

2018 Annual Report



*Serving Our Members and
Communities Since 1934*

1st MidAmerica
Credit Union

Message from the Chairman

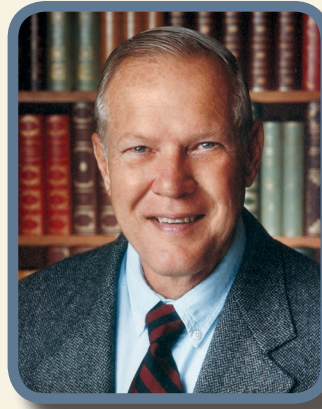
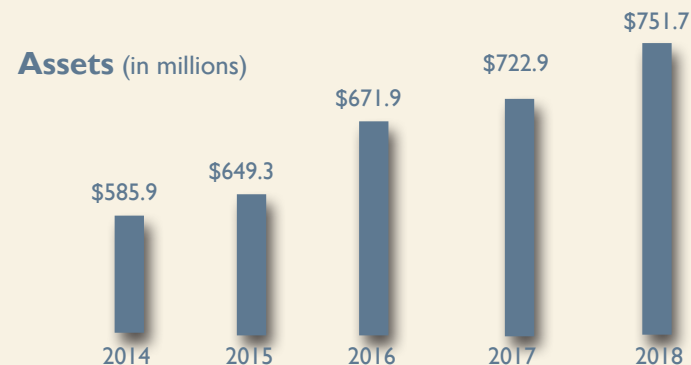
Our credit union posted solid results and continued to grow in 2018. We experienced 4.2% loan growth and 3.1% share growth. Our growth has enabled us to maintain a stable, secure foundation. Our assets grew 4% to end the year with \$751 million in assets. Over 68,000 members turn to 1st MidAmerica for market-leading deposit and lending rates.

We expanded the availability of our services to nine additional Illinois counties in 2018: Brown, Cass, Dewitt, Effingham, Logan, Menard, Moultrie, Piatt, and Shelby. Now, more Illinois residents are eligible for credit union membership. Member referrals continue to be the number one reason that new members join the credit union. We appreciate your confidence and promise to deliver the same outstanding service that you've come to know to your family and friends.

We continued to make significant contributions for the benefit of our members and local communities. Through fundraising, donations and sponsorships, we contributed more than \$150,000 to community organizations and over 5,000 volunteer hours. Most notably, we sponsored the annual Bethalto Fireworks show. We also raised another \$27,000 for the Madison County Child Advocacy Center through our annual charity golf outing.

We ended 2018 with a strong capital-asset ratio of 10.62% and ROA of 0.45%, 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, 2018. 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.



Check presentation with the Madison County Child Advocacy Center

Message from the President

1st MidAmerica Credit Union remained a strong and stable financial option for our members and communities in 2018. We continued to grow, expanded our menu of services, and provided more convenience and value to our membership.

We invested in technologies that impact our member services. Our new online and mobile banking services improve the ease and access to account information and expanded payments options. Our new lending system streamlined the process of applications and member service in our branches and online as members apply for consumer loans. While investing in technology, we are also mindful of increasing security risks. We continue to commit resources to securing our financial environment and protecting our members' personal information.

The rapidly changing regulatory environment has resulted in advocacy becoming an ever-increasing area of focus for the credit union. We have participated in legislative interviews, visited our representatives' offices in Springfield, Illinois and Washington, D.C., and fostered an ongoing conversation about the impact that increasing regulatory burden and merchant data breaches have on our members. Our goal is to minimize the impact of these burdens to our membership, so we remain committed to educating those that enact our laws.

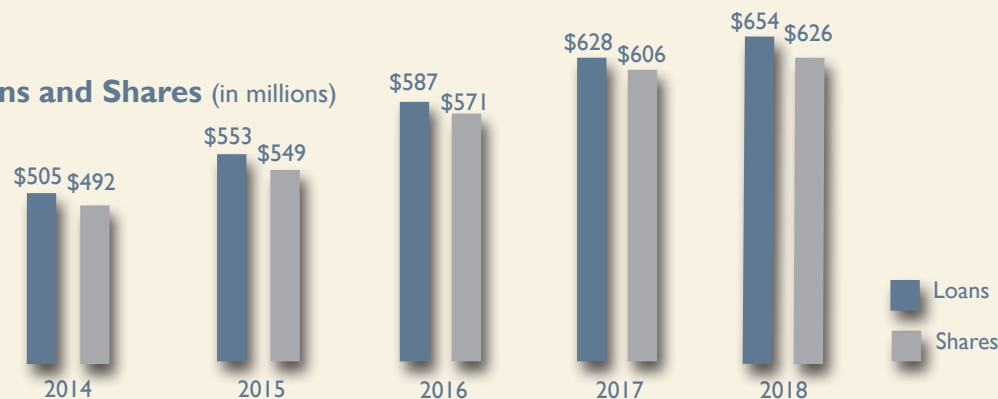
Each and every accomplishment through 2018 is credited to the hard work of our volunteer board, employees, and support of our membership. We are proud to remain a truly local financial institution for you, our loyal, and supportive membership.

Thank you for your continued trust in 1st MidAmerica Credit Union.



Alan Meyer
President & CEO

Loans and Shares (in millions)

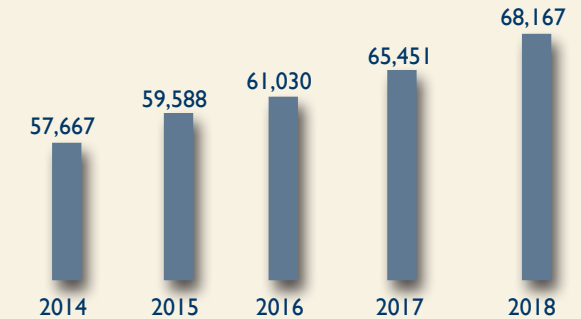


Membership Report

Membership in 1st MidAmerica Credit Union grew 4.15% in 2018 to end the year at 68,167 members. We added 9,343 members through our branch network and indirect lending program. Of those who joined in the branches, nearly 1,000 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



We received tremendous positive feedback from our members when we launched our new online and mobile banking in October 2018.

The new suite of services features a modern bill pay program, apps in the Apple and Google Play stores, and additional payments features for members to more easily manage their finances.

As part of the launch, our Techs on Tour group visited multiple branches to assist members with their personal devices. They ran diagnostics, checked for viruses, and gave direction on updates.

By year end, more than 22,000 members had signed into the new online banking platform and 7,700 members had downloaded the new apps.

Launch of new online and mobile banking



Statement of Financial Condition

	Year Ended December 31	
	2018	2017
Assets		
Cash and Cash Equivalents	\$ 45,224,941	\$ 32,240,776
Investments	12,850,257	17,960,709
Loans to Members, Net	648,993,746	622,865,660
Accrued Interest Receivable	1,939,762	1,838,758
Land, Property, and Equipment	25,305,594	26,225,393
NCUSIF and Share Insurance Deposits	6,103,634	6,036,312
Other Assets	11,285,092	15,776,070
Total Assets	\$ 751,703,026	\$ 722,943,678
Liabilities and Members' Equity		
Liabilities:		
Member Shares	\$ 625,519,983	\$ 606,942,063
Notes Payable	37,070,382	30,031,513
Accrued Expenses and Other Liabilities	9,310,956	8,977,019
Total Liabilities	\$ 671,901,321	\$ 645,950,595
Members' Equity:		
Reserves	79,801,705	76,993,083
Total Liabilities and Members' Equity	\$ 751,703,026	\$ 722,943,678

Income Statement

	Year Ended December 31	
	2018	2017
Interest Income		
Interest on Loans	\$ 31,860,012	\$ 29,550,570
Interest on Investments	846,596	479,598
Total Interest Income	\$ 32,706,608	\$ 30,030,168
Interest Expense		
Dividends on Members' Shares	\$ 4,443,364	\$ 3,783,952
Interest on Borrowed Funds	607,567	254,378
Total Interest Expense	\$ 5,050,931	\$ 4,038,330
Net Interest Income	\$ 27,655,677	\$ 25,991,838
Provision for Loan Loss	5,620,500	4,918,462
Net Interest Income after Provision for Loan Loss	\$ 22,035,177	\$ 21,073,376
Non-Interest Income		
Service Charges, Fees, and Other Operating Income	\$ 10,925,196	\$ 9,796,659
Net Gains on Sale of Assets	77,684	179,834
Total Non-Interest Income	\$ 11,002,880	\$ 9,976,493
Non-Interest Expense		
Operational Expenses	\$ 29,478,919	\$ 27,071,533
Amort FV Core Deposit Intangible	150,251	150,251
Total Non-Interest Expense	\$ 29,629,170	\$ 27,221,784
Net Income	\$ 3,408,887	\$ 3,828,085

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.

\$150,540
in Community
donations and sponsorships
in 2018

5,253
Hours
employee volunteerism
in 2018

2018 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 • Route 66 Festival
- Blue Springs Parade • Christmas Wonderland • Duck Pluckers Ball
- Relay for Life • Bethalto Fireworks • Decatur Expo • Trunk or Treats

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 and the Desjardins Youth Financial Education Award for providing tools and information to young adults in our communities.

We presented our Mad City budget simulation in several local high schools in 2018, 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.

Your credit union also supports four area CEO Programs. The Creating Entrepreneurial Opportunity Programs in local high schools are designed to teach participating students about building and managing a business. From learning about finance options to how to create a personal network, students visit local businesses, including the credit union.

We also supported our local teachers through our annual Teacher Grant Program, in which nine teachers from three school districts are awarded \$250 each for classroom projects and supplies.



Community team supporting Music in the Park in Independence, MO



Volunteers prepare for visitors at the Alton Christmas Wonderland



Platinum Club members enjoy the annual Mothers' Day Luncheon



Bucket Brigade team paints local home

2018 Savings: \$2,924,176

1st MidAmerica created a program called Savings Tracker, which employees use to track the amount of money members save just by doing business with 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. Over the past three years, members have saved over \$13,000,000. A few stories, from the hundreds, submitted by our employees:

A member was struggling to make the minimum payments on several credit cards. We brought all of the balances onto our credit card at a fixed balance transfer rate, lowering their total monthly payments and saving them nearly \$14,000 in interest. The member is so happy and is able to better manage a monthly budget. - Independence, MO

A member was able to use a home equity loan to pay off a credit card balance from a big bank that had a rate of 29.24%. Because the home equity had a fixed rate of 5.99% APR, we will save the member \$10,220.53 in interest. - Edwardsville, IL

A couple of members came in to refinance their auto loan they had with a bank. The members' loan had a rate of 21.18%. After the refinance, their rate dropped to 4.19% APR and they are now protected with an extended warranty and GAP, saving them \$6,053.25. - Jerseyville, IL

Helping more members achieve a comfortable retirement.

Our retirement services team assisted more than 820 members with planning for retirement in 2018. Services include:

- Investment Planning
- Estate Conservation
- Wealth Management
- Insurance Planning and More

1st MidAmerica
Retirement Services

Securities sold, advisory services offered through CUNA Brokerage Services, Inc. (CBSI), member FINRA/SIPC, a registered broker/dealer and investment advisor. CBSI is under contract with the financial institution to make securities available to members. **Not NCUA/NCUSIF/FDIC insured, May Lose Value, No Financial Institution Guarantee. Not a deposit of any financial institution.** CUNA Brokerage Services, Inc., is a registered broker/dealer in all fifty states of the United States of America.

Lending Report

Throughout 2018, 1st MidAmerica experienced solid loan growth, increasing total loans to members by 4.2%. Auto loans, home equity loans, mortgages, and other consumer loans remained in constant demand by the membership. Members continue to realize our low rates and the value of the financial solutions that we provide. Member business loans continue to be an area of growth where we are able to assist many local business owners. In addition to these lending products, the total number of members finding value with our Platinum Visa Credit Card ended the year at 12,703, bringing total balances to \$43,062,178.

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

Over the course of 2018, 15,977 loans were approved and \$296,423,754 in credit was extended to members.

Loan Type	Number of Loans Approved	Total Loans	% of Total Loan Activity
Direct Loans (in branches)	4,467	\$46,368,019	15.6%
Home Equity	501	\$19,967,287	6.7%
Indirect Auto	10,270	\$164,684,882	55.6%
Mortgage	629	\$27,608,370	9.3%
Member Business	110	\$37,795,195	12.8%
Total Loans	15,977	\$296,423,754	100%

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

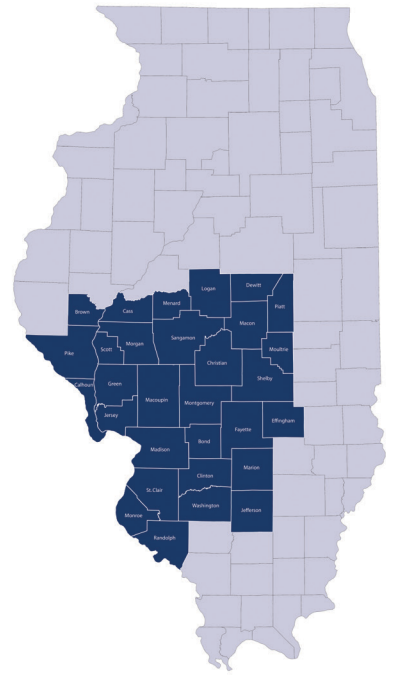
5301 Godfrey Road
Godfrey, IL 62035

19301 E. Valley View Parkway
Independence, MO 64055

300 W. County Road
Jerseyville, IL 62052

1795 E. Edwardsville Road
Wood River, IL 62095

Coming Soon
Troy, IL



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, Brown, Calhoun, Cass, Christian, Clinton, Dewitt, Effingham, Fayette, Greene, Jefferson, Jersey, Logan, Macon, Macoupin, Madison, Marion, Menard, Monroe, Montgomery, Morgan, Moultrie, Piatt, Pike, Randolph, Sangamon, Scott, Shelby, 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 30,000 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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by NCUA.

