At ABNB, we prioritize being Open, Honest, and Hardworking.

**OPEN**
- **simplifying your life...**
  - We empower our staff to make decisions whenever possible. We don’t entangle you in red tape. ABNB’s wealth of nationwide, simple-to-use, electronic services enable account management 24/7 on your schedule, not ours. Even if you’ve only been with us for a short while, you’ve probably already realized our fees are considerably less than at banks. We keep our loan rates low, too.

**HONEST**
- **giving you as much good information as possible...**
  - We proudly publish our fees online. You’ll find helpful tools on our web site allowing you to compare ABNB’s rates against our competition. Using fine print? That’s not so fine with us. We want you to make financial decisions that best serve your interests, not ours. From our CEO to the teller who smiles at you when you come in, we are committed to doing what’s right for our member-owners. We train our staff to be caring, knowledgeable, and trustworthy.

**HARDWORKING**
- **we’re always advocating for you...**
  - It’s in our DNA to do our very best for our member-owners. We are determined to find ways to put real money in your pocket. Rather than returning profits to investors, member-owned cooperatives, credit unions like ABNB, return profits to members. Since 2011 ABNB’s Honest to Goodness Savings Program alone has put $33,480,690 back in our member-owner’s pockets.

**WILL YOU ADVOCATE FOR ABNB?**
- Not-for-profit member owned credit unions are under assault! Big banks, driven by the pursuit and priority of profit, are determined to undermine institutions like ours. They influence the legislative process, spending millions of dollars each year on lobbying efforts, to push their interests into law. At ABNB we are determined to stem this tide. You can help us by spreading the word about the many benefits of being a member-owner of ABNB.
Chairman’s Annual Report

I am glad to report to the membership that ABNB Federal Credit Union completed another successful year of operation. At year end 2014 ABNB assets had grown to $488.89 million.

During fourth quarter 2014 Guardian Federal Credit Union merged with ABNB thus providing their 6,600 members access to all ABNB services and branch locations. It also gave ABNB members new branches to use. We continually search for new locations and new services to provide to our members.

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. The Fishing Fest outing raises approximately $60,000. We also participate in other fundraising ventures such as Relay for Life, March of Dimes, and coat drives to benefit the Salvation Army.

ABNB FCU will continue to provide the best financial services possible. We look forward to seeing our members participate in the Fishing Fest and the Member Appreciation Day. In July 2014 we had approximately 750 members attend Member Appreciation Day, enjoying good food, games, and prizes.

The Board of Directors thanks our members for their continued support, and we look forward to another successful year in 2015.

Mary Ann Melchers
Chairman
Treasurer’s Annual Report

Our Credit Union remains financially strong having had a productive year in 2014. Member Savings and Total Loans both increased as we watched the country’s economic condition continue to improve. At year-end, assets were $489 million and loans were $369 million. All share accounts, which include certificates, money market, and IRAs, total $430 million. Membership at year-end was 55,027. Business loans totaled approximately $35 million, which is approximately 9.6% of the total loan portfolio. The Credit Union has the expertise and personnel to process business loan applications and we continue to encourage your participation. Dividends paid on all savings accounts were $2.0 million. Cash and equivalents totaled $44.4 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, 2014. The required independent CPA audit was performed as of December 31, 2014. 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

Supervisory Audit Report

The Consumer Financial Protection Bureau (CFPB) has been active in creating new rules and regulations to further protect consumers of financial products. Our Board of Directors establishes internal policies and controls to ensure the CFPB directives are incorporated in the daily activities of the Credit Union, thereby protecting our member’s assets. The Supervisory Committee is responsible for ensuring that the policies and procedures initiated by the Board are implemented and carried out.

In support of the Board, the Supervisory Committee conducts internal periodic reviews, including branch audits, loan reviews and member account verifications. Additionally, the Committee contracts with a CPA firm, familiar with credit union operations, to ensure management activities and financial reports accurately reflect the annual performance, and year end state, of ABNB.

Because of the threat of fraudulent intrusions into the member database, we have engaged the services of external IT specialists to assess the procedures of the IT Department to prevent unauthorized access to our data systems. In 2015 we will expand the scope of those services to include Cybersecurity, as social media becomes a greater part of member services.

All of these activities are designed to prevent fraud from outside and inside 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 from being classified as dormant.

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, Supervisory Committee Chairman
Randolyn F. Patterson, Committee Member
Marcy Hoskin, Committee Member
Jerry W. Flug, Sr., Committee Member

David R. Krause
Supervisory Committee Chairman

Richard M. Cheliras
Treasurer
## Statement of Income
for the year ended December 31, 2014

<table>
<thead>
<tr>
<th>Income Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INTEREST INCOME</strong></td>
<td></td>
</tr>
<tr>
<td>Loans</td>
<td>$18,595,678</td>
</tr>
<tr>
<td>Securities and Interest Bearing Deposits and Cash Equivalents</td>
<td>366,611</td>
</tr>
<tr>
<td>Total Interest Income</td>
<td>$18,962,289</td>
</tr>
<tr>
<td><strong>INTEREST EXPENSE</strong></td>
<td></td>
</tr>
<tr>
<td>Members’ Share and Savings Accounts</td>
<td>1,992,845</td>
</tr>
<tr>
<td>Net Interest Income</td>
<td>$16,969,444</td>
</tr>
<tr>
<td><strong>PROVISION FOR LOAN LOSSES</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4,373,000</td>
</tr>
<tr>
<td>Net Interest Income After Provision for Loan Losses</td>
<td>12,596,444</td>
</tr>
<tr>
<td><strong>NON-INTEREST INCOME</strong></td>
<td></td>
</tr>
<tr>
<td>Service Charges and Fees</td>
<td>$4,170,336</td>
</tr>
<tr>
<td>Other Non-Interest Income</td>
<td>6,230,426</td>
</tr>
<tr>
<td>Gain on Sale of Repossessed Assets, Net</td>
<td>113,280</td>
</tr>
<tr>
<td>Gain on Disposal of Premises and Equipment, Net</td>
<td>202,615</td>
</tr>
<tr>
<td>Total Non-Interest Income</td>
<td>$10,716,657</td>
</tr>
<tr>
<td><strong>NON-INTEREST EXPENSE</strong></td>
<td></td>
</tr>
<tr>
<td>General and Administrative</td>
<td></td>
</tr>
<tr>
<td>Employee Compensation and Benefits</td>
<td>10,283,458</td>
</tr>
<tr>
<td>Office Occupancy and Operations</td>
<td>4,017,837</td>
</tr>
<tr>
<td>CCUSF Premium Assessment</td>
<td>-</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>5,977,025</td>
</tr>
<tr>
<td>Loss on Valuation of Foreclosed and Repossessed Assets</td>
<td>-</td>
</tr>
<tr>
<td>Total Non-Interest Expense</td>
<td>$20,278,320</td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td>$3,034,781</td>
</tr>
</tbody>
</table>

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 Financial Condition
December 31, 2014

<table>
<thead>
<tr>
<th>Assets</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$44,388,144</td>
</tr>
<tr>
<td>Deposits in Other Financial Institutions</td>
<td>20,638,821</td>
</tr>
<tr>
<td>Securities - Available for Sale</td>
<td>5,960,280</td>
</tr>
<tr>
<td>Securities - Held to Maturity</td>
<td>5,503,613</td>
</tr>
<tr>
<td>Other Investments</td>
<td>1,984,489</td>
</tr>
<tr>
<td>Loans, Net</td>
<td>364,597,987</td>
</tr>
<tr>
<td>Accrued Interest Receivable</td>
<td>1,328,031</td>
</tr>
<tr>
<td>Foreclosed and Repossessed Assets</td>
<td>1,742,519</td>
</tr>
<tr>
<td>Premises and Equipment, Net</td>
<td>22,059,473</td>
</tr>
<tr>
<td>NCUSIF Deposit</td>
<td>4,055,964</td>
</tr>
<tr>
<td>Credit Union Owned Life Insurance</td>
<td>13,297,078</td>
</tr>
<tr>
<td>Other Assets</td>
<td>3,336,903</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$488,893,302</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and Members’ Equity</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
</tr>
<tr>
<td>Members’ Share and Savings Accounts</td>
<td>$429,712,250</td>
</tr>
<tr>
<td>Accrued Expenses and Other Liabilities</td>
<td>5,870,652</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>435,582,902</td>
</tr>
<tr>
<td><strong>MEMBERS’ EQUITY</strong></td>
<td></td>
</tr>
<tr>
<td>Regular Reserves</td>
<td>$4,318,118</td>
</tr>
<tr>
<td>Undivided Earnings</td>
<td>49,032,002</td>
</tr>
<tr>
<td>Accumulated Other Comprehensive Income (Loss)</td>
<td>39,720</td>
</tr>
<tr>
<td>Total Members’ Equity</td>
<td>53,310,400</td>
</tr>
<tr>
<td>Total Liabilities and Members’ Equity</td>
<td>$488,893,302</td>
</tr>
</tbody>
</table>

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.
Branch Locations

Chesapeake
Cedar Road*
1109 Cedar Road
Chesapeake, VA 23322

Towne Place
701 Eden Way North
Chesapeake, VA 23320

Chesapeake Square
4109 Chesapeake Square Blvd.
Chesapeake, VA 23321

Norfolk
Naval Station Norfolk (NSN)*
9135 Seabee Road, Bldg. CD-25
Norfolk, VA 23511

Base passes are required at locations below.

Naval Amphibious Base (NAB)*
1173 Amphibious Drive,
Bldg. 3348
JEB Little Creek, Fort Story
Virginia Beach, VA 23459

Sewell’s Point Road
985 Denison Avenue
Norfolk, VA 23513

Chesson
1701 Church Street
Norfolk, VA 23504

Portsmouth
Guardian
309 County Street
Portsmouth, VA 23704

Virginia Beach
Wishart
4524 Wishart Road
Virginia Beach, VA 23455

Kemps River
5399 Kemps River Drive
Virginia Beach, VA 23464

Spanish Bilingual Representatives

Fairfield
5288 Providence Road
Virginia Beach, VA 23464

South Independence*
3550 Buckner Blvd.
Virginia Beach, VA 23453

General Booth
1100 Dam Neck Road
Virginia Beach, VA 23454

Suffolk
Lakeside*
907 W. Washington Street
Suffolk, VA 23434

North Carolina
Moyock*
102D Moyock Commons Drive
Moyock, NC 27958

Base
Base passes are required at locations below.

Naval Amphibious Base (NAB)*
1173 Amphibious Drive,
Bldg. 3348
JEB Little Creek, Fort Story
Virginia Beach, VA 23459

USCG Base Portsmouth
4000 Coast Guard Boulevard
Portsmouth, VA 23703

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

Management Team

Carl Ratcliff, President and CEO
Michael Doland, Executive Vice President
Tony Duncan, Vice President of Finance
Cathy Heidlebaugh, Vice President of Sales and Service
Michael Eskenazi, Vice President of Lending
Jason Tilley, Vice President of Information Technology
Chris Anuswith, Vice President of Risk Management
Carole Cowling, Vice President of Human Resources
Kelli Ragland, Vice President of Marketing
Barry Linkous, Director of Loan Administration
Brenda Reed-Olejasz, Director of Retail Sales
Gina Stinson, Director of Operations
Bob Poythress, Director of Internal Audit/Compliance, CIA/CISA

Electronic Services

ABNB Website - www.abnbfcu.org
ABNB@HOME - Online account management
Facebook - www.facebook.com/abnbfcu
Bill Payer@HOME - Pay bills from home
ABNB Mobile - Mobile Banking and Check Deposit App for Android and iPhone users
eStatements - Member monthly statements sent electronically
STAR - 24 hour audio response (757) 523-5333 * Toll free: 1-877-448-7827