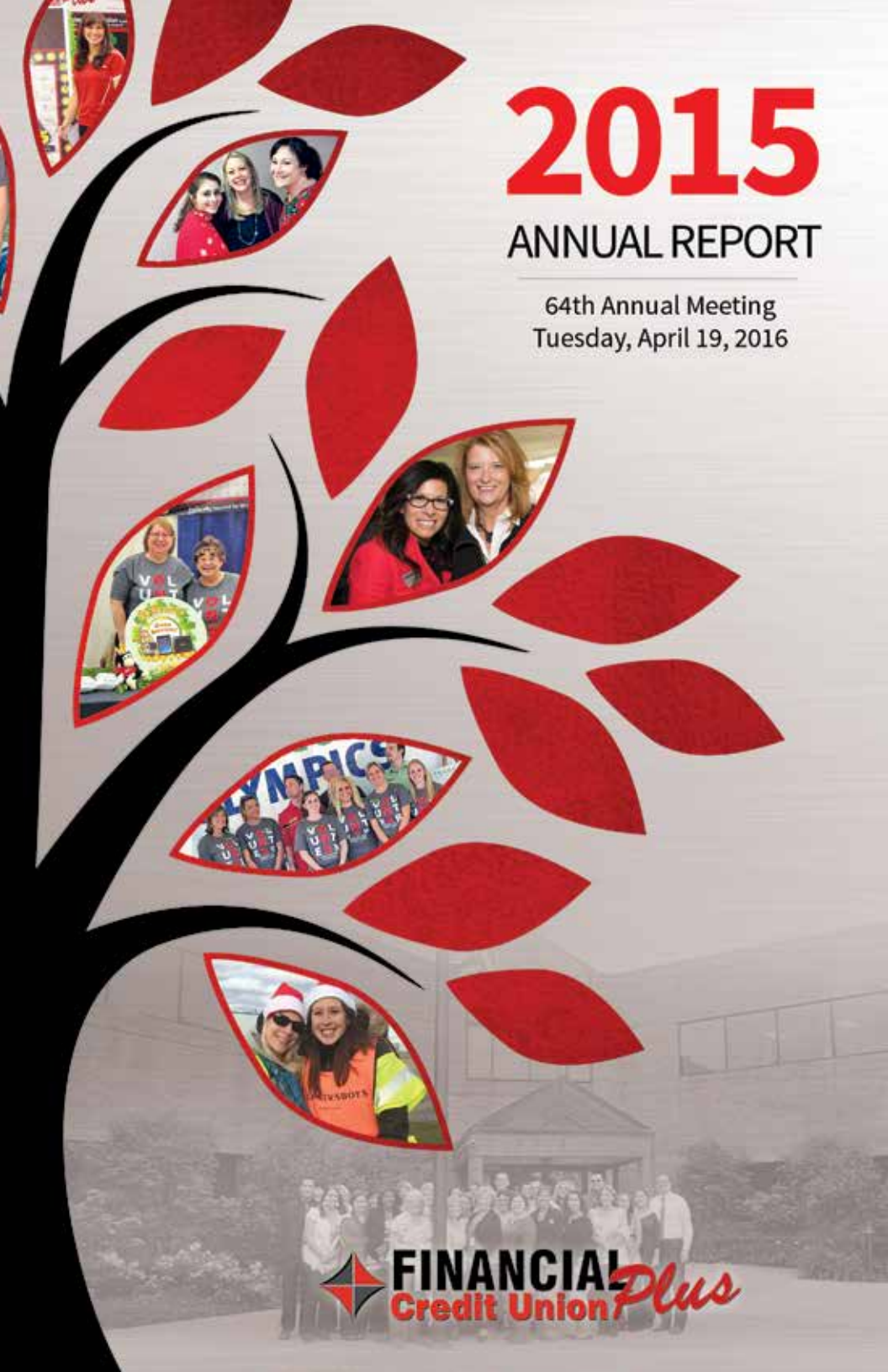


2015

ANNUAL REPORT

64th Annual Meeting
Tuesday, April 19, 2016



FINANCIAL
Credit Union *Plus*





64TH ANNUAL MEETING AGENDA

Tuesday, April 19, 2016

Call Meeting to Order
(Chairman)

Introductions

Determination of a Quorum
(Secretary)

Adoption of the Agenda

Acceptance of Minutes
Annual Meeting April 21, 2015 - Page 3

Chairman and President's Report
Pages 6-7

Treasurer's Report
Pages 8-9

Audit Committee Report
Page 11

President's Remarks

Report of the Nominations Committee

Election Results

Old Business Report

New Business Report

Motion to Adjourn

FINANCIAL PLUS CREDIT UNION 63RD ANNUAL MEETING MINUTES

TUESDAY, APRIL 21, 2015

Call to order by Chairman, Ron Jansson at 5:00 P.M.

Roll Call – D. Webb, R. Armstrong, R. Jansson, D. Starr (conference line), H. Stevens, B. Hennessy, and K. Jones.

R. Jansson introduced J. Reno and the Audit Committee members (McCarthy, Cotterman, Schlicht, Kirk, and White) and Advisory Committee member (Campbell) present at the meeting.

It was determined and announced by R. Armstrong that a quorum was present. (25 members present)

Motion, supported, and carried to adopt the agenda as printed.

Motion, supported, and carried to approve the minutes of the May 27, 2014 Annual Meeting as printed.

Motion, supported, and carried to accept the Chairman and President's Report as printed in the Annual Report.

Motion, supported, and carried to accept the Treasurer's Report as reflected in the financial statements of the Annual Report.

Motion, supported, and carried to accept the Audit Committee Report as printed the Annual Report.

Reno presented an overview of 2014 financials and operations. A copy of remarks are attached.

It was reported by Ron Jansson that the Nominating Committee, which consisted of Ron Jansson, Chairman, Dick Starr, Rudy Armstrong, Diana Webb, and Kim Jones nominated Barney Hennessy and Harvey Stevens to the Board of Directors for three-year terms. There were no nominations by petition received.


Motion, supported, and carried to accept the Nominating Committee Report.


Motion, supported, and carried to elect Barney Hennessy and Harvey Stevens by acclamation to the Board of Directors for three-year terms.

Jansson called for any Old Business. Hearing no Old Business, a motion was made, supported and carried to accept the Old Business Report.

Jansson called for any New Business. Hearing no New Business, a motion was made, supported, and carried to accept the New Business Report.

Motion to adjourn.


Ron Jansson, Chairman of the Board


Rudy Armstrong, Secretary



2015 ANNUAL REPORT

64th Annual Meeting • Tuesday, April 19, 2016

BOARD OF DIRECTORS

- Ron Jansson – Chairman
- Barney Hennessy - Vice Chairman
- Harvey Stevens – Treasurer
- Kim Jones – Acting Secretary
- Dick Starr – Director
- Diana Webb - Director
- Vacant - Director

AUDIT COMMITTEE

- Steve Schlicht – Chairman
- Charlie Kirk
- Ed White
- Charlie Cotterman
- Byron McCarthy

ADVISORY BOARD

- Larry Campbell

MISSION STATEMENT

COMMITMENT to enhancing the financial well-being of our members!

PASSION for service!

DEDICATION to enriching the communities we serve!

AWARDS & RATINGS

Financial Plus has been recently recognized by several organizations for strength, stability, and service.



BauerFinancial

Awarded a

5-STAR RATING

for the 23rd consecutive quarter – nearly 6 years straight!

Bankrate.com

Rated one of the **TOP 200**

Credit Unions in America out of over 6,000

Weissratings

A- RATING

as of December 31, 2015



“One of the Nation’s Strongest Credit Unions”

- BauerFinancial

MESSAGE FROM THE CHAIRPERSON & PRESIDENT/CEO

We are pleased to announce 2015 was another excellent year for Financial Plus Credit Union. We grew our reserves, opened a new branch in Howell, maintained our BAUERFINANCIAL, Inc. rating, worked to deepen member relationships, recruited new outside loan originators, and maintained strong community ties.

We successfully grew our reserves despite the expensive initiative of opening a new office in Howell, coupled with the continued challenges facing the economy and industry, including continued tightening of regulations, extremely narrow interest margins and an increasingly competitive marketplace.

We successfully navigated through another exciting year and are pleased to report we added over \$3.2 million to reserves, as well as grew deposits \$31.5 million (8.8%), loans \$17.4 million (6.1%) and membership by 1.7%. Our year-end 2015 net worth ratio (reserves divided by total assets) was 14.4% which is a marginal decrease from the 14.7% achieved in 2014. The decrease can be attributed to our success in actively growing member deposits throughout the year. Financial Plus remains financially strong with net worth over two times what is considered well capitalized by our regulators.

Financial Plus is pleased to have maintained the BAUERFINANCIAL, Inc. 5-star rating for 23-consecutive quarters. This confirms we are one of the strongest credit unions in the country, excelling in such areas as capital adequacy, asset quality and profitability. Financial Plus also entered into a contract with Excess Share Insurance Corporation (ESI) and is now able to offer added security to member deposits in the form of excess share insurance. Excess Share Insurance protects member accounts up to an additional \$250,000 over what is already insured by the National Credit Union Share Insurance Fund (NCUSIF). Therefore, members of Financial Plus receive up to \$500,000 in share insurance coverage. We believe this is an important benefit to our membership and are pleased we are providing the additional insurance coverage at no cost to the membership.

2015 was a busy year for Financial Plus, and enhancing the overall member experience remained one of our top priorities. In an effort to improve the overall member experience, Financial Plus developed the S. P. A. R. K.! service standards. S. P. A. R. K.!, which stand for *Sincere, Proud, Attentive, Respectful, Knowledgeable, and Ownership*, is a commitment made by each employee to provide members of the Credit Union above and beyond service.

Additionally, Financial Plus retained the design services of DEI to perform extensive renovation of the Main Office location with the goals being: to enhance our ability to provide superior member service, improve operational efficiencies, and provide room for future growth. This building has served us well for over 25 years, but has reached a time where the space needs to be redesigned. Please accept our apology in advance for a little dust and the temporary relocation of some departments as we move through the three phases of renovation. Construction will begin in May and may extend through year-end. However,

rest assured, we are planning to complete the renovation without too much disruption and we will continue to facilitate all of your financial needs through this process.

Expansion also continues to be a key strategic initiative for Financial Plus. With the conversion to a state charter and accompanying field of membership expansion in January of 2014, we now have a total of 34 counties in our service area. This provides the Credit Union with additional opportunities to continue expanding our overall footprint. In June 2015, we added our 7th location when we opened our full-service Howell branch. The opening of this location allows us to better serve our membership in southwestern Genesee County as well as to generate new relationships and deepen existing relationships with members in the Livingston County area. In late 2015 and into early 2016, we added two full-time employees in our mortgage and commercial departments. These outside loan originators will help enhance the Credit Union's presence and establish new relationships that, over time, will drive in new business to the Howell branch. Throughout the coming year, we will continue to proactively seek growth and expansion opportunities within our existing field of membership in an effort to better serve our current members, strengthen those relationships, and attract new members.

We are committed to remaining highly visible within the communities we serve and leveraging those strong relationships to generate new business. In 2015, Financial Plus' Board of Directors, management, staff, and volunteers donated over 400 hours at over 90 local events. We created new business partners in Livingston County in an effort to bring awareness to the new Financial Plus location. One example of community involvement is our largest fundraiser, Pink Night. We hosted the 9th Annual Pink Night event to help raise awareness and funds for the American Cancer Society's "Making Strides Against Breast Cancer" which helps fund cancer research, provide local transportation and programs to support survivors on the road to recovery. A gross total of \$77,739 was raised in 2015.

As we move into the second quarter of 2016 and throughout the year, a few of our strategic initiatives include:

- Continuing to enhance member convenience and the overall member experience.
- Deepening member relationships.
- Increasing financial literacy.
- Expanding electronic delivery channel usage.
- Reducing membership attrition.
- Continuing implementation of card enhancements in an effort to reduce fraud, increase card usage, member household penetration, and interchange income.

The Board of Directors, management and staff sincerely appreciate your continued patronage and look forward to helping you meet all of your financial needs in the future.

Respectfully Submitted,



Ron Jansson, Chairperson
Financial Plus Board of Directors

Respectfully Submitted,



Jill Reno, President/CEO
Financial Plus Credit Union

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2015 AND DECEMBER 31, 2014 (AUDITED)

ASSETS	YEAR ENDED DECEMBER 31		PERCENT % INCREASE (DECREASE)
	2015	2014	
Loans to members (net)	\$ 299,138,774	\$ 280,019,481	6.8%
Cash and cash equivalents	\$ 25,012,908	\$ 13,297,950	88.1%
Investment securities			
Available for sale	\$ 112,851,203	\$ 99,208,714	13.8%
Held to maturity	\$ -	\$ 12,629,262	(100.0%)
Federal Home Loan Bank Stock	\$ 639,100	\$ 794,600	(19.6%)
Real estate loans held for sale	\$ 301,600	\$ 290,000	4.0%
Accrued interest receivable	\$ 1,237,258	\$ 1,258,395	(1.7%)
Foreclosed real estate assets	\$ 219,584	\$ 176,021	24.7%
Land, building & equipment (net)	\$ 12,597,469	\$ 12,057,437	4.5%
Alloya FCU member capital	\$ 845,800	\$ 845,800	0.0%
NCUSIF Deposit (1)	\$ 3,655,328	\$ 3,601,063	1.5%
Other assets	\$ 2,537,300	\$ 2,469,207	2.8%
TOTAL ASSETS	\$459,036,324	\$426,647,930	7.6%

LIABILITIES AND MEMBER'S EQUITY	YEAR ENDED DECEMBER 31		PERCENT % INCREASE (DECREASE)
	2015	2014	
LIABILITIES			
Member savings accounts	\$ 389,702,253	\$ 358,237,945	8.8%
Borrowed funds	-	\$ 3,000,000	(100.0%)
Accrued interest payable and other liabilities	\$ 3,572,420	\$ 3,080,878	16.0%
TOTAL LIABILITIES	\$ 393,274,673	\$ 364,318,823	7.9%
MEMBER'S EQUITY			
Regular reserves	\$ 6,492,396	\$ 6,492,396	0.0%
Undivided earnings	\$ 59,582,388	\$ 56,331,026	5.8%
Accumulated other comprehensive (loss) income	\$ (313,133)	\$ (494,315)	(36.7%)
TOTAL MEMBER'S EQUITY	\$ 65,761,651	\$ 62,329,107	5.5%
TOTAL LIABILITIES AND MEMBER'S EQUITY	\$459,036,324	\$426,647,930	7.6%

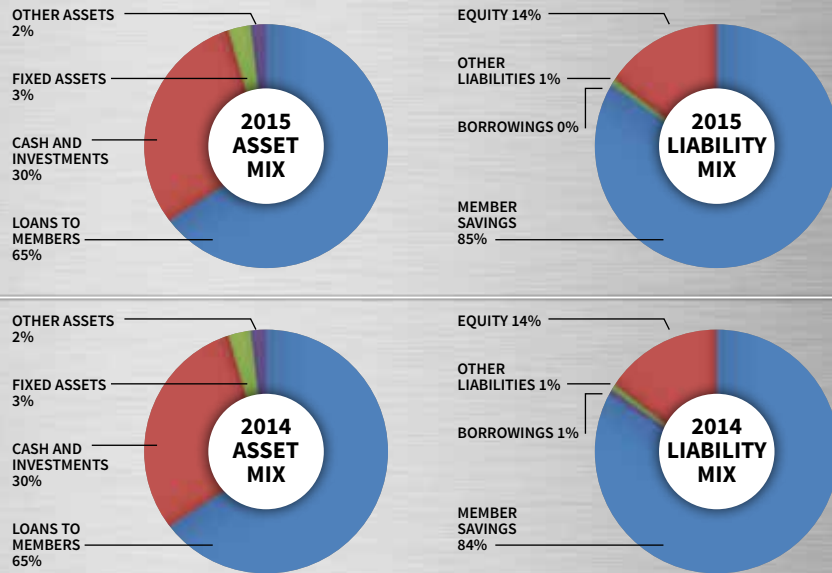
(1) National Credit Union Share Insurance Fund required deposit

STATEMENT OF INCOME

DECEMBER 31, 2015 AND DECEMBER 31, 2014 (AUDITED)

INTEREST	YEAR ENDED DECEMBER 31		PERCENT % INCREASE (DECREASE)
	2015	2014	
Interest Income			
Loans	\$ 15,072,589	\$ 14,926,484	1.0%
Investment securities	\$ 1,360,738	\$ 1,399,091	(2.7%)
Total interest income	\$ 16,433,327	\$ 16,325,575	0.7%
Interest Expense			
Members' savings accounts	\$ 982,092	\$ 880,177	11.6%
Borrowed funds	\$ 39,306	\$ 110,427	(64.4%)
Total interest expense	\$ 1,021,398	\$ 990,604	3.1%
Net interest income	\$ 15,411,928	\$ 15,334,971	0.5%
Provision for loan losses	\$ 1,392,837	\$ 1,798,931	(22.6%)
Net interest income, after provision for loan losses	\$ 14,019,091	\$ 13,536,040	3.6%
NONINTEREST			
Noninterest Income			
Fees and charges	\$ 4,865,886	\$ 4,962,055	(1.9%)
Net gain on sale of mortgage loans	\$ 243,995	\$ 123,060	98.3%
VISA stock dividends	\$ 8,555	\$ 7,293	17.3%
Bargain purchase gain from merger	\$ -	\$ 797,481	(100.0%)
Other	\$ 3,999,894	\$ 3,818,834	4.7%
Total noninterest income	\$ 9,118,330	\$ 9,708,722	(6.1%)
Noninterest Expenses			
Employee compensation and benefits	\$ 9,463,970	\$ 8,968,246	5.5%
Operations	\$ 4,009,301	\$ 3,805,474	5.4%
Loan servicing	\$ 2,633,536	\$ 2,557,302	3.0%
Professional services	\$ 1,258,175	\$ 1,237,609	1.7%
Office Occupancy	\$ 1,138,154	\$ 1,106,575	2.9%
Education and promotional	\$ 1,037,415	\$ 831,447	24.8%
Net loss on sale of foreclosed assets	\$ 25,090	\$ 19,977	25.6%
Acquisition related expenses	\$ -	\$ 572,010	(100.0%)
Other	\$ 320,419	\$ 435,599	(26.4%)
Total noninterest expenses	\$ 19,886,060	\$ 19,534,238	1.8%
NET INCOME	\$ 3,251,362	\$ 3,710,524	(12.4%)

ASSET AND LIABILITY MIX



FROM THE AUDIT COMMITTEE

Obtaining an independent, objective and comprehensive annual audit (including financial statement and verification of member accounts to the records of the Treasurer) is the primary function of the Audit Committee. For the year 2015, the services of the CPA firm Rehmann Robson, were retained to carry out this mandate.

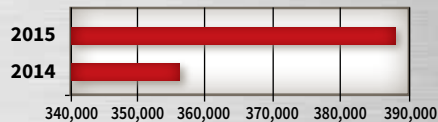
The independent auditor’s report reflects that the audit was conducted in accordance with Generally Accepted Auditing Standards.

The audit included examining, on a test basis, the evidence supporting the amounts and disclosures in the financial statements. It also included assessing the accounting principles used and significant estimates made by management, as well as the evaluation of the overall financial statement presentation.

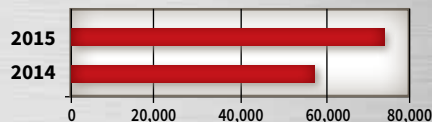
The financial statements present fairly, in all material respects, the financial position of Financial Plus Credit Union as of December 31, 2015 and the results of its operations for the year then ended, in conformity with Generally Accepted Accounting Principles.

Respectfully Submitted,
Steve Schlicht, Chairperson
 Audit Committee

TOTAL DEPOSIT GROWTH

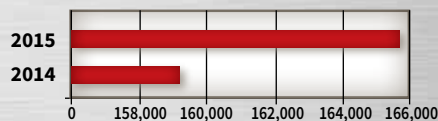


CHECKING GROWTH

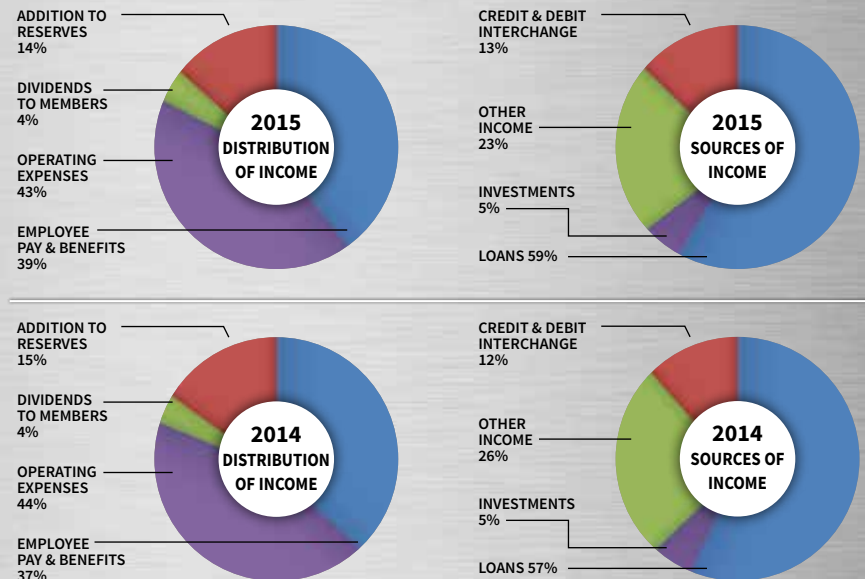


MONEY MARKET GROWTH

(HIGH YIELD ACCOUNTS)



SOURCES AND DISTRIBUTION OF INCOME



INDEPENDENT AUDITORS' REPORT

March 21, 2016

Board of Directors and Audit Committee
Financial Plus Credit Union
Flint, Michigan

We have audited the accompanying financial statements of Financial Plus Credit Union (the "Credit Union"), which comprise the statements of financial condition as of December 31, 2015 and 2014, and the related statements of income, comprehensive income, members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditor judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Credit Union's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Credit Union's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Financial Plus Credit Union as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Rehmann Robson

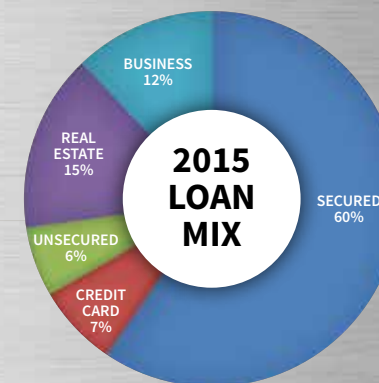
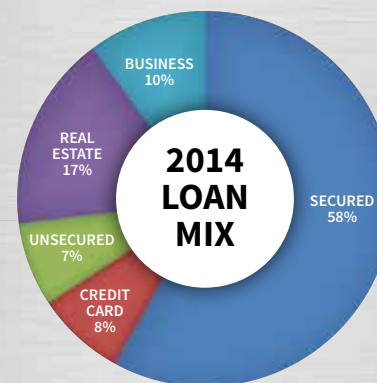
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LENDING OVERVIEW

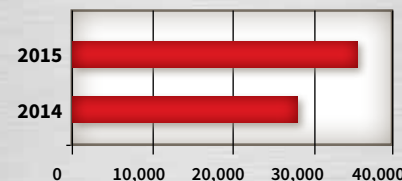
DECEMBER 31, 2015 AND DECEMBER 31, 2014 (AUDITED)

LOANS	YEAR ENDED DECEMBER 31		PERCENT % INCREASE (DECREASE)
	2015	2014	
Secured	180,094,000	165,290,000	9.0%
Credit Card	21,188,000	21,595,000	(1.88%)
Unsecured	18,453,000	20,774,000	(11.17%)
Real Estate	45,654,000	47,589,000	(4.07%)
Business	36,689,000	29,303,000	25.21%
TOTAL	302,078,000	284,551,000	6.16%

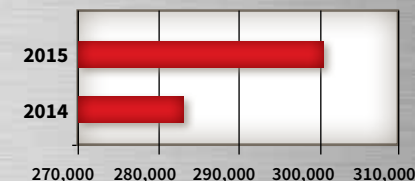
LOAN MIX



BUSINESS LOAN GROWTH



TOTAL LOAN GROWTH



TURN YOUR
DREAM
into
REALITY

WITH A MORTGAGE
FROM FINANCIAL PLUS



PURCHASE OR REFINANCE*

APPLY TODAY!* (800) 748-0451

*Equal Opportunity Lender. Rates, terms, and conditions are subject to change and may vary based on creditworthiness, qualifications, and collateral conditions. All loans subject to approval. See Credit Union for full details. NMLS License # 586579

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COMPETITIVE RATES
FAST FINANCING
NO APPLICATION FEE

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*Equal Opportunity Lender. Rates, terms, and conditions are subject to change and may vary based on creditworthiness, qualifications and collateral conditions. All loans subject to approval. See Credit Union for complete details.



**FREE
CHECKING!***

WITH FINANCIAL PLUS

- ✓ **FREE** Debit Card**
- ✓ **FREE** Online Banking
- ✓ **FREE** Bill Pay Plus***
- ✓ **NO** Monthly Account Fees
- ✓ **NO** Monthly Statement Fee
- ✓ **NO** Minimum Balance

APPLY TODAY!* (800) 748-0451

*Some restrictions and Financial Plus Credit Union standards apply. See Credit Union for details.

**Nominal fee for replacement of lost/damaged card (refer to fee schedule).

***Free if at least one bill paid each month; otherwise \$3/month. Fees may apply for expedited BillPay Plus feature.



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**2015 MAKING STRIDES AGAINST
BREAST CANCER WALK**



2015 OLD NEWSBOYS PAPER SALE

**FINANCIAL
PLUS
LOVES THE
COMMUNITIES
IT SERVES**



**2015 WHATCHAMACALLIT
NETWORKING EVENT**

