

2017 Annual Report



*Exceeding Member
Expectations since 1934*

1st MidAmerica
Credit Union

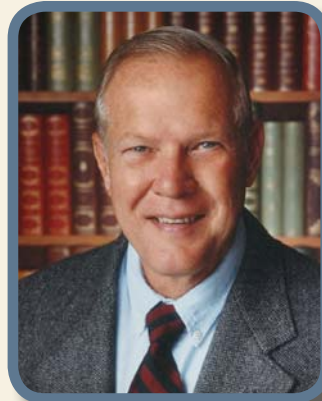
Message from the Chairman

Our credit union has enjoyed another resoundingly successful year. In 2017, the credit union continued its strong financial position, expanded its branch network, and extended services to a growing membership. 1st MidAmerica Credit Union continues to maintain a stable, secure foundation. Our credit union grew 7.6% to end the year with \$722 million in assets. Over 65,400 members turn to 1st MidAmerica for market-leading deposit and lending rates.

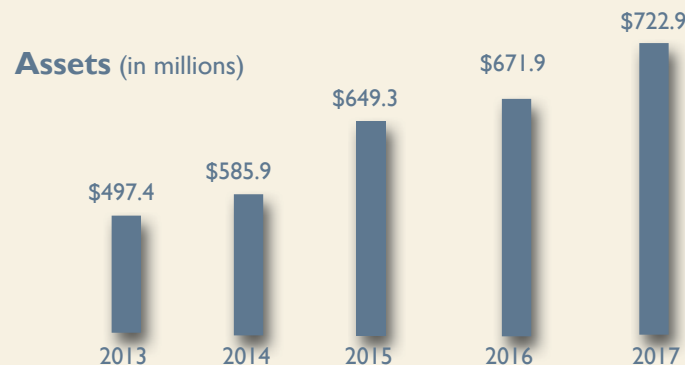
Through a merger with Operating Engineers Local #148 Credit Union in 2017, we expanded our branch network to include a second location in Granite City, IL. We also extended our full menu of financial services, value, and mission to an additional 1,391 members through the merger. Another 506 members were added through a merger with Madco Credit Union, which served employees of Madison County in Edwardsville, IL.

We continued our dedication to our local communities throughout the year, contributing more than \$163,000 to community organizations and over 4,400 volunteer hours. We also chose to reinvest in our local Riverbend community by supporting the Gordon Moore Park Restoration project. 1st MidAmerica Credit Union gained the naming rights for the new soccer complex in the park by investing \$50,000. We anticipate reaching thousands of local residents that use the park for soccer, baseball and softball, golf, and everyday play.

We ended 2017 with a strong capital-asset ratio of 10.59% and ROA of .53%, both of which reflect our strong strategic leadership, solid foundation, and dedicated staff. 1st MidAmerica is a trusted and stable financial leader, and that would not be possible without excellent guidance from our Board of Directors, effective management, and the daily efforts of 1st MidAmerica employees. Thank you for your continued loyalty and membership.



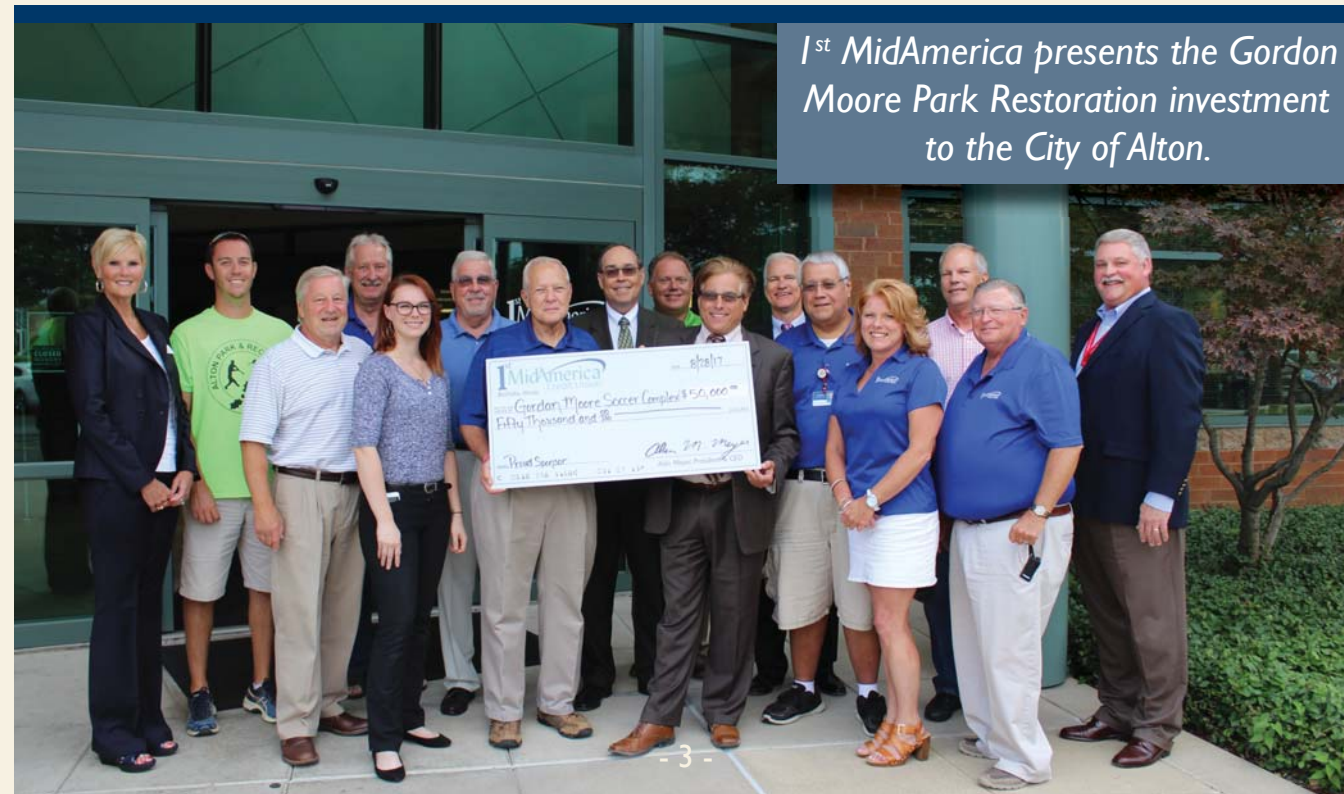
Ted Klasner
Chairman of the Board



Supervisory Report

The Supervisory Committee of 1st MidAmerica Credit Union contracted with Scheffel Boyle to perform verification of member accounts and an external audit as required by The Illinois Department of Financial and Professional Regulation. The Supervisory Committee reviews all results and provides formal reports to the Board of Directors.

As part of the annual examination, two percent of accounts were verified as of September 30, 2017. There were no discrepancies reported in the accounts verified. Scheffel Boyle was also contracted to perform periodic, agreed upon procedural audits. The audits verify that credit union transactions are performed in accordance with Board approved policies. All findings are reported directly to the Supervisory Committee. The Supervisory Committee forwards all findings to the Board.



1st MidAmerica presents the Gordon Moore Park Restoration investment to the City of Alton.

Message from the President

1st MidAmerica Credit Union experienced significant growth through 2017. We expanded our menu of services, provided more convenience and value to our membership, and expanded our footprint. Members are increasingly discovering that 1st MidAmerica positively impacts their monthly budgets as they switch and save more with our lending programs and earn more with our deposit accounts.

Through our Savings Tracker program, we discovered more than \$5,000,000 in savings for our members through loan refinancing, fee discounts, and more. We also introduced our new Kasasa checking accounts in the spring of 2017, which reward members just for doing their everyday business with us. By the end of the year, we had opened 2,559 Kasasa checking accounts and had paid out more than \$68,000 in rewards to those members.

A comprehensive member survey was conducted by an outside company in 2017. We were pleased with the outcome of the survey, finding that more than 93% of members are satisfied with our service. Members also shared input regarding our products and services. This feedback helps us to identify areas of focus as we plan for future services. We take our member feedback seriously and appreciate the time members took to respond to the survey.

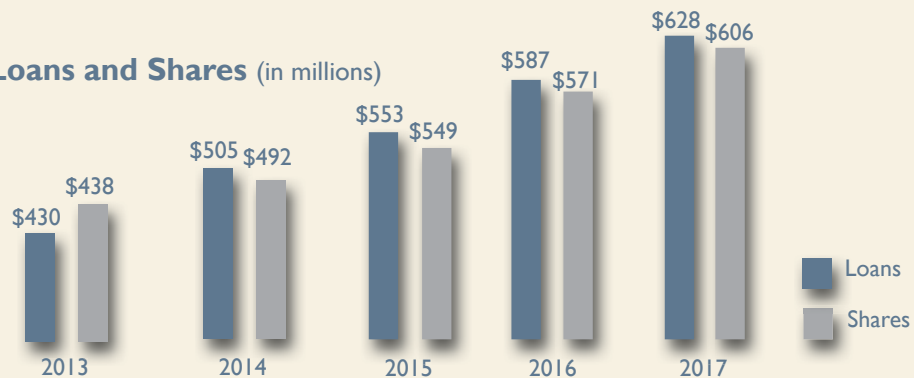
As we recognize the accomplishments of 2017, we look forward to working together to improve the lives of our members and our community in 2018. Each and every accomplishment through 2017 is credited to the hard work of our volunteer board, employees, and the support of our membership. We are proud to remain a truly local financial institution for you, our loyal, and supportive membership.

Thank you for your continued trust in 1st MidAmerica.



Alan Meyer
President & CEO

Loans and Shares (in millions)

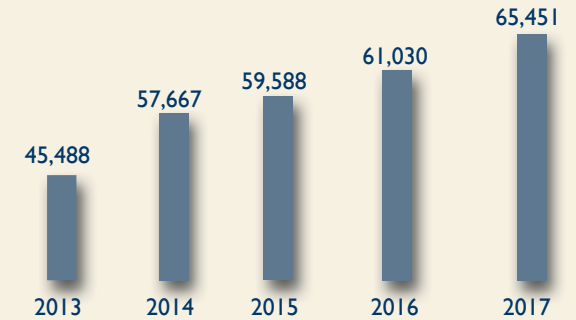


Membership Report

1st MidAmerica Credit Union ended 2017 strong with 65,451 members. Our overall membership grew 7.24%. In addition to the 1,897 members gained through the mergers of Madco CU and Operating Engineers Local #148 CU, we also added 9,340 members through our branch network and indirect lending program. Of those who joined in the branches, 818 were direct referrals from existing members. Thank you for sharing the credit union with your family, friends, and coworkers.

Our mission is to exceed member expectations by focusing on providing members with quality products, exceptional service, and convenient access options. We hope that you continue to recognize our dedication and continue to make referrals so that more local residents can experience the value, convenience, and service provided by 1st MidAmerica.

Total Members



*New Edwardsville Branch
at 1702 Troy Road*

Statement of Financial Condition

	Year Ended December 31	
	2017	2016
Assets		
Cash and Cash Equivalents	\$ 32,240,776	\$ 28,262,816
Investments	17,960,709	14,545,892
Loans to Members, Net	622,865,660	582,798,712
Accrued Interest Receivable	1,838,758	1,611,339
Property and Equipment	26,225,393	23,870,995
NCUSIF and Share Insurance Deposits	6,036,312	5,548,628
Other Assets	15,776,070	15,306,058
Total Assets	\$ 722,943,678	\$ 671,944,440
Liabilities and Members' Equity		
Liabilities:		
Member Shares	\$ 606,942,063	\$ 571,096,045
Notes Payable	30,031,513	20,000,000
Accrued Expenses and Other Liabilities	8,977,019	9,940,618
Total Liabilities	\$ 645,950,595	\$ 601,036,663
Members' Equity:		
Reserves	76,993,083	70,907,777
Total Liabilities and Members' Equity	\$ 722,943,678	\$ 671,944,440

Income Statement

	Year Ended December 31	
	2017	2016
Interest Income		
Interest on Loans	\$ 29,550,570	\$ 27,448,173
Interest on Investments	479,598	323,928
Total Interest Income	\$ 30,030,168	\$ 27,772,101
Interest Expense		
Dividends on Members' Shares	\$ 3,783,952	\$ 3,377,248
Interest on Borrowed Funds	254,378	190,936
Total Interest Expense	\$ 4,038,330	\$ 3,568,184
Net Interest Income	\$ 25,991,838	\$ 24,203,916
Provision for Loan Loss	4,918,462	3,632,892
Net Interest Income after Provision for Loan Loss	\$ 21,073,376	\$ 20,571,024
Non-Interest Income		
Service Charges, Fees, and Other Operating Income	\$ 9,796,659	\$ 9,706,081
Net Gains on Sale of Assets	179,834	41,312
Total Non-Interest Income	\$ 9,976,493	\$ 9,747,393
Non-Interest Expense		
Operational Expenses	\$ 27,071,533	\$ 26,275,017
Amort FV Core Deposit Intangible	150,251	150,251
Total Non-Interest Expense	\$ 27,221,784	\$ 26,425,268
Net Income	\$ 3,828,085	\$ 3,893,149

1st MidAmerica understands the unique challenges our communities face, and we remain steadfast in our commitment to serving and supporting the communities where our members live and work. Improving the overall health and vitality of our local areas by supporting dozens of organizations, schools, and local programs is done with great pride. 1st MidAmerica is committed to increasing our dedication each year to help those in need through our various financial contributions and through the many hours that our employees volunteer.

\$163,153
in Community
donations and sponsorships
in 2017

4,480
Hours
employee volunteerism
in 2017

2017 Volunteer Events

- Big Brother, Big Sister Bowling • Bucket Brigade • Edwardsville Veterans Day Parade
- Community Christmas • United Way Campaign • Godfrey Fall Festival
- Bethalto Memorial Day Parade • SIUE Merchant Days • Adopt a Soldier • Bark in the Park
- Route 66 Festival • Blue Springs Parade • Wood River Triathlon • Christmas Wonderland
- Halloween Parades • Duck Pluckers Ball • Relay for Life

1st MidAmerica continues to focus on financial education, designing programs that empower members to make informed financial decisions and improve their financial well-being. The credit union was recognized at the state level by the Illinois Credit Union League for multiple awards, specifically for community support and financial education. This includes the Louise Herring Member Service Award for putting the credit union philosophy of people helping people into action. The credit union was also recognized for its focus on preventing elderly financial abuse. Not only does the credit union require training for its employees, but we also provide education to local groups about the topic. Targeting caretakers and family members to look for signs of fraud and financial exploitation is at the core of protecting those vulnerable to these crimes.

We also continued our seminar series, serving more than 150 members who attended various topics that included:

- Improving Credit
- Retirement Planning
- Quarterly Market Updates
- First Time Homebuyers
- Social Security
- Identity Theft & Cybersecurity

We presented our Mad City budget simulation in several local high schools in 2017, working with more than 600 students throughout the year. During this popular reality fair, students are assigned incomes and families. Based upon their assignments, they visit various booths to create budgets that include housing, entertainment, transportation, and utilities.



Meeting students at the Alton High School Career Fair



Community team enjoying a walk in the Bethalto Memorial Day Parade



Painting a local home during the annual Bucket Brigade



Check presentation to the Child Advocacy Center of \$32,265

2017 Savings: \$5,183,164

In 2016, 1st MidAmerica launched a program called Savings Tracker, aimed at tracking the amount of money members saved just by doing their business at the credit union. Whether refinancing an auto loan and saving interest over the course of the loan with a lower rate, transferring a high balance credit card over to a 1st MidAmerica Platinum Visa with a lower rate, or refinancing to a shorter mortgage term, team members logged success stories and added to the growing total throughout the year. A few stories, from the hundreds, submitted by our employees:

A member had just purchased her house with a rate of 4.75% at another financial institution. She had only had the loan for five months when we refinanced her mortgage at a rate of 3.875%, saving the member \$24,800 over the life of the loan. - Godfrey, IL

A member was not happy with his auto loan company. He said they gave him terrible customer service. He has always liked how we treat our members, so he wanted to bring his loan to us. He wasn't even expecting a savings of \$2,497, so that was a bonus! - Independence, MO

Our members came in wanting a personal loan to pay medical bills for their family pet. We ended up doing a home equity line of credit to refinance all of their credit cards and still pay the vet bills, while saving the members \$7,780 in interest. - Edwardsville, IL

Lending Report

1st MidAmerica is committed to serving members with relevant solutions when they need credit or assistance in managing their debts. 2017 was another great year of loan growth for the credit union. Through car loans, home equity loans, mortgages, and member business loans, members realized the value of the financial solutions that we provide. In addition to these lending products, the total number of members finding value with our Platinum Visa Credit Card ended the year at 12,413, bringing total balances to \$39,367,254. Many of these members took advantage of balance transfer offers that allowed them to transfer high rate credit cards to a low rate for the life of the balance.

We maintain a well-balanced and financially sound mix within the loan portfolio.

Over the course of 2017, 16,850 loans were approved and \$295,851,013 in loans were extended to members.

Loan Type	Number of Loans Approved	Total Loans	% of Total Loan Activity
Direct Loans (in branches)	4,628	\$43,281,867	14.6%
Home Equity	673	\$25,286,818	8.5%
Indirect Auto	10,778	\$161,677,521	54.7%
Mortgage	673	\$34,279,552	11.6%
Member Business	98	\$31,325,255	10.6%
Total Loans	16,850	\$295,851,013	100%

More members became first time homebuyers in 2017 with our FHA program.



Branch Locations

3553 College Avenue
Alton, IL 62002

3401 E. Broadway
Alton, IL 62002

731 E. Bethalto Drive
Bethalto, IL 62010

202 E. Ash Avenue
Decatur, IL 62526

419 N. Shamrock
East Alton, IL 62024

1702 Troy Road
Edwardsville, IL 62025

3361 Fehling Road, Suite 7
Granite City, IL 62040

1503 Lindell Ave.
Granite City, IL 62040

5301 Godfrey Road
Godfrey, IL 62035

19301 E. Valley View Parkway
Independence, MO 64055

300 W. County Road
Jerseyville, IL 62052

1795 E. Edwardsville Road
Wood River, IL 62095

Contact Us

Member Support Center
618-258-3168
800-345-4216

www.1stMidAmerica.org



Our doors are open to anyone who lives or works in the following Illinois counties: Bond, Calhoun, Christian, Clinton, Fayette, Greene, Jefferson, Jersey, Macon, Macoupin, Madison, Marion, Monroe, Montgomery, Morgan, Pike, Randolph, Sangamon, Scott, St. Clair, Washington; and Jackson County in Missouri.

To serve members who do not live near a 1st MidAmerica branch or are traveling, we are affiliated with the Shared Branching network that allows members to conduct transactions at over 5,000 locations in 50 states. Visit us online to find a branch near you.



1st MidAmerica Credit Union has many convenient ATM locations and provides easy access to cash with surcharge free withdrawals at over 28,000 CO-OP ATMs nationwide. CO-OP surcharge free ATMs are located at all of our branches, CO-OP credit union branches, and select stand alone locations.



Board of Directors

Ted Klasner - Chairman of the Board
Rose Gibson - Vice Chair
Chris Greer - Treasurer
Hank Vize - Secretary
Andy Macias
Tim Kallal
Becky Alexander
Bill Meyers
Josh Evans

Executive Management and Officers

Alan Meyer - President and CEO
Bob Blacklock - Senior Vice President, CFO
Perry Withers - Senior Vice President, CLO
James Cherry - Senior Vice President, CIO

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