



2013 Annual Report

Federally insured by NCUA.

Report of the Chair & President

Safe, Strong and Growing

2013 was another successful year for Advantis Credit Union, with strong growth in assets, loans, deposits, and membership. Membership increased by 12%, ending 2013 with 55,743 members who find value in our financial cooperative. Advantis reached \$1 billion in assets in March 2013 – a significant milestone as credit unions of this size can achieve economies of scale to control their expenses and serve their members more efficiently. Of the nation's 6,687 credit unions, only 209 have assets of \$1 billion or more.

Interest rates remained at historical lows for the fifth consecutive year, further depressing asset yields for all financial institutions as new, lower rate loans and investments replace maturing assets booked during higher rate periods. The amount of regulation that financial institutions face is at an all-time high and growing, and credit unions will have to dedicate more financial and human resources to compliance management. Despite thin margins and intense competition, Advantis produced strong financial results while continuing to build capabilities necessary to sustain our member-focused mission. Our continued success in a challenging interest rate environment reflects our commitment to manage risk effectively and operate efficiently. We ended the year with a net worth ratio of 9.83%, well above the regulatory standard for "well capitalized" credit unions, and up from 9.74% in 2012.

Protecting Our Tax Status

As Congress contemplated tax reform legislation and big banks attacked the credit union tax exempt status, the Credit Union National Association (CUNA) launched the "Don't Tax My Credit Union" campaign. Advantis members were active participants in the campaign, making 2,273 contacts with their congressional representatives and senators since last May. Nationally, the grassroots effort resulted in 30 million contacts with Congress. Thank you for taking time to respond to this important call to

action – our collective voice was heard, and credit unions' tax status was left untouched in a tax reform plan released by the House Committee on Ways and Means on February 26, 2014. This is a win for credit union members, but the industry is remaining vigilant because the bank lobby continues to try to attack our tax status.

Advantis was recognized with the "Top of the Hill Award" by the Northwest Credit Union Association (NWCUA) for our strong legislative advocacy, and Advantis Board Chair Jake Jensen was named the NWCUA 2013 Oregon Credit Union Advocate of the Year. Over the past year, Jake has worked tirelessly on behalf of the credit union movement, delivering the credit union message in person to members of Congress, and by hosting an Oregon congressman at Advantis for a town hall meeting.

Enhancing Members' Service Experience

Last year we completed a number of projects to enhance our members' service experience. We redesigned our website with a new look and improved navigation and online features. In early December, we added a convenient mobile check deposit feature to our mobile banking application for Android and Apple devices. Making a deposit is now as easy as snapping a picture of your check and submitting it with our application. Advantis' existing downtown branch, located at Second and Taylor, underwent extensive renovations to provide a thoughtfully-designed space with enhanced convenience for our members. In January 2014, we opened our sixth metro area branch at West Linn's Central Village on Willamette Drive.

Plans for 2014

As we look forward to the coming year, we will continue to build upon the value that we offer and invest in the financial well-being of our members. Plans for the upcoming year include technology improvements, such as an exciting new online banking and bill pay

system, and internal emphasis on efficiency and process improvement.

The board of directors is made up of Advantis members who volunteer their time and remain committed to making a difference, and we thank them for their time, energy, and service. We would also like to thank our employees for all their hard work and for exemplifying the credit union difference every day. Most importantly, we thank our members for their ongoing support and loyalty. We value your membership and look forward to helping you make 2014 a great year.



Jacob Jensen
Jacob Jensen
CHAIR



Robert Corwin
Robert Corwin
PRESIDENT/CEO

Members say it best:

" I joined 23 years ago when I became a public employee and over time moved every last bit of banking over to Advantis. The personal care and assistance I've received over the years have been invaluable. I wouldn't consider going anywhere else. "

- Teresa B.

" It's important to me to keep things local and support the community, even with my banking needs. That's why I choose Advantis. "

- Luke H.

" I joined Advantis because they feel like a friend. They work WITH me to help plan for my future! I love Advantis. "

- Blythe D.

" I wanted a credit union based in Portland, one that was friendly, provided a low-cost checking account with competitive interest and plenty of ways to deposit and withdraw money. I have found all I was looking for and more, thanks y'all! "

- Aaron K.

Advantis in the Community

Advantis is committed to making a positive impact on our members' lives and in the communities we serve. In 2013, Advantis and its employees provided over \$160,000 in financial support and in-kind contributions to 45 non-profits and service organizations for projects that enrich our communities. Our outreach takes many forms beyond direct giving, such as providing volunteers for community projects, fundraising on behalf of Doernbecher Children's Hospital, organizing food drives for the Sunshine Division, and providing free financial education. The generosity and participation of our employees contributed greatly to the success of these initiatives, and Advantis was named one of Portland's top corporate philanthropists by the Portland Business Journal for the fourth consecutive year.



Growing Gardens received \$10,000 to purchase garden tools and supplies for the school garden program for elementary students.



Boys & Girls Aid used their \$5,500 in GROW funding to provide furnishings and décor for the Seneca House, a home that provides a safe living environment for teen girls in the foster care system.

GROW: The Advantis Community Fund

Advantis celebrated the third year of GROW, a fund established to help our communities grow stronger. In 2013, GROW provided six local non-profits with funds totaling \$50,000. Projects ranged from creating community gardens that feed low-income elementary students to refurbishing a home that provides teen girls in the foster care system a safe and comfortable place to live. Advantis members and the public were actively engaged in the campaign, submitting over 42,000 votes to determine which community projects would receive funding. GROW has invested \$150,000 to benefit our community since it began in 2011.



DoveLewis Emergency Animal Hospital, recipient of \$9,500 in GROW funding, provides 24-hour emergency and critical care to animals within our community.

Advantis Scholarships

Advantis college scholarships are awarded for outstanding academic achievement and community service. In 2013, \$22,000 was provided in scholarships to student-members. Since 2006, Advantis has awarded over \$187,000 to assist 125 members with their higher education endeavors.



Advantis employees pack Sunshine Division holiday food boxes. Each December, the organization delivers 3,500 boxes to families in need.



A group of 11 Advantis employees spent the afternoon pulling ivy and other invasive species at Forest Park.

Financial Education

Free financial education is one way that Advantis has been fulfilling our mission. Advantis offers seminars focused on helping individuals make wise choices in all areas of personal financial management, with an emphasis on saving, credit management, home ownership, investing, and retirement planning. Our personal financial educators can provide one-on-one assistance with budgeting, debt management, and rebuilding credit. A complete list of financial resources and seminars can be found at www.advantiscu.org/resources.

We're committed to making a positive impact on our members' lives and on the communities we serve.



Each summer, Advantis staff devotes an afternoon to animal socialization at the Oregon Humane Society.

Statements of Financial Condition

As of December 31, 2013 and 2012

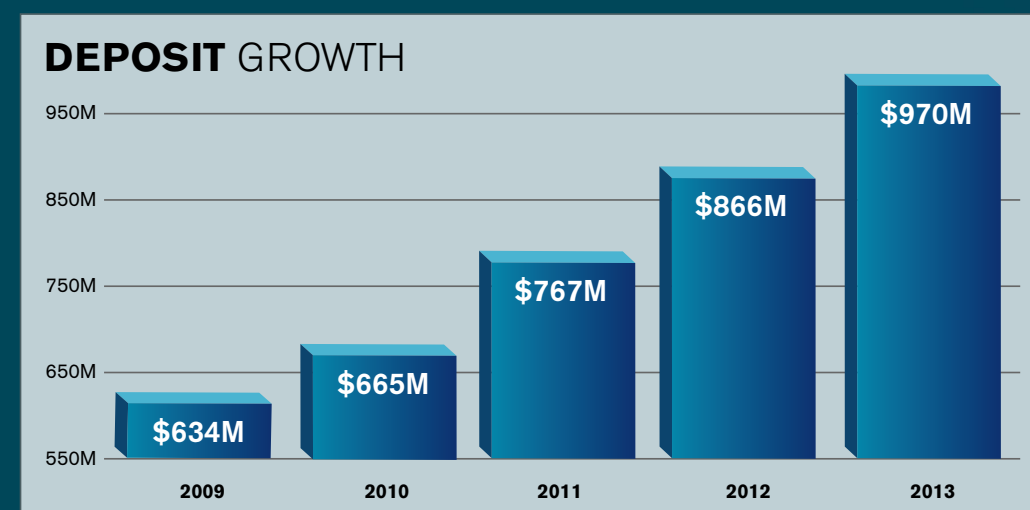
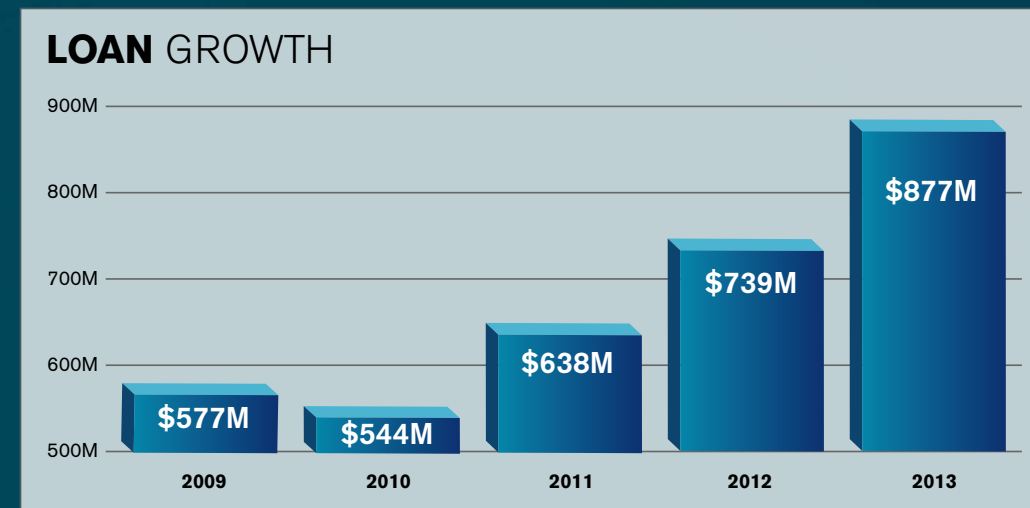
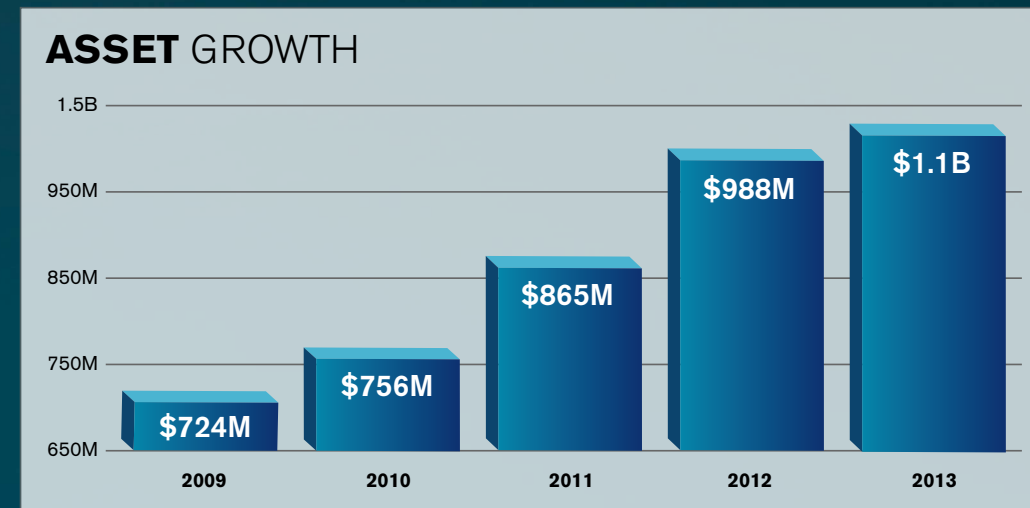
ASSETS	2013	2012
Cash and cash equivalents	\$65,616,438	\$78,570,276
Investments	102,914,688	99,775,805
Loans to members, net of allowance for loan loss	877,349,679	738,928,928
Property & equipment	9,758,979	9,552,658
National Credit Union Share Insurance Fund Deposit	8,444,525	7,608,640
Other assets	48,997,803	53,391,019
TOTAL ASSETS	\$1,113,082,112	\$987,827,326
LIABILITIES AND EQUITY		
LIABILITIES		
Members' shares	\$969,759,456	\$866,225,448
Accrued expenses and other liabilities	4,643,919	4,763,041
Borrowed funds	30,000,000	20,000,000
Total Liabilities	1,004,403,375	890,988,489
EQUITY		
Retained earnings, substantially restricted	109,413,390	96,227,205
Accumulated other comprehensive income	(734,653)	611,632
Total Equity	108,678,737	96,838,837
TOTAL LIABILITIES & EQUITY	\$1,113,082,112	\$987,827,326

Statements of Income

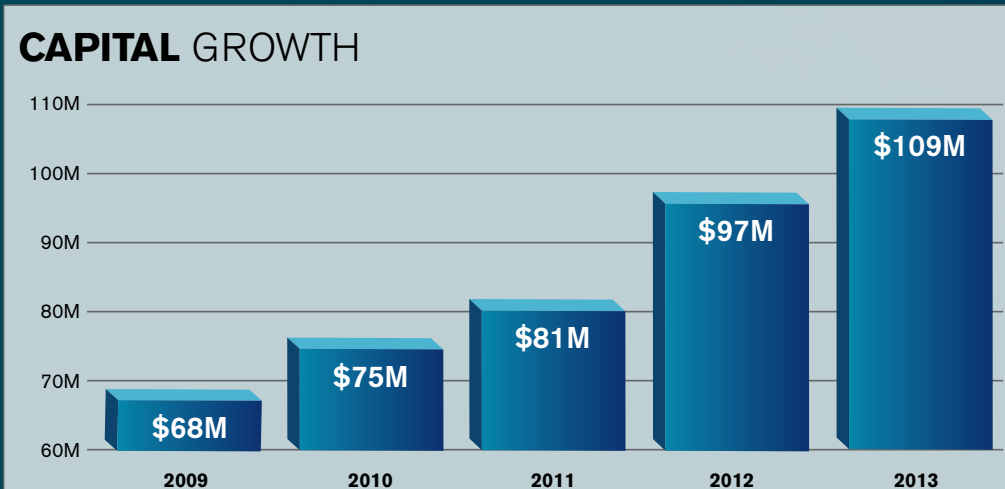
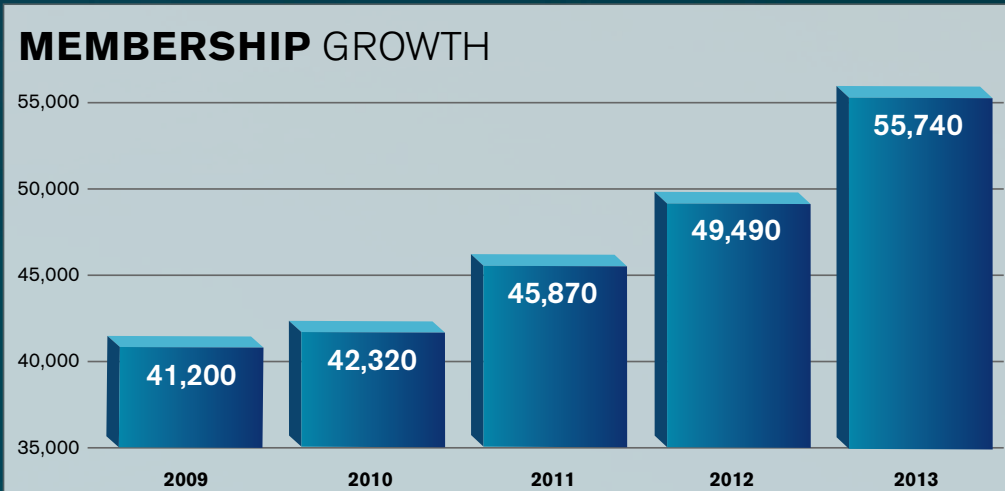
For the years ending December 31, 2013 and 2012

INCOME	2013	2012
Interest on loans to members	\$33,652,046	\$32,814,806
Interest on investments and cash equivalents	2,072,793	1,956,247
Other income	14,048,930	11,071,186
TOTAL INCOME	\$49,773,769	\$45,842,239
EXPENSES		
Salaries & Benefits	\$11,337,108	\$10,330,588
Operations	10,169,656	9,881,828
Occupancy	1,413,233	1,321,898
NCUA Premium Assessment & Impairment Losses	675,562	520,666
Provision for loan losses	3,389,267	467,737
Interest on borrowed funds	91,444	298,133
Dividend expense	9,511,314	8,684,492
TOTAL EXPENSES	\$36,587,584	\$31,505,342
NET INCOME	\$13,186,185	\$14,336,897

Financial Trends



Financial Trends



55,740
Members Strong

As of December 31st	2013
Assets	\$1,100,000,000
Deposits	\$970,000,000
Loans	\$877,000,000

Audit Committee Report

The Advantis Credit Union Audit Committee is a four 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. The committee has quarterly meetings with Advantis' Senior Audit Officer, participates in monthly meetings of the Board of Directors, and examines the credit union's monthly financial reports.

In fulfilling statutory duties and obligations to safeguard member assets, the Audit Committee's primary responsibilities include overseeing the completion of (1) an independent external financial audit of the financial statements and records, (2) internal control reviews of the Credit Union, (3) verification of members' accounts, and (4) reviews of closed accounts. In addition, the committee provides oversight to 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 ended December 31, 2013; Info@Risk to perform independent IT and information security audits; and the Credit Union's internal audit staff to provide internal audit services.

The Credit Union was also examined by its government regulators during 2013, the Oregon Department of Consumer and Business Services, Division of Finance and Corporate Securities (DFCS) and the National Credit Union Administration (NCUA).

It is the conclusion of the Audit Committee that Advantis Credit Union is operated 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.

Ross E. Wescott MA CIA CISA CCP
Audit Committee Chair
3/11/2014

If you've wondered what makes Advantis different,

it's our cooperative, not-for-profit, member-owned structure. Advantis' mission is to improve the financial lives of our members, and our primary focus is to provide relevant, valued financial services to our members while maintaining the financial strength of the credit union. We do not pay dividends to outside stockholders; credit union income is returned to members in the form of better rates, lower fees, and innovative services. Advantis acts as a trusted advisor to our members, helping them make financial decisions that are in their best interest. We are committed to easy access with extraordinary service, and everything we do is guided by our values: safe and strong, integrity, passion and teamwork.

Board of Directors

Jake Jensen – Chair
Patrick Hager – Vice Chair
Amanda Owings – Secretary/Treasurer
Carolyn Benolken
Renee Halpern
Roger Hediger
Bob Pearson
Josh Roberts
Tammy Teske

Alternate Directors

Aaron Knott
David Rossi

Branch Locations

Belmont
3010 S.E. Belmont Street, Portland, OR 97214

Downtown
120 S.W. Taylor Street, Portland, OR 97204

Fremont
3515 N.E. 15th Avenue, Portland, OR 97212

Lloyd Center
825 N.E. Multnomah Street, Suite 110
Portland, OR 97232

Hillsboro
7387 N.E. Butler Street, Hillsboro, OR 97124

West Linn
21900 Willamette Drive, Suite 204
West Linn, OR 97068

Executive Leadership Team

Bob Corwin
President/CEO

Tim Clouse
SVP/Chief Innovation Officer

Wendy Edwards
SVP/Chief Administrative Officer

Griff O'Brien
SVP/Chief Membership Officer

Jeff Schwarz
SVP/Chief Lending Officer

Laurie Wilson
SVP/Chief Financial Officer

Audit Committee

Ross Wescott — Chair
Bob Beattie
Andy Dolberg
Kim Johnsen

Administration Office

10501 S.E. Main Street
Milwaukie, OR 97222

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