



2019

ANNUAL REPORT

HERE FOR EACH & EVERY MILESTONE



Federally Insured by NCUA

REPORT OF THE CHAIR & PRESIDENT

2019 was another successful year for Advantis Credit Union and its members. As a financial cooperative, Advantis helps its members build strong financial futures. We return profits to our members through better rates, low or no-fee services, and investments in technology to make it easy to manage your finances from anywhere. We also donate time and money to help our community grow stronger.

2019 Financial Highlights

Advantis achieved solid financial performance in 2019. We've increased our capital every year over the past decade, ending 2019 with a net worth ratio of 11.8%, far exceeding the regulatory standard for "well-capitalized" credit unions. Advantis also produced strong net income of \$11.7 million, a solid return of 0.80% on average assets.

We continued to carefully manage and maintain low operational expenses, which were 9.3% lower than our peer average, allowing us to return more value to our members through competitive rates and more free services. Throughout 2019, Advantis offered some of the highest deposit rates in our market.

2019 Initiatives

Advantis completed several initiatives that support our focus on making it easy for our members to do business with us. We opened a new branch in Gresham in December, providing a more convenient location for our members living east of Portland. Since our doors opened, we've welcomed over 160 new members at this location, and hundreds of local members

have stopped in for financial advice or to make a quick transaction.

Advantis also made improvements to our online and mobile service channels. We streamlined our online account opening system, helping members open savings and checking accounts faster than ever. We also introduced several new features in online banking, including a new eDocs widget (providing you with one central location to find all your important documents), Account Aggregation (allowing you to add and review your non-Advantis accounts all in one place), Actionable Alerts (keeping you updated while you're on the go), plus additional two-factor identification options to login securely.

In 2019, Advantis reinforced our commitment to be there for our members, through all of life's milestones. In April we launched the Start Financial Program, a suite of accounts and learning for teens, youth and members new to borrowing. Since launch, we've helped nearly 500 young members open their first checking account - an exciting financial milestone! We've also helped many members establish and learn how to manage credit with our Start loan products.

Beyond helping our young members get a head start, we assisted thousands of other members in reaching their financial goals. Members turned to the credit union to help build their savings - whether for retirement, their children's education, or a down payment on a first home. We also helped over 600 members finance their homes (with first mortgage loans totaling \$193 million), and funded nearly 4,000 auto loans (totaling \$88

million). Nearly 2,000 members paid down debt, completed home improvements, and got other projects underway with an Advantis personal loan or home equity line of credit.

Looking ahead

As we progress into 2020 and see the effects of coronavirus (COVID-19) on our communities, we understand there are some difficult times ahead. We want our members to know that we are here for them, just as we have been for over 90 years. We will assist those experiencing financial hardship, and continue to help all members find opportunities to move forward and reach for their goals.

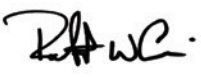
We thank our Board for their service and unwavering commitment to serve in the best interests of our members. We'd also like to thank our staff, who serve as passionate advocates for our members every day. And most importantly, we want to thank our members for your ongoing loyalty and support. We're here for you.




Andy Dolberg

CHAIR, BOARD OF DIRECTORS




Robert W. Corwin

PRESIDENT/CEO

MEMBERS SAY IT BEST



Advantis staff feels like friends when I visit; very knowledgeable, helpful, professional friends.

- Miya

I've never been with a bank so eager to resolve issues in my favor. Every other traditional bank is just out to make money off of its members. Advantis is obviously there for the members and the community.

- Carla

We have been Advantis members for several decades and will never leave!

- Robert

Advantis treats members like part of a big family and they're looking out for our money.

- Rodney



ADVANTIS IN THE COMMUNITY

When you bank with Advantis you add value to the local community. As a not-for-profit cooperative we not only return financial value to you through great rates and more free services, but also donate time and resources to help our local communities grow stronger. The more our cooperative grows, the more we can return to our community.

2019 Community Giving:



1,243
HOURS
volunteered by
our employees
in the community



\$84,311
CONTRIBUTED
through event sponsorships
for charitable causes



\$76,781
DONATED
to nonprofit organizations
through corporate, in-kind
and employee match
donations



36
PERCENT
of Advantis employees
volunteered at a school
or nonprofit in 2019



Advantis staff volunteer at Habitat for Humanity each summer. Our volunteers spend the day at the organization's build sites, ensuring local families achieve the strength, stability and independence they need to build a better life.



Advantis has supported the Sunshine Division for more than 30 years with financial donations and volunteer service. Each December our volunteers pack holiday food boxes for local families at the organization's warehouse.



Guide Dogs for the Blind received a 2019 Grow grant to purchase reflective jackets for clients and LED safety lights for guide dogs' harnesses. This equipment helps ensure the safety of those served as they travel at night and in low-lit areas.



Grow: The Advantis Community Fund is our annual \$50,000 grant fund designed to provide nonprofit organizations with resources to address a wide range of needs in the community, one project at a time. Since its launch in 2011, Grow has contributed over \$450,000 to local organizations and funded 57 projects. We were proud to award six local nonprofits with grants in 2019.



Friends of Trees brings people together to plant, care for, and learn about trees and green spaces in Pacific Northwest communities. The nonprofit received a 2019 Grow grant to engage high school students, training them as planting leaders where they will gain valuable job and life skills in the environmental field.

STATEMENTS OF FINANCIAL CONDITION

As of December 31, 2019 and 2018

ASSETS	2019	2018
Cash and cash equivalents	\$215,672,273	\$150,244,019
Investments	27,038,355	29,892,096
Loans to members, net of allowance for loan loss	1,164,166,478	1,174,911,951
Property & equipment	10,853,604	10,199,376
National Credit Union Share Insurance Fund Deposit	11,671,277	11,073,860
Other assets	49,410,318	50,546,813
TOTAL ASSETS	\$1,478,812,305	\$1,426,868,115
LIABILITIES AND EQUITY		
LIABILITIES		
Members' shares	\$1,240,764,681	\$1,248,815,742
Accrued expenses and other liabilities	13,667,999	15,738,943
Borrowed funds	50,000,000	-
Total Liabilities	1,304,432,680	1,264,554,685
EQUITY		
Regular reserves	16,965,039	16,965,039
Retained earnings	157,165,239	145,507,615
Accumulated other comprehensive income	249,347	(159,224)
Total Equity	174,379,625	162,313,430
TOTAL LIABILITIES & EQUITY	\$1,478,812,305	\$1,426,868,115

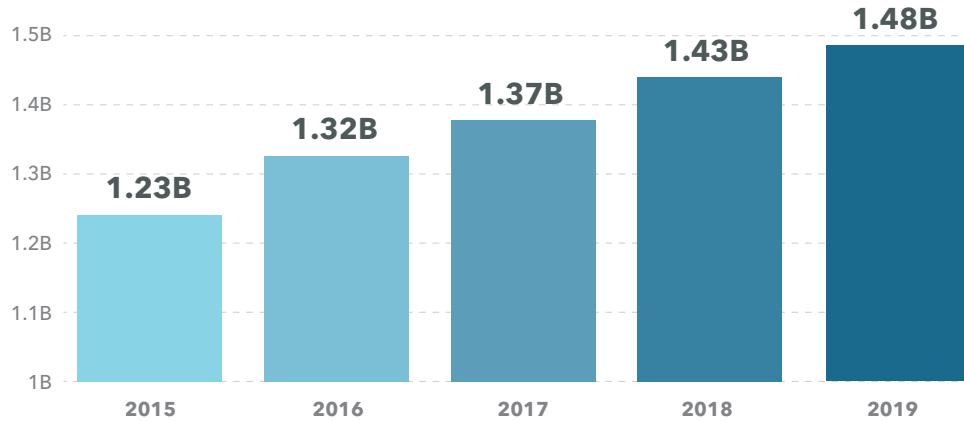
STATEMENTS OF INCOME

For the years ending December 31, 2019 and 2018

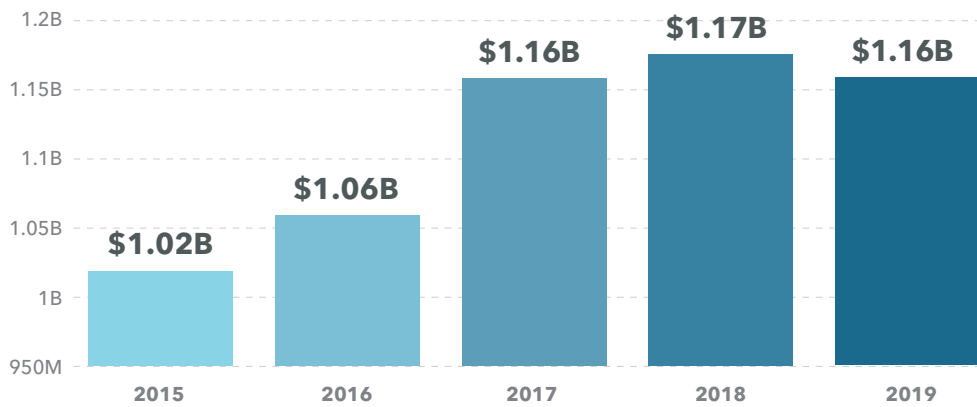
NET INTEREST INCOME	2019	2018
Interest on loans	\$55,946,105	\$52,874,216
Interest on investments and cash equivalents	4,895,659	2,722,693
Dividend expense	13,383,737	9,752,049
Interest expense on borrowed funds	201,276	287,612
Provision expense for loan losses	5,238,443	8,614,049
Net interest income after provision expense	\$42,018,308	\$36,943,199
OTHER INCOME	\$7,722,157	\$12,393,610
OPERATING EXPENSES		
Salaries & Benefits	20,263,509	18,501,090
Operations and Occupancy	17,819,332	19,846,516
Total operating expenses	38,082,841	38,347,606
NET INCOME	\$11,657,624	\$10,989,203

FINANCIAL TRENDS

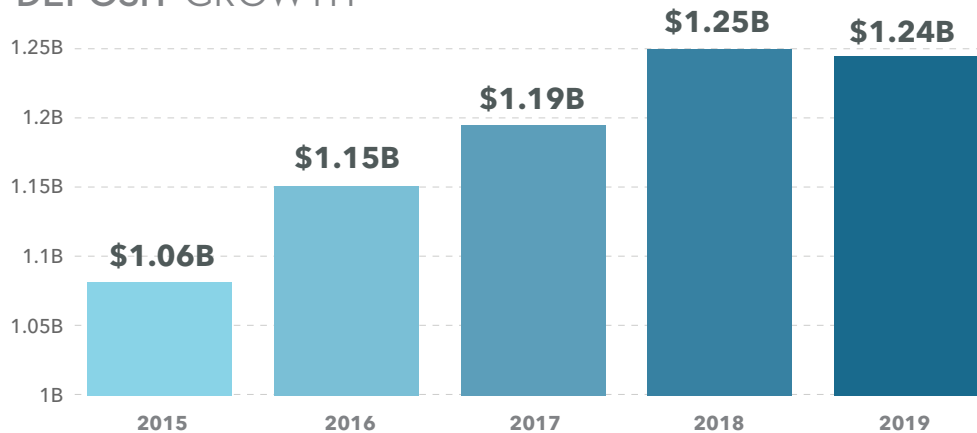
ASSET GROWTH



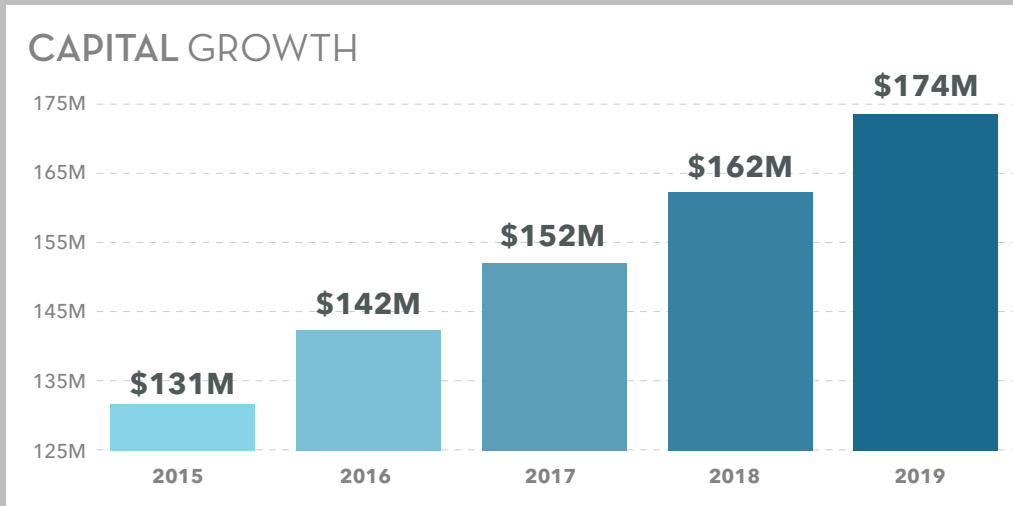
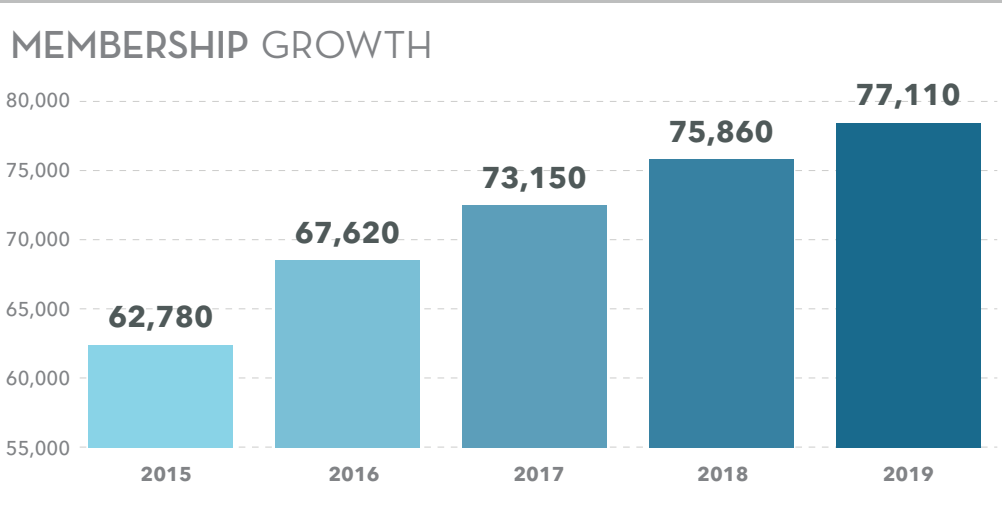
LOAN GROWTH



DEPOSIT GROWTH



FINANCIAL TRENDS



77,110
Members Strong

As of December 31st **2019**

Assets	\$1,479,000,000
Deposits	\$1,241,000,000
Loans	\$1,164,000,000

Audit Committee Report

The Advantis Credit Union Audit Committee is a five-member team appointed by the Board of Directors and is responsible for ensuring that the credit union safeguards its assets, complies with regulatory requirements, and maintains adequate systems of internal control and financial reporting. In 2019, the Committee held quarterly meetings with Advantis' Senior Audit Officer, participated in all monthly meetings of the Board of Directors, and examined the credit union's monthly financial reports.

In fulfilling statutory duties and obligations to safeguard member assets, the Audit Committee's primary responsibilities include strategic oversight of (1) the independent external financial audit of the financial statements and records, (2) internal assessments of the control structures for the Credit Union, (3) the verification of members' accounts, (4) the ongoing reviews of closed accounts, (5) the internal audit function.

To accomplish these responsibilities, the Audit Committee retained the services of Moss Adams, LLP, an independent external auditor, to perform an audit of the Credit Union's financial statements for the year ending December 31, 2019 and the Credit Union's Internal Audit staff to provide internal audit services.

The Credit Union was also examined by its government regulators during 2019, the Division of Credit Unions of the State of Oregon Department of Consumer and Business Services, Division of Financial Regulation and the National Credit Union Administration (NCUA).

It is the conclusion of the Audit Committee that Advantis Credit Union is operating in a safe and sound financial manner and the assets of the membership are being effectively safeguarded.

We appreciate the opportunity to serve the Advantis family in this capacity.



Brandon Lepley
Audit Committee Chair
4/15/2020

Board of Directors

Andy Dolberg – Chair
Tammy Teske – Vice Chair
Tarun Gudz – Secretary/Treasurer
Frederic Dupeyroux
Patrick Hager
Renee Halpern
Roger Hediger
Jake Jensen
Amanda Owings

Associate Directors

Bryan Sims

Audit Committee

Brandon Lepley – Chair
Kellan Davis
Liz Good
Tom Hoang
Ross Wescott

Branch Locations

Belmont
3010 SE Belmont St.
Portland, OR 97214

Downtown
120 SW Taylor St.
Portland, OR 97204

Fremont
3515 NE 15th Ave.
Portland, OR 97212

Gresham
2229 NE Burnside Rd.
Gresham, OR 97030

Hillsboro
7387 NE Butler St.
Hillsboro, OR 97124

Lloyd Center
825 NE Multnomah St., Suite 110
Portland, OR 97232

Scholls Ferry
12262 SW Scholls Ferry Rd.
Tigard, OR 97223

West Linn
21900 Willamette Dr., Suite 204
West Linn, OR 97068

Woodstock
4235 SE Woodstock Blvd.
Portland, OR 97206

Executive Leadership Team

Bob Corwin
President/CEO
Tim Clouse
SVP/Chief Innovation Officer
Wendy Edwards
SVP/Chief Administrative Officer
Chris Groshko
SVP/Chief Retail Officer
Keli Myers
SVP/Chief Credit Officer
John Nichols
Vice President of Marketing
Laurie Wilson
SVP/Chief Financial Officer

Administration Office

9200 SE Sunnybrook Blvd., Suite 300
Clackamas, OR 97015

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