

## **The Chairman of the Board and CEO's Report**

In 2016 our financial performance continued to strengthen as we increased our lending to our members. Our financial results were driven by loan growth at 24%, with auto loans, mortgages and commercial loans leading the way. We also saw increases in other areas of lending too, including, recreational vehicles and credit cards. Our loan growth pushed our earnings higher as we exceeded last years' net income by 10%. Our return on assets was .52% and was greater than our national peer group by .12 %. In addition, our non-interest income was up 13.2% over the prior year.

Our strong performance allows us to reinvest our earnings in our operations and new products and services for our members. We continue to look to technology to add value and convenience for our members. During this past year we used DocuSign, an electronic signature solution, to process our skip-a-pay program and doubled our response rate. The success of this trial will allow us to bring DocuSign to a number of other applications, including remote loan closings, account disclosures, etc. Also, we updated our website to take advantage of newer technology and to be more user friendly. We've also moved to electronic delivery of our newsletter, saving on postage and providing more content for our members. Lastly, we converted our debit card portfolio to EMV chip technology utilizing the PIN in the transaction. This chip and PIN process will help to protect us in the battle against fraud. Also, we added card control functionality so our members can alert us for lost or stolen cards and travel.

As we look forward to 2017, we are really excited about our expanded field of membership; now we are able to serve all Catholics in the Archdiocese of Detroit. This expanded field of membership sets us on a course for continued growth. There are a number of initiatives that we will be working on for the coming year, including Financial Services and Insurance. In 2017, we will bring LPL Financial to our credit union and our members will have access to all of their investment products. Also, we will be offering insurance products to our members that range from home and auto to pet insurance. We will have a full service brokerage available to our members to meet all of their insurance needs. Lastly, we will upgrade our online banking and mobile platforms along with our online account opening and lending platforms. These upgrades will provide a better user experience and more functionality for our members. Our programs will be more responsive to the changing environment and give us the ability to respond more quickly to changes.

On behalf of the entire Board of Directors, Supervisory Committee and Staff, thank you for your loyalty and commitment to Catholic Vantage Financial Federal Credit Union and for the opportunity to serve you.

### **Supervisory Committee Report**

We have engaged the firm Doeren Mayhew to audit the financial statements of the Credit Union for the period-ended March 31, 2017. Therefore, our audit for the current period is not available for our annual report. For the prior year Doeren Mayhew has expressed an unqualified opinion in their report dated June 17, 2016, that our financial statements present fairly, in all material respects, the financial position of the Credit Union as of March 31, 2016, in conformity with accounting principles generally accepted in the United States of America.

In addition, we have worked throughout the year on various initiatives designed to provide additional testing of internal controls and verify that procedures were properly followed. We have reviewed closed accounts and performed various test counts to our satisfaction.

### **Credit Committee Report**

The Credit Union had its best year yet for lending money to our members at great rates! In 2016, our Loan Officers approved loans and advances in the amount of \$27,777,862.