

Straight Talk.

December 2007

Volume 2, Issue 4



8790 Governor's Hill Drive, Suite 205
Cincinnati, Ohio 45249

622 N. State Street
Westerville, Ohio 43082

(888) 697-9555 • (513) 677-3100
www.cbcsuso.com

In This Issue:

Milestone Year

CBS News

Credit Union Showcase

New Credit Unions

Rates

2007 Top Producers

Testimonials

3rd Quarter Update

CBS NEWS:

KMC Network Credit Union, FirstDay Financial Federal Credit Union, and Marion Community Credit Union are in the process of securing approval to participate in the SBA 7a Program.

2007 - A Milestone Year

The Christmas and New Year season is an excellent time for three areas important to all of us – time with family, time with friends and time for reflection. As I look back on 2007 I see a year filled with milestones to celebrate for all of us who collaborate and engage the market as Cooperative Business Services, LLC (“CBS”):

Milestone - CBS surpasses the \$100 million mark in portfolio management. As of December 28th the CUSO has a \$105,878,259 business loan portfolio under management.

Milestone - CBS enjoys a record year for new business loan origination by closing and funding 97 loans for \$55,506,022 during 2007.

Milestone - CBS signs 10 new credit unions in 2007 giving the CUSO a total of 32 credit union clients in the Ohio and Kentucky marketplace.

Milestone - CBS secures SBA 7(a) lender status approval for 4 CUSO credit union clients in 2007. The CUSO now has 17 of its 32 client credit unions established as SBA 7(a) approved lenders.

Milestone - CBS and its credit union clients enjoy a 71% increase in loan production through the Micro Loan Program for loan transactions less than \$250,000.

Milestone - CBS is named a finalist in the small company category as one of Cincinnati's 2007 best places to work.

Milestone - CBS launches a two year pilot training program entitled “BDO Boot Camp”. The program is believed to be the first of its kind in the credit union industry and is designed to train and develop credit union personnel who are assigned as a full time commercial loan business development officer for their credit union.

Cooperative Business Services, LLC, together with its credit union partners, has accomplished much since the CUSO was launched in 2003. Milestones and positive results are not realized without teamwork and collaboration...our milestones are yours as well and, together, should be celebrated as we prepare to enter into 2008. With that I would like to take a moment to pass along my personal thanks to many who have come alongside of me to assist and support the establishment of a company that we can all be proud of:

The CBS Team - Andy, Liz, Angela, Pepper, Lorain, Andrew, Leslie, Debbie and Daisy... you do the hard work of delivering a professional product to our credit union clients, their members and the market on a daily basis. Thank you for embracing my vision for CBS and for your commitment to excellence in your respective areas of expertise. We are fortunate to have a team of professionals like you who understand the importance of doing the right thing.

The CBS Board of Managers - Scott, Barry, Doug, Tim, Jim, John, Bill, Jerry and Paul... thank you for your continued support of CBS. I appreciate your collective commitment to deliver business lending to your members professionally and responsibly. I also appreciate your commitment to the credit union industry and your collective willingness to assist and support other credit unions who desire entry into business lending through the CBS CUSO solution. Thank you for giving me the privilege to lead.

The CBS Client Credit Unions - Thank you for your confidence in CBS and for the opportunity you have provided us to serve your members and their business loan needs. Thanks also for the support you give when called upon to support another credit union through business loan participations. It is our privilege to serve you and we'll continue working hard to earn your trust.

Walter Dyminski and Millenium Capital - Thank you for your continued partnership with CBS and for being our voice to the secondary market. We appreciate our relationship with your firm and thank you for the assistance you continue to provide our credit unions on business loan transactions that may require alternative solutions.

CBS and Credit Union Referral Sources - Thank you for your continued confidence in us and for your willingness to consider the credit union alternative for your client's financing needs. We believe the credit union option is the best option and appreciate the business loan opportunities you continue to provide us for consideration.

Expedient Technology - Marcus, thank you for the IT support you provide to CBS and for your commitment to excellence and customer service. You and your team are the best!

Hall & Mueller, LPA - Carolyn, many thanks to you and your team for your continued support of CBS and its credit unions. We appreciate our relationship!

I look forward to 2008 and the challenges it will bring. Good business always starts with good relationships...and relationship matters at Cooperative Business Services. Thank you for your continued confidence in our company and best wishes to each of you for a healthy, happy and prosperous new year!



Keith

Credit Union Showcase



CINCO Family Financial Center Credit Union
Cincinnati, Ohio - Lawrenceburg, Indiana
(800) 252-4626 www.cinco.org

There is a quote from an unknown source that says, "If you want to be incrementally better: be competitive. If you want to be exponentially better: be cooperative." That is exactly the business philosophy of CINCO Family Financial Center Credit Union. The 71-year-old credit union, headquartered in Clifton with five branches across Greater Cincinnati, was originally formed as the official credit union for employees of the City of Cincinnati. CINCO still proudly serves many city workers, and has since added the University of Cincinnati, Xavier University, Montgomery Inn, and over 120 local select employee groups. In 2005, CINCO was approved to become a Community Chartered Credit Union. This expansion has effectively opened the doors for CINCO to serve the financial needs of 1.2 million potential members in Hamilton, Butler, and Clermont counties.

However, with the adoption of the Community Charter came the desire from members and potential members for business loans. That is why one of CINCO's most potent tools is its partnership with Cooperative Business Services (CBS). "Our theme is and will always be cooperation, education, and the protection of our members' assets. That will never change," said Bill Page, President and CEO of CINCO, "That is what got us talking about partnering with CBS." The partnership with CBS allows CINCO to offer business loans to community residents without taking on all the risk; which in turn allows CINCO to protect its members' assets.

Cooperativeness amongst credit unions is a practical solution to a hyper-competitive situation which has witnessed the ascension of credit unions as legitimate rivals to banks' market share. CINCO can now compete with larger banks in the area of business lending through its partnership with CBS. "Not only do we get to spread the risk on each business loan but we also get to share in the expertise of the staff at CBS," said Bob Niehaus, Chief Lending Officer at CINCO, "We are very pleased with the partnership of CBS and the cooperative spirit in Ohio."



KEMBA Financial Credit Union

Serving everyone who lives, works, worships, or attends school in Franklin, Delaware, Logan and Madison Counties, and Sylvania Township (Toledo area)

(614) 235-2395 or (800) 282-6420

www.kemba.org

What began in a small office at the Kroger bakery in 1933 has developed into a credit union with nine branches, more than 50,000 members, 150 Select Employee Groups, and more than \$450 million in assets. KEMBA Financial Credit Union has come a long way over the last 75 years, yet we have never lost sight of helping members build financial peace of mind through access to reasonably priced financial products while providing exceptional service. KEMBA, which stands for Kroger Employee Mutual Benefits Association, is headquartered in Gahanna, Ohio.

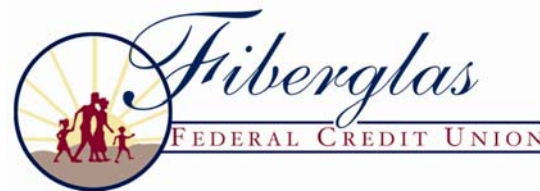
We offer a complete line of financial products and services including online banking and bill pay, checking accounts, home loans, credit cards, commercial loans, business services, and more. Whether they are buying a house, saving for college, opening their own business, or planning for retirement, our members know they can count on KEMBA to meet all of their financial needs.



CBS would like to welcome CME Federal Credit Union and Fiberglass Federal Credit Union as the newest credit unions to affiliate with the CUSO. We look forward to working with everyone and establishing great partnerships. WELCOME!!!



Life is good. Make it great.



KEY RATES					
	Current	1 Month Prior	3 Month Prior	6 Month Prior	1 Year Prior
US T-Bill 1 yr Index	3.28	3.26	4.03	4.93	4.99
US T-Bill 3 yr Index	3.17	3.04	4.02	4.93	4.69
Prime Rate	7.25	8.25	8.25	8.25	8.00
US T-Bill 5 yr Index	3.52	3.38	4.22	4.97	4.64
US T-Bill 10 yr Index	4.12	3.95	4.58	5.09	4.66

2007 Top Producers



Leslie Biskner
Cooperative Business Services
Central Ohio
\$7,023,300
5 loans



Lorain Cooper
Cooperative Business Services
Southwest Ohio
\$7,695,600
16 loans



Debbie Scheetz
Cooperative Business Services
Southwest Ohio
\$6,566,030
14 loans



Donna Hale
Wright-Patt Credit Union, Inc.
Fairborn, Ohio
\$5,871,860
21 loans



Bill Burke, CEO/Lori Willoughby
Day Air Credit Union
Kettering, Ohio
\$5,070,500
11 loans



Charlie Held
MidFirst Credit Union
Middletown, Ohio
\$15,687,750
7 loans

TESTIMONIALS

Wrap It Postal, LLC



Chris Conte worked with his business broker at Keate Parnters and found a small business to purchase. His broker suggested he contact Lorain Cooper at Cooperative Business Services, LLC. His expectations were met 100% with AurGroup Financial Credit Union and Lorain. "This was the easiest loan transaction I have ever experienced by far...In fact the only one I took pleasure in being a part of. CBS was very efficient and met all of my financial needs."

Deaton Enterprises, Inc.



“Our experience working with Day Air Credit Union and Cooperative Business Services has been great. The atmosphere at Day Air and CBS was completely different than that of a bank. They looked beyond the surface and found ways to help our business, while the bank looked for ways not to help. Day Air and CBS got to know us and our business and did a thorough job on helping us with the financing we needed.” – Elaine Deaton

Nick & Tom’s Restaurant



“Emery Federal Credit Union and Cooperative Business Services were very friendly and hard working during our entire lending experience. We have worked with several banks and financial institutions over the years, but Emery Federal Credit Union and CBS were by far the best to work with. We would recommend them for all of your financial needs.”
- Tom Lambrinides

Cooperative Business Services 3rd Quarter Update

* Numbers through 10-31-07

Portfolio Information:

170 Loans: \$89,017,958
Average Transaction Size: \$523,635
Average Portfolio Rate of Return: 7.53%
Approval Rate Since 2003: 49.12%
Approval Rate for 2007: 52.41%
Total Opportunity Since 2003: \$282,642,855

Portfolio By Product:

CRE 109 Loans : 80% of Portfolio : \$70,927,372
Term 29 Loans : 11% of Portfolio : \$10,016,807
LOC 14 Loans : 1% of Portfolio : \$1,222,765
7(a) 18 Loans : 8% of Portfolio : \$6,851,014

