

STATEMENT OF FINANCIAL CONDITION

	Dec. 31, 2014	Dec. 31, 2015
Gross Loans	\$ 466,897,595	\$ 590,108,196
Allowance for Loan Loss	(4,301,269)	(4,269,553)
Loan Discount	0	(4,126,519)
Net Loans	462,596,326	581,712,125
Cash & Equivalents	51,970,453	40,653,211
Investments	205,018,454	227,021,428
Cash and Investments	256,988,907	267,674,639
Foreclosures & Repossessions	227,447	675,186
Fixed Assets	29,121,746	38,984,981
Other Assets	33,558,136	45,650,604
Total Assets	\$782,492,562	\$934,697,534
Total Liabilities	7,242,835	10,767,239
Regular Shares	237,631,304	319,555,928
Checking Shares	144,532,391	197,452,386
Money Market Shares	94,871,689	116,585,289
Certificate Shares	182,414,805	171,512,137
Shares	659,450,189	805,105,740
Undivided Earnings	116,830,763	120,473,472
Other Comprehensive Income	(1,031,225)	(1,648,917)
Equity	115,799,538	118,824,555
Total Liabilities and Equity	\$782,492,562	\$934,697,534

STATEMENT OF INCOME & EXPENSE

	2014	2015
Total Interest Income	23,032,444	26,743,764
Total Interest Expense	2,456,350	2,598,360
Net Interest Income	20,576,094	24,145,404
Fee Income	2,010,166	3,244,485
Other Income	2,888,661	2,831,009
Credit Card Program	1,179,718	1,277,881
Debit Card Program	2,881,170	3,792,824
Loan Origination Income	295,104	645,620
Non Operating Gain/Loss	24,606	263,548
Non Interest Income	9,279,425	12,055,365
Compensation and Benefits	17,194,069	19,477,964
Travel and Conference	209,064	400,814
Office Occupancy	1,544,875	1,885,173
Office Operations	2,403,196	3,737,384
Education and Promotion	397,833	502,741
Loan Servicing	1,402,069	1,729,448
Professional Services	1,172,210	1,522,972
Member Insurance	200	0
Operating Fee	139,450	156,575
Misc Operating	1,450,840	1,776,912
Non Interest Expense	25,913,805	31,189,983
Provisions for Loan Losses	886,168	1,368,078
Net Income	\$3,055,547	\$3,642,707

The first time the word
"Twinsies" has ever been used in
the financial industry.



Because together we're better.

Supervisory Committee Report

Your Supervisory Committee was comprised of three volunteers in 2015: Kelli Harding, Jarred Staup, and me. Associate Committee members Jeff Skeie and Julie Palmer also assisted. We have the responsibility to oversee and verify that the Credit Union has and maintains an internal control framework that provides reasonable assurance to the reliability and integrity of the financial statements and compliance with laws and regulations.

We fulfill this responsibility primarily in two ways. We meet regularly with our Internal Auditor, Luci Sherard, who assists us in verifying compliance with our internal control framework. We also engage an external audit firm, Moss-Adams, LLP to audit the financial statements and the operational controls surrounding those financial statements in accordance with generally accepted auditing principles.

Committee members attend regular monthly Supervisory Committee meetings, as well as monthly meetings of the Board of Directors. At these meetings we review the work of the Internal Auditor, management, and the external auditor to ensure that the Committee's responsibilities are properly discharged.

Based on our audits and the reports of other experts, the Committee is satisfied that the records of Fibre Federal are accurately maintained and the Credit Union is in compliance with applicable laws and regulations. We thank the Credit Union management and staff for their diligent work that ensures such a well run organization.

—Jerry Howell, Supervisory Committee Chair

"Fibre Federal is the best thing that could have happened to TLC. They welcomed us all with open arms and they're working hard to make us part of our communities again."

**-Kari Wolfgram,
TLC Seaside
Branch Supervisor**



"When we first heard that TLC was in trouble, we spoke with employees, and felt reassured. We have always liked the local, member-based aspect of a credit union and have had a great experience with TLC over the years."

**-Michelle Jenck, M.Ed.
Member**

CEO & Board of Directors Report

At that outset of 2015, Fibre Federal Credit Union was fresh off a major system upgrade, and we were looking forward to smooth waters ahead. That didn't last long. In January, we were hit with a curve ball. The NCUA approached us about acquiring Tillamook, OR-based TLC Federal Credit Union. After careful research, we came to realize that TLC's philosophy and culture was very similar to our own. Bringing TLC on board seemed like a natural fit. On May 1, we assumed TLC's assets of over \$109 million, their 13,000+ members, and their 55 employees. We are now one big happy blended family with nearly \$1 billion in assets, 14 branches in two states, over 87,000 members, and 265 employees. We have learned so much from the amazingly talented and dedicated TLC staff, and are over the moon to welcome them to our team.

TLC has deep and enduring ties with the Oregon Coast communities it serves. TLC became TLC, a Division of Fibre Federal Credit Union. From our sponsorship of the Tillamook County Fair to our support of the Seaside July 4th fireworks show, we brought our credo of "Your Community Credit Union" to TLC's coastal communities in 2015.

The blending of Fibre Federal and TLC means two additional Oregon counties in our field of membership: Tillamook and Lincoln. When we complete the conversion of TLC's member account information to Fibre's data processing system this November, the acquisition will be complete, and our combined membership will be able to visit any of our branches in Longview, Kelso, Castle Rock, Kalama, and Woodland in Washington, as well as Rainier, Astoria, Seaside, Tillamook, Lincoln City, and Newport in Oregon for all of their financial needs. Because together we're better!

Assimilating TLC into our fold didn't keep us from other important pursuits. In August, we held our 9th and final Ride & Rock event, raising over \$117,000 for Doernbecher Children's Hospital. Fibre Federal members were introduced to Overdraft Tolerance Service, which allows us to cover their debit and ATM transactions up to a set amount, even when they have insufficient funds, providing extra peace of mind. TLC members already enjoy this service. We added two new representatives to the MEMBERS Financial Services program, bringing our total to four. Once again, Longview Daily News readers voted us #1 Bank or Credit Union, and #1 Best Place to Work. The year ended with record-setting floods in our area. We responded by extending nearly \$183,000 in special low-rate loans to our members in need.

All the while, our numbers flourished. Loans grew by \$123.2 million, or 26.4%. Likewise, shares increased by \$145.7 million, or 22.1%. Our loan-to-share ratio grew from 70.8% to 73.3%. Assets increased 19.5% to \$934.7 million. And net income grew 19.2% to \$3.6 million.

We are already full-steam ahead with 2016, introducing Shared Branching at our Fibre Federal branches (TLC branches already offer it) and soon, chip card technology for our credit and debit cards. It's shaping up to be another year of growth and innovation for your credit union. Thank you all for the part you play in our shared success!

—Larry A. Hoff, CEO
Terry Alsteen, Chairman of the Board

"It's been a great pleasure to build relationships with our newly acquired talent and learn about their lives, families, and passions."

**-Katie Powers,
FFCU Education
Development
Manager**

