



Providing **Financial Advantages**

2015 Financial Condition Reporting of Advia Credit Union



Experience the Advantage



Message from our Board Chair, **Julie Birman**

Advia Credit Union's mission is to provide financial advantages. Our commitment to this mission is present in a variety of forms with a balanced approach. Positioned within the top 3% of credit unions nationwide in terms of total assets, we're able to provide competitive savings rates, loan rates, enhanced electronic services and comprehensive oversight of data security. Additionally, we're continually reviewing our product offerings to guarantee that our service delivery matches your expectations as your trusted financial partner.

In 2015, a number of key operational improvements were made with our membership in mind. We transitioned our mortgage loan servicing to Mortgage Center, an organization that we own in part with other Michigan credit unions. This transition allowed greater loan options and improved efficiency. Advia enhanced its phone service to streamline access for members. We invested in technology to ensure that data security is of the highest level, and that credit card transactions are protected with EMV chip technology. We also improved mobile and online banking access and new mobile payment solutions – with the introduction of Apple Pay.

This annual report of Advia's 2015 financial performance reflects our commitment to you – to provide financial advantages as a member-owner. While we are proud to provide this report for historical record, we are also anticipating and planning for new opportunities in 2016. As we remain steadfast in our commitment to giving back to you and the communities we serve, we are also focusing on providing even greater technology to meet your financial needs.



Message from our President & CEO, **Cheryl A. DeBoer**

It is my pleasure to report to you that 2015 provided a year of continued growth for Advia. We welcomed nearly 14,000 new members, grew loan balances by 19%, improved our efficiency and our assets grew by 9% to nearly \$1.2 Billion. These financial metrics are outstanding examples of our commitment to remaining financially sound for you. More importantly, they represent our members' commitment to Advia. We are only as strong as the trust members place in us. We understand that we must continually work to maintain this trust, and I'm proud to tell you we are doing just that!

Our value proposition is to pro-actively seek out the quickest and easiest solutions available for members to maximize the financial value we provide them. In 2015, we provided value by saving members over \$6 Million in interest on transferred loans originally held elsewhere. We made it easier and more simple for you to open new savings and CDs online. We were proactive in issuing members updated credit cards encrypted with EMV chips for greater fraud protection. Behind the scenes, we added updated firewalls to protect your financial data, and we made multiple enhancements to mobile and phone technologies to improve your ability to perform faster financial transactions.

We are progressive in our quest to finding new ways to provide even more value to you. In 2015, we underwent an extensive study of our loan and credit card operating systems so we can introduce more innovative service delivery going forward. We are committed to future investments into technology. So, as we proudly report all that 2015 provides to you in financial advantages, we're just as excited to look for new ways to give back to you and our communities in 2016. It's our way to thank you for the trust that you place in us as your financial partner.

Statement of Financial Condition: **December 31, 2015 and 2014**

ASSETS	2015	2014
Cash and Cash Equivalents	\$56,832,884	\$41,710,028
Investments	284,051,634	327,275,822
Loans, Net of Loan Loss Allowance	794,793,174	670,365,802
Accrued Interest Receivable	2,823,382	2,967,047
Property & Equipment, Net of Depreciation	21,385,994	22,465,174
National Credit Union Share Insurance Fund Deposit	9,073,179	8,919,514
Other Assets	15,114,806	13,284,317
TOTAL ASSETS	\$1,184,075,053	\$1,086,987,704

LIABILITIES, MEMBERS' SHARES & MEMBERS' EQUITY	2015	2014
Accounts Payable	\$6,607,891	\$6,108,207
Dividends Payable	3,900	7,937
Accrued Expenses	2,822,086	2,134,336
Borrowings	42,000,000	5,029,003
Other Liabilities	3,800,114	2,930,363
Total Liabilities	\$55,233,991	\$16,209,846
Members' Shares		
Shares	\$807,569,924	\$745,352,108
Certificates	182,027,361	195,695,889
Total Members' Shares	\$989,597,285	\$941,047,997
Members' Equity		
Undivided Earnings	\$95,640,913	\$84,658,062
Regular Reserves and Capital Acquired in Mergers	43,985,830	43,985,830
Other Comprehensive Income	(382,966)	1,085,969
Total Members' Equity	\$139,243,777	\$129,729,861
TOTAL LIABILITIES & EQUITY	\$1,184,075,053	\$1,086,987,704

Regulatory Capital Adequacy - **December 31, 2015**

GENERAL CAPITAL REQUIREMENTS	AMOUNT	RATIO
Amount Required to Be Classified as "Adequately Capitalized"	\$71,044,503	6.00%
Amount Required to Be Classified as "Well Capitalized"	\$82,885,254	7.00%
ACTUAL NET WORTH	\$147,849,112	12.49%

OTHER RATIOS	RATIO
Delinquency Ratio	1.52%

Supervisory Committee Report, **Mike Segal**



The mission of Advia Credit Union's volunteer Supervisory Committee is to protect the assets and interest of the membership by ensuring that financial and operational activities are performed accurately and in compliance with State and Federal regulations. To accomplish this mission, the Supervisory Committee meets and consults with our external auditors, federal examiners, internal auditors and members of both management and Board of Directors.

As indicated by the Statements of Financial Condition, included within this annual report, 2015 was a strong year for our credit union. We achieved continued growth in loan balances, share deposits and total assets. This continued strong performance equates to greater services and better rates for our members.

On behalf the committee, I am proud to report that Advia Credit Union is a financially thriving cooperative, dedicated to serving its members while maintaining strong financial and operational practices. This assessment is supported by the results of the regulatory examination performed by the NCUA and the annual independent audits performed by Orth, Chakler, Murnane and Company, Certified Public Accountants.

Report of the Nominating Committee – **Mike Segal**

In accordance with the Board Nomination Policy, the following incumbents were nominated for Board of Director positions within Advia Credit Union. No petitions were received. Each individual was therefore approved by acclamation:

Nicole Kalmbach – Nicole is employed by Western Michigan University. Nicole provides over five years of experience auditing credit union financial statements. Nicole has served on the Board for Advia since 2008.

Rich Seim – Rich is Executive Vice President of Michigan Petroleum Technologies in Port Huron, MI. Rich previously served as Board Member of E&A Credit Union prior to becoming part of Advia Credit Union's Board in 2014.

Additionally, incumbent Mark Nash has chosen to resign when his term ends at the end of February 2016. Because that vacancy will occur in March 2016, the Board will appoint a replacement consistent with its bylaws. We thank Mark for his valuable service to Advia and its members for the past 10 years!

All members of Advia Credit Union's Board of Directors are volunteer representatives of our membership and serve without compensation.

Volunteer Board Of Directors

Julie Birman, Board Chair
Donna Kalmeta, Vice Chair
Danielle Streed, Treasurer
Marty Doorn, Secretary
Nicole Kalmbach, Director
Mark Nash, Director
Rich Seim, Director

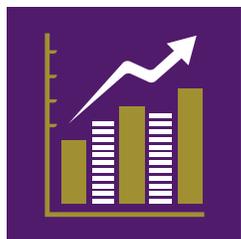
Supervisory Committee Members

Mike Segal, Chair
Jim Bouma, Secretary
Carter Hitesman

Executive Team

Cheryl A. DeBoer, President & CEO
Jeff Fielder, EVP of Finance
Stephanie Davis, EVP of Operations
Kristin Marschner, EVP of Risk Management
Ray Black, EVP of Sales & Marketing

Treasurer's Report, **Danielle Streed**



Advia Credit Union is financially strong, positioned within the top 10 credit unions in Michigan, and, when measured by total assets, within the top 3% of credit unions in the United States. Total assets increased by over \$97 Million in 2015, which equates to nearly 9% annual growth. By year end, our assets were \$1,184,075,053.

For the year, we recorded a Return on Average Assets (ROAA) of 0.97%. At year end, regulatory net worth ratio was 12.49%, which is well above the 7% amount required to be classified as "Well Capitalized".

We continue to remain focused on providing the best possible return to our members in the form of competitive deposits, low personal and business loan rates, soundness and integrity in our financial operations, and with a commitment to future growth to maintain sustainability within our regions.

Statement of Income for the Years Ended: **December 31, 2015 and 2014**

INTEREST INCOME	2015	2014
Interest on Loans	\$37,174,522	\$32,336,645
Interest on Investments and Cash Equivalents	5,204,453	5,661,832
Total Interest Income	\$42,378,975	\$37,998,477

INTEREST EXPENSE	2015	2014
Dividends Paid	\$5,402,008	\$5,267,500
Interest on Borrowed Money	91,638	79,188
Total Interest Expense	\$5,493,646	\$5,346,688
NET Interest Income	\$36,885,329	\$32,651,789
Provision for Loan Losses	6,072,060	7,086,492
NET Interest Income After Loan Loss Provision	\$30,813,269	\$25,565,297
Other Non-Interest and Fee Income	21,864,917	18,998,684
TOTAL NET INTEREST AND FEE INCOME	\$52,678,186	\$44,563,981

GENERAL AND ADMINISTRATIVE EXPENSES	2015	2014
Compensation and Benefits	\$21,650,828	\$21,038,010
Office Operations	17,424,123	16,610,724
Office Occupancy	3,219,762	3,033,032
TOTAL OPERATING EXPENSES	\$42,294,713	\$40,681,766
NET INCOME FROM OPERATIONS	\$10,383,473	\$3,882,215
Non-Operating Gain (Loss)	599,378	150,638
TOTAL NET INCOME	\$10,982,851	\$4,032,853



CONTACT INFORMATION

844.ADVIA.CU (844.238.4228)

www.adviacu.org



Experience the Advantage