



55

years
serving the
community

2015 Annual Report



Table of Contents

- 3 Honest to Goodness Savings
- 4 Board of Directors
- 5 Chairman's Annual Report
- 6 Supervisory Audit Report
- 7 Treasurer's Audit Report
- 8 Statement of Financial Condition
- 9 Statement of Income
- 10 Branch Locations
- 11 Management Team & Electronic Services

In the Community

Throughout the years ABNB has taken pride in giving back to the Hampton Roads community. Our community efforts include blood donation drives, Student Scholarships, and fundraising events such as our Annual Fishing Fest to raise money for the Children's Hospital of the King's Daughters.

In 2015, we raised \$68,831.00 through our Fishing Fest, bringing our total contributions to more than \$490,000.00 since we started 12 years ago!

"Fishing Fest has become a tradition for our members and staff here at ABNB. It's so rewarding to give back to an organization that does so much for our community, and we can't do that without the gracious support that we receive from our members every year."

- Carole Cowling; Vice President of Human Resources and 2015 Fishing Fest Chairman



We're hooked on a feeling of

Honest to Goodness savings



We just love saving our members money here at ABNB, which is why we began our Honest to Goodness savings campaign. In addition to this campaign, we provide another savings opportunity throughout the year with our Honest to Goodness member drawing, where each month, one lucky member is chosen to win \$250!

In 2015, we saved our members a grand total of

\$11,584,157

**That's a total savings of OVER \$43 MILLION
since starting Honest to Goodness in 2011!**



"I refinanced my loan through ABNB and saved money. They were able to lower my interest rate and give me a longer term so I could lower my monthly payments. The process was fast and easy from loan application to approval and finally disbursement."

**-Richard Day,
General Booth Member**

Board of Directors

Chairman of the Board

Mary Ann Melchers

Vice Chairman

Thomas P. McAndrews

Secretary

Earl Waddell

Treasurer

Richard Cheliras

Associate Board Member

Michael Moore

Senior Associate Board Member

Warren E. Reynolds

Directors

Marvin Brangan

Amy Butcher

Barbara Geraghty

Richard Losea

Herman M. Quattlebaum

Chairman of the Supervisory Committee

David R. Krause

Liaison Office, Navy Regional Mid-Atlantic

Beth Bailey

Director Emeritus

Eleanor J. Field

Russell Hodges

Robert E. Morgan

F.M. Symons

Byron O. Walker



Top (From Left): David R. Krause, Marvin Brangan, Amy Butcher, Barbara Geraghty, Herman M. Quattlebaum
Seated (From Left): Earl Waddell, Thomas P. McAndrews, Mary Ann Melchers, and Richard Cheliras
Not Pictured: Warren E. Reynolds, Martha Smith, Richard Losea, Michael Moore

Chairman's Annual Report

"A new branch office is under construction on Virginia Beach Boulevard and will be open in late 2016."



I am glad to report to the membership that ABNB Federal Credit Union completed another successful year of operation. At year end 2015 ABNB assets had grown to \$513.7 million. The membership during this time grew to 55,455 members. The year 2015 was a good year for loans. There was a net increase of \$33.8 million in the ABNB loan portfolio.

ABNB continually searches for new locations to provide convenient service to our members. A new branch office is under construction on Virginia Beach Boulevard and will be open in late 2016.

ABNB continues to participate in many community activities to raise money for charities in the area. Our biggest fundraiser is the Fishing Fest to support Children's Hospital of the Kings Daughters. We also participate in other fund-raising ventures such as Relay for Life, March of Dimes, and the 'coat drive'. We look forward to seeing our members participate in the Fishing Fest and the Members Appreciation Day. In July 2015 over 1,000 members attended Member Appreciation Day, enjoying good food, games, and prizes.

ABNB will continue to provide our members with state-of-the-art financial services.

The Board of Directors thanks all of our members for their continued support, and we look forward to a successful 2016.

A handwritten signature in black ink that reads "Mary Ann Melchers".

Mary Ann Melchers, Chairman

Supervisory Annual Report

“You can help us safeguard your accounts by updating your contact information as it changes.”



The Supervisory Committee’s goals are to ensure that management’s financial reporting objectives have been met and that management’s practices and procedures safeguard members’ assets. The committee conducts audits and account verifications to confirm goals are obtained.

The committee retains the services of an Information Technology firm that specializes in performing IT audits and assessments due to the credit union’s continued expansion of electronic services along with increasing Cybersecurity threats. These actions will assist in the management of technology risks and related IT regulations.

These activities are designed to prevent fraud from inside and outside your credit union, and to protect your assets and personal information. You can help us safeguard your accounts by updating your contact information as it changes and by performing at least one financial transaction annually to keep your account active.

Please contact the Supervisory Committee at the address listed on your statement if you have a question or problem with your account.

David R. Krause

David R. Krause, Supervisory Committee Chairman
Marci Hoskin, Committee Member
Al Jones, Committee Member
Randolyn F. Patterson, Committee Member

Treasurer's Annual Report

Our Credit Union remains financially strong having had another productive year in 2015. Member Savings and Total Loans both increased as we watched the country's economic condition continue to improve at a slow pace.

At year-end, assets were \$513.7 million and loans were \$402.9 million. All share accounts, which include certificates, money market, and IRA's, total \$452.6 million. Membership at year-end was 55,455. Business loans totaled approximately \$35 million, which is approximately 8.7% of the total loan portfolio. Dividends paid on all savings accounts were \$2.4 million. Cash and equivalents totaled \$38.6 million at year end, which is a good indication that there is adequate liquidity for all types of loans to members.

The Asset Liability Management (ALM) and Business Loan Committees, comprised of Board and Staff members, continue to meet regularly to review various financial and investment reports, lending and investment strategies, liquidity, business loan actions, and share and loan rates.

As a requirement of the federal examiners, the ALM Committee also reviews numerous quarterly reports generated by the automated asset liability management model. The Committee has received the required periodic training on the various facets of asset liability management, as have all members of the Board of Directors.

The required annual examination was performed by the National Credit Union Administration (NCUA), our regulatory agency, as of June 30, 2015. The required independent CPA audit was performed as of December 31, 2015. Both reports confirm that your credit union remains financially and operationally sound.

The Board of Directors, all committees, volunteers and Staff remain dedicated and committed to providing convenient, quality, cost-effective, state-of-the-art services worldwide, while maintaining a sound financial condition. On their behalf, I thank you for your loyal membership and for allowing ABNB to serve you and your family.



Richard M. Cheliras, Treasurer

"At year-end, assets were \$513.7 million and loans were \$402.9 million."



Statement of Financial Condition

December 31, 2015

Salvation Army



Every year ABNB staff and members participate in our Coat Drive by providing coats to the local Salvation Army. ABNB collected over 200 coats in 2015, bringing our number of donated coats to over 2,500 since we began our drive.

"It never ceases to amaze me seeing the corporate office hallway filled with so many coats donated from both members and employees who are so thrilled to give back to the community. It's that kind of generosity year after year that makes this coat drive so successful!" says ABNB Relationship Manager, Vanessa Guzman.

ASSETS

Cash and Cash Equivalents.....	\$ 38,638,596
Deposits in Other Financial Institutions.....	20,450,975
Securities - Available for Sale.....	2,486,145
Securities - Held to Maturity.....	2,002,403
Other Investments.....	2,104,261
Loans, Net.....	398,477,059
Accrued Interest Receivable.....	1,389,740
Foreclosed and Repossessed Assets.....	1,749,916
Premises and Equipment, Net.....	25,656,963
NCUSIF Deposit.....	4,206,499
Credit Union Owned Life Insurance.....	13,675,342
Other Assets.....	2,879,709
Total Assets.....	<u>\$ 513,717,608</u>

LIABILITIES AND MEMBERS' EQUITY

LIABILITIES	
Members' Share and Savings Accounts.....	\$ 452,607,324
Accrued Expenses and Other Liabilities.....	<u>5,910,932</u>
Total Liabilities.....	458,518,256
MEMBERS' EQUITY	
Regular Reserves.....	\$ 4,318,118
Undivided Earnings.....	50,895,089
Accumulated Other Comprehensive Loss.....	<u>(13,855)</u>
Total Members' Equity.....	<u>55,199,352</u>
Total Liabilities and Members' Equity.....	<u>\$ 513,717,608</u>

The condensed consolidated financial statements presented herein do not constitute a complete set. The complete set, including the consolidated statements of changes in members' equity and cash flows and notes to the consolidated financial statements, including the auditor's opinion is available in the Credit Union office and at www.abnbfcu.org.

Statement of Income

for the year ended December 31, 2015

Edmarc Hospice for Children



For the third year, ABNB Federal Credit Union has delivered over 40 teddy bears to Edmarc Hospice for their "Santa Delivery." This year Bears were dressed as Super Hero's, Princess's, even Book Character's! Bears were also decorated and raffled off to staff and members. The winning tickets chose a bear to take home and Edmarc received 100% of all money raised. In 2015, over 40 bears were delivered to Edmarc, along with a check for more than \$1,100!

INTEREST INCOME

Loans.....	\$21,527,796
Securities, Interest Bearing Deposits and Cash Equivalents.....	<u>557,452</u>
Total Interest Income.....	22,085,248

INTEREST EXPENSE

Members' Share and Savings Accounts.....	<u>2,403,195</u>
Net Interest Income.....	19,682,053

PROVISION FOR LOAN LOSSES.....

	<u>5,848,000</u>
Net Interest Income After Provision for Loan Losses	13,834,053

NON-INTEREST INCOME

Service Charges and Fees.....	4,479,145
Other Non-Interest Income.....	6,936,879
Net Gain (Loss) on Sale of Foreclosed / Repossessed Assets.....	(257,649)
Total Non-Interest Income.....	11,158,375

NON-INTEREST EXPENSE

General and Administrative:

Employee Compensation and Benefits.....	11,811,308
Office Occupancy and Operations.....	4,953,410
Other Operating Expenses.....	6,345,223
Loss on Valuation of Foreclosed / Repossessed Assets.....	<u>19,400</u>
Total Non-Interest Expense.....	<u>23,129,341</u>

NET INCOME..... \$ 1,863,087

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Branch Locations

Chesapeake

Cedar Road*

1109 Cedar Road
Chesapeake, VA 23322

Chesapeake Square

4109 Chesapeake Square Blvd.
Chesapeake, VA 23321

Towne Place

701 Eden Way North
Chesapeake, VA 23320

Suffolk

Lakeside*

907 W. Washington Street
Suffolk, VA 23434

Virginia Beach

Fairfield

5288 Providence Road
Virginia Beach, VA 23464

General Booth

1100 Dam Neck Road
Virginia Beach, VA 23454

Kemps River

5399 Kemps River Drive
Virginia Beach, VA 23464
Spanish Bilingual Representatives

South Independence*

3550 Buckner Blvd.
Virginia Beach, VA 23453

Wishart

4524 Wishart Road
Virginia Beach, VA 23455

Norfolk

Chesson

1701 Church Street
Norfolk, VA 23504

Sewell's Point

985 Denison Avenue
Norfolk, VA 23513

Portsmouth

Guardian

309 County Street
Portsmouth, VA 23704

North Carolina

Moyock*

102D Moyock Commons Drive
Moyock, NC 27958

Base

Naval Amphibious Base (NAB)*

1173 Amphibious Drive,
Bldg. 3348
JEB Little Creek, Fort Story
Virginia Beach, VA 23459
Base Pass required.

Naval Station Norfolk (NSN)*

9155 Seabee Road, Bldg. CD-25
Norfolk, VA 23511

USCG Base Elizabeth City

1664 Weeksville Road,
Bldg. 998
Elizabeth City, NC 27909
Base Pass required.

USCG Portsmouth

4000 Coast Guard Boulevard
Portsmouth, VA 23703
Base Pass required.



24 Hour ATMs at all branch locations

**Branch & Credit Union Service Centers*

2015 Management Team

Carl Ratcliff
President and CEO

Michael Doland
Executive Vice President

Carole Cowling
Vice President of Human Resources

Tony Duncan
Vice President of Finance

Cathy Heidlebaugh
Vice President of Operations

Terri Nelson
Director of Loan Administration

Jim Powers
Vice President of Lending

Bob Poythress
Director of Internal Audit/Compliance, CIA/CISA

Kelli Ragland
Vice President of Marketing

Brenda Reed-Olejasz
Director of Retail Sales

Gina Stinson
Director of Operations

Jason Tilley
Vice President of Information Technology

Electronic Services

ABNB Website - www.abnbfcu.org



ABNB@HOME -
Desktop and mobile account management with Bill Pay and Mobile Deposit



Apple Pay - Pay online and in-stores with Apple devices



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[Twitter.com/abnbfcu](https://twitter.com/abnbfcu)



Instagram: @abnbfcu

