

WrightPatt
CREDIT UNION, INC.

2016 Annual Report



A Focus on Value, Extraordinary Service and Tools in Your Best Interest.



At Wright-Patt Credit Union (WPCU), we're committed to providing our members better value, an extraordinary experience and the right resources to help you live the life you want. As you look through our 2016 Annual Report, you'll see examples of our commitment through expanded credit union access, like the addition of more tools to help members better manage your money and a focus on addressing member needs.

In 2016, WPCU opened Cornerstone Member Center, making the credit union more convenient for current members and giving us more opportunities to share the WPCU difference with others. We launched our first remote Personal Teller at CareSource's headquarters to serve more than 2,200 employees from the comfort of their office. We were also honored to serve Wright-Patterson Air Force Base with an updated member center.

WPCU also worked to make it easier and more secure to manage your money at home or on the go. We introduced a new audio voice response system which allows members to use simple voice commands to take care of their account needs. In addition, new features like push notifications and FingerprintID were integrated into our Mobile Banking App.

We introduced new products and services for local business members, including a new business checking account suite and online banking system. myCUMortgage (a wholly-owned subsidiary of WPCU), launched in-house mortgage servicing to provide a full-service loan experience for home buyers, and in late 2016, WPCU rolled out *CentsibleSpend*™ to help members more easily manage their spending with no overdraft fees or paper checks.

We also launched a multi-year financial health and wellness initiative to help members, partner-employees and the credit union maintain smarter money management decisions and habits. Through this initiative, WPCU will provide tools to help place members in a stronger financial position.

2016 was a special year for WPCU, marked at the end by the largest Patronage Dividend ever – over \$8 million dollars in excess earnings were returned to members! The special dividend reflects all that we were able to achieve together throughout the year. Thank you!

In 2017, WPCU holds an even higher commitment to improving the value members receive and making a positive impact on the people and communities we serve. Our mission remains the same – helping people through life – by providing affordable, easy-to-access solutions with quality and value you can't get anywhere else!

Thank you for your continued membership and for allowing WPCU to serve you. We look forward to even more opportunities to do so in 2017 and beyond.

Sincerely,

Douglas A. Fecher
President & CEO

Edward T. Blommel
Chairman, Board of Directors

**Biggest Ever
\$8 Million
Special
Patronage
Dividend**

**332,205
Members**

**Lent over
\$1 billion
in loans in 2016**

**More than
\$194 million
in overall
deposit growth**

**Over
\$180,000
raised to
support the
community**

**More than
2,800 hours
in financial
education**

It's all about helping our members live the lives they want!

“ When we decided we wanted to be debt free, WPCU was right there for every step, enabling us to save and plan for our family!

WPCU provided both of our car loans and our mortgage loan. There were never any hidden fees and the mortgage process was always wonderful, even when we paid extra on the principal. We had a very intense budget with multiple share accounts that we still have today. WPCU helped us set those up with no fees and was always willing to help us categorize our money!

Features like Mobile and Online Banking, Bill Pay and scheduled transfers were an incredible help in keeping us up on our budget.

It took a lot of discipline to pay off all our debt in five years, but with a good credit union to help us through it all, we did it! We pray that our baby girls never know what debt is and always choose WPCU.”



WRIGHT-PATT

The following
our me

Save Better

WPCU Focus: Help members save money and time, while gaining peace of mind now and in the future.

- Increased business deposit balances by \$15 million.
- Introduced three new checking accounts for local business owners to provide cost savings and convenient ways to manage their expenses.
- Implemented a new Online Banking product to help business members manage their business in the office or on the go.
- Launched new audio voice response system allowing members to use simple voice commands to take care of their needs.
- Introduced *CentsibleSpend*™ – an overdraft and check-free account to help members manage their spending.
- Enhanced Mobile and Online Banking with the launch of Mobile Wallet, FingerprintID Authentication, Quick Balance, Push Notifications and Popmoney.
- Realtors® gave more than \$250,000 back to members through the CU Realty Rebate Program. The program has returned more than \$1.5 million in cash rebates since 2004.

Borrow Smarter

WPCU Focus: Provide loan solutions that are in our members' best interest.

In 2016, WPCU lent more than \$1 billion to members in our communities.

- Helped members achieve or maintain the American Dream by funding or refinancing more than \$397 million in mortgage loans.
 - 2,100 members accessed a WPCU mortgage to purchase new homes, including 990 first-time home buyers.
- Lent more than \$520 million to members to purchase or refinance a vehicle.
- Provided over \$3 million in private student loans to help members further their education.
- Provided nearly \$42 million in low rate credit card limits to members.
- Funded more than \$51 million in commercial loans to support business growth in WPCU communities.
- Launched in-house mortgage servicing to provide a full-service loan experience for home buyers. The new system is servicing new portfolio mortgages, and will convert more than 40,000 existing loans in 2017.

Learn a Lot

WPCU Focus: Help members live financially healthier lives, today and in the future.

- Launched a multi-year financial health and wellness initiative.
- Members and residents improved their financial outlook by attending over 2,800 hours of financial workshops and seminars.
- Members had more than 10,500 interactions with trusted partner GreenPath Financial Wellness throughout the year.
- Participants in the 2016 Dave Ramsey SmartDollar® course collectively eliminated more than \$40,000 in debt in eight weeks.

CREDIT UNION 2016 HIGHLIGHTS

g are some of the many ways we helped
members and the community in 2016.

Support Community

WPCU Focus: Promote livelihood in the communities where our members and partner-employees live.

- Introduced first remote Personal Teller at CareSource's headquarters.
- Renovated Area A Member Center, expanding Personal Tellers to more members at WPAFB.
- Opened Cornerstone Member Center to better serve members in the Centerville, Kettering and Bellbrook communities.
- Partners raised \$180,000 through the Sunshine Community Fund to provide supplies and support to Crayons to Classrooms™ and United Rehabilitation Services.
 - To date, the Sunshine Community Fund has raised \$443,000 to support children and families throughout the community.
- Employed 918 people in Southwest and Central Ohio. Nearly \$40 million was put into our local economy through payroll to WPCU partner-employees.
- Helped partner-employees focus on wellness, reimbursing nearly \$19,000 in monthly fitness facility dues and sponsoring their participation on sports teams throughout the community.

Celebrate Success

- Thanks to the credit union's proactive approach to the market shift in mortgage lending from refinance to new home buying, WPCU received 17 awards for excellence in real estate finance from the Mortgage Bankers Associations in Dayton and Columbus.
- Scott Everett, WPCU's General Counsel and VP of Member Business Services, received the 2016 Claude Clark Award for Legislative Advocacy for his efforts in areas including responsible payday lending loans for credit union members.
- WPCU's Mobile App received an average star rating of 4.6 in the App Store and 4.7 in Google Play. The app tied for second among all financial institutions (including banks) according to *MagnifyMoney*™.

Rated
★★★★★
**in the App Store
and Google Play™**



STATEMENTS OF FINANCIAL CONDITION

December 31, 2016 and 2015

Assets	2016	2015
Cash and Equivalents	\$351,112,199	\$470,181,359
Investments	338,426,705	203,701,255
Loans to Members	2,551,665,387	2,325,298,039
Loans Held for Sale	62,674,302	56,766,992
Less Allowance for Doubtful Loans	(19,840,467)	(17,937,506)
Other Assets	175,263,053	164,494,971
Total Assets	\$3,459,301,179	\$3,202,505,110

Liabilities and Members' Equity

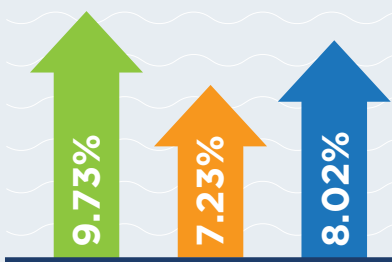
Members' Share Accounts	\$2,878,578,128	\$2,684,452,836
Other Liabilities	175,128,487	147,912,369
Members' Equity:		
Statutory Reserve	22,877,312	22,877,312
Contributed Capital	0	134,750
Specific Reserve	2,260,742	2,314,671
Retained Earnings	383,928,617	344,375,609
Net Unrealized Gain on Investments	(3,472,107)	437,563
Total Members' Equity	405,594,564	370,139,905
Total Liabilities & Members' Equity	\$3,459,301,179	\$3,202,505,110

STATEMENTS OF INCOME

Years ended December 31, 2016 and 2015

	2016	2015
Interest on Loans	\$109,493,947	\$101,954,822
Interest on Investments	7,418,686	4,170,246
Total Interest Income	116,912,633	106,125,068
Dividends	13,544,284	13,274,040
Interest Expense	2,282,944	2,356,934
Net Interest Income	101,085,405	90,494,094
Provision for Loan Losses	18,465,439	19,279,727
Non-interest Income	78,719,909	75,546,637
Non-interest Expenses	113,779,899	103,932,714
Patronage Dividend	8,060,897	5,750,840
Net Income	\$39,499,079	\$37,077,450

2016 LOAN, SHARE & ASSET GROWTH



BOARD OF DIRECTORS

The Board of Directors is made up of credit union members from our local communities. We appreciate their commitment to making a difference and protecting your best interest.



Standing from left to right:

- Robert J. Sweeney, Pleasant Hill - Assistant Treasurer
- Ricky Robinson, Clayton - Associate Development Committee
- Adam M. Scheetz, Kettering - Member
- Mark E. Thornton, Beavercreek - Member
- Edward T. Blommel, Miamisburg - Chairman
- Joseph H. Mucci, Huber Heights - Treasurer

Seated middle row from left to right:

- Michael D. McGrath, Dayton - Secretary
- Carol Z. Clark - Kettering - Associate Development Committee
- Joseph L. Linsenmeyer, Tipp City - Vice Chairman
- Robert D. Wiener, Yellow Springs - Director Emeritus
- Larry L. Smith, Beavercreek - Director Emeritus

Seated front row from left to right:

- Hailey Billing - Wapakoneta - Associate Development Committee
- Howard E. Marks, Jr., Dayton - Director Emeritus
- Charles H. Showell, Jr., Bellbrook - Member
- Leah C. Hanseman, Dayton - Assistant Secretary

Not pictured:

- Thaddis R. Cates, Huber Heights - Committee Member



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