



2015 ANNUAL REPORT

Report To Members

Exciting changes and growth took place at CEFCU* in 2015! Along with new products and services that were introduced, members shared in a SECOND CONSECUTIVE \$40 Million Extraordinary Dividend! This success is a direct result of continued support from CEFCU member/owners. As members bring more business to the Credit Union, they benefit, and they help other members benefit as well. The bottom line is members are more than a borrower or saver at CEFCU, they are owners. This is just one of the many reasons that CEFCU is “Not a bank. Better.”

The following are just a few Credit Union highlights from 2015:

	2015	Increase over 2014
Assets	\$5,297,355,000	5.8%
Savings	\$4,661,355,000	6.4%
Loans	\$3,898,883,000	7.1%
Net Worth	\$ 564,829,000	2.9%

- Prepared to open a new Member Center on Branham Lane in San Jose, California. This will be the fourth Member Center in California, with more locations being planned for the near future.
- Planned for new Illinois Member Center locations in Canton, Bloomington, and Springfield. The Canton Member Center will be a free-standing office with drive-up teller lanes. The new Bloomington Member Center will be located on the south end of town on Veterans Parkway. The third Springfield Member Center will be located at the intersection of Lincolnshire Boulevard and South 6th Street.
- Introduced EMV chip-enabled CEFCU MasterCard® Credit and Debit Cards for members during the fourth quarter of 2015. All members will have received their new EMV chip-enabled CEFCU MasterCards by end of second quarter 2016.
- Launched a new Mobile Banking platform with FREE Apple and Android Apps which enables members to use mobile check deposit, receive personal account alerts, and conduct account transactions anywhere, anytime.

Members continued to look to CEFCU for their borrowing needs. During the year, over \$1 billion was loaned to members to help finance consumer loan needs ranging from new automobiles to recreational vehicles and credit cards. This was a record year for consumer loans! The Home Loan Department had another outstanding year, receiving over 7,000 mortgage applications. Nearly \$400 million was loaned to members, which allowed them to build, purchase, or refinance their homes. In addition, CEFCU provided almost \$170 million in Member Business Loans. CEFCU's California market saw record book-of-business growth of over \$35 million and also Consumer Loan volume over \$81 million.

Finally, CEFCU members were introduced to numerous technology upgrades in 2015. Apple Pay was made available in April with Samsung Pay following in November. Both of these purchasing platforms offer members the convenience of using their smart phones to pay for in-store purchases. In October, CEFCU's new website went live for members. The new site features quicker load times, an improved site map, and a responsive design to allow for better viewing on multiple devices like tablets and smart phones.

Thank you for continuing to support your Credit Union!

For the Board of Directors,


Joe Needham, Chairman

Consolidated Statements Of Financial Condition

December 31, 2015 and 2014
(Dollars in Thousands)

ASSETS

Cash and cash equivalents	\$ 251,047	\$ 233,015
Interest bearing time deposits in financial institutions	13,192	13,688
Investments available for sale	1,012,155	1,002,369
Loans, net of allowance for loan losses	3,874,357	3,614,915
Accrued interest receivable	14,404	13,288
NCUSIF deposit	41,563	39,925
Restricted stock	18,088	20,929
Property and equipment	51,205	48,766
Other assets	21,344	20,526
Total assets	<u>\$5,297,355</u>	<u>\$5,007,421</u>

LIABILITIES AND MEMBERS' EQUITY

Members' savings accounts	\$4,661,355	\$4,379,908
Accrued interest payable	1,102	1,104
Accrued pension and postretirement benefits	74,290	97,190
Other liabilities	43,037	41,895
Total liabilities	<u>4,779,784</u>	<u>4,520,097</u>
Members' equity	<u>517,571</u>	<u>487,324</u>
Total liabilities and members' equity	<u>\$5,297,355</u>	<u>\$5,007,421</u>

Consolidated Statements Of Income

Years ended December 31, 2015 and 2014
(Dollars in Thousands)

Interest income:		
Loans receivable	\$ 165,562	\$ 159,806
Investments available for sale	8,514	6,811
Interest bearing time deposits	78	69
Total interest income	<u>174,154</u>	<u>166,686</u>
Interest expense:		
Savings accounts	<u>66,948</u>	<u>66,191</u>
Net interest income	107,206	100,495
Provision for loan losses	<u>11,112</u>	<u>8,675</u>
Net interest income after provision for loan losses	<u>96,094</u>	<u>91,820</u>
Non-interest income:		
Administrative insurance fees	2,133	1,917
Interchange income	17,044	15,673
Other	20,146	17,814
Total non-interest income	<u>39,323</u>	<u>35,404</u>
Non-interest expense:		
Compensation and benefits	67,075	61,842
Occupancy and equipment	14,067	13,899
Communications	4,969	5,123
Marketing	6,151	5,201
Other	27,307	26,220
Total non-interest expense	<u>119,569</u>	<u>112,285</u>
Net income	<u>\$ 15,848</u>	<u>\$ 14,939</u>

Audited consolidated financial statements are available from the Credit Union for the fiscal years ended December 31, 2015 and 2014.
To review statements or for more information, call 309.633.7000 or 1.800.633.7077.

Year	Revenue (Billions of Dollars)
2011	4.6
2012	4.8
2013	4.9
2014	5.0
2015	5.3

A bar chart comparing Loans and Savings in billions of dollars from 2011 to 2015. The y-axis is labeled 'DOLLARS (BILLIONS)' and ranges from 0.0 to 5.0 in increments of 0.5. The x-axis shows the years 2011, 2012, 2013, 2014, and 2015. For each year, there are two bars: a green bar for Loans and a blue bar for Savings. The chart shows that Savings have consistently been higher than Loans, and both have increased over the five-year period.

Year	Loans (Billions)	Savings (Billions)
2011	3.3	4.0
2012	3.4	4.2
2013	3.5	4.3
2014	3.6	4.4
2015	3.9	4.7

Year	Dollars (Millions)
2011	470
2012	500
2013	530
2014	550
2015	565

Nancy M. Medendorp
Robert M. Metzinger
Joseph R. Needham
Thea M. Robinson
Mark A. Spenny
Reed A. Stuedemann

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Kavita Sachdev
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