan underwriting group and regularly consults with credit unions on business loans.

Michael Mucilli, Senior VP/Senior Business Services Officer

32 Years Experience



Michael has spent his entire career gaining expertise in banking, commercial lending and sales. He founded CU Business Group's east coast operations in 2003, and has gained significant experience in credit union business services since then. Michael has underwritten all types of business loans, including commercial real estate, lines of credit, term loans, letters of credit, and asset-based lines. He also has extensive experience with SBA lending, has 12 years experience as a branch manager, and served as Director of Consumer and Home Equity Lending. Michael consults with credit unions in the eastern U.S. on all aspects of business services planning, program development, account pricing, and education.

Brian Rose, Senior VP/Operations

31 Years Experience



Brian brings his experience in business lending support services to CU Business Group. His background includes significant experience in loan origination, ongoing servicing and risk monitoring for both conventional business loans and SBA lending. Brian brings specific expertise in loan documentation, loan auditing, portfolio management, collections/workouts, collateral control, and deposit operations. His experiences with GE Capital and Key Bank provided him with extensive training in leadership development and project management. His primary focus is compliance, documentation and operations of CU Business Group.

Dan Hutchison, VP/Senior Business Services Officer

39 Years Experience



Dan has brought a wealth of experience to CU Business Group. Prior to joining CUBG he spent 1½ years at Redwood Credit Union, a \$1.3 billion institution in Northern California, where he managed the business lending, deposits and sales to Redwood's 100,000+ members. Before that, Dan spent 30+ years at large national banks and smaller community banks. As a senior banking officer, credit administrator, and special assets manager, Dan gained extensive experience in all types of term loans, lines of credit, equipment loans, and commercial real estate, letters of credit and SBA loans. Dan has taught a variety of courses in both banks and credit unions and specializes in consulting with credit unions throughout the U.S. on all aspects of business services.

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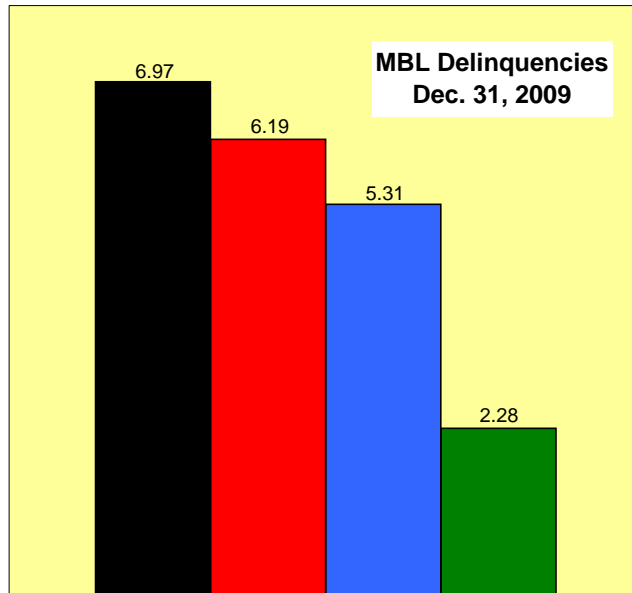
Our Business Lending Track Record

Business Loan Delinquencies as a Percent of MBL Outstandings

- All Banks
- Banks < \$1B Assets
- All Credit Unions
- CU Business Group

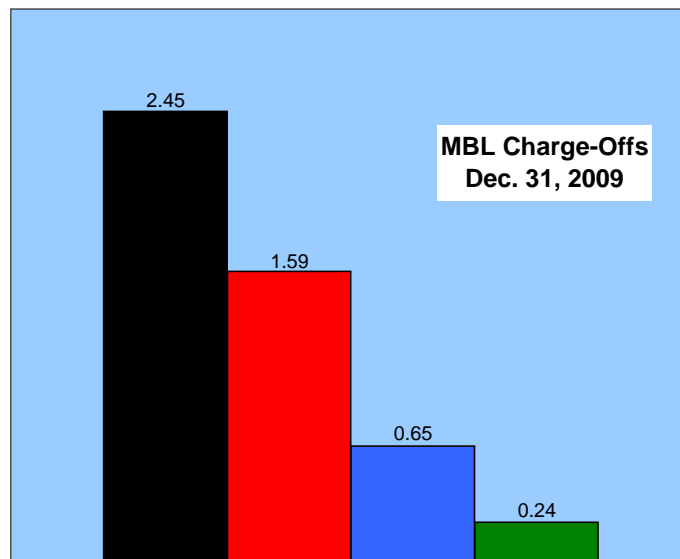
"CUBG credit unions" are those credit unions for which we regularly underwrite (164 credit unions)

Of the CUBG credit unions, 41 have past dues on the books and 123 have zero past dues



Business Loan Charge-Offs as a Percent of MBL Outstandings

- All Banks
- Banks < \$1B Assets
- All Credit Unions
- CU Business Group



Source: FDIC call report and NCUA 5300 reports