



Not a bank. Better. ®

# **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 freestanding 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.

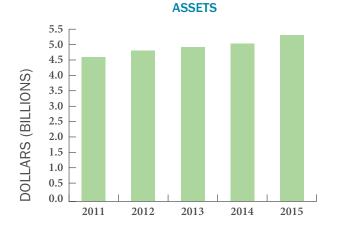
Thank you for continuing to support your Credit Union!

For the Board of Directors,

**Consolidated Statements Of Financial Condition** 

Consolidated Statements of Financial Condition		
December 31, 2015 and 2014 (Dollars in Thousands)	2015	2014
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	\$5,297,355	\$5,007,421
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	4,779,784	4,520,097
Members' equity	517,571	487,324
Total liabilities and members' equity	\$5,297,355	\$5,007,421
Consolidated Statements Of Income Years ended December 31, 2015 and 2014 (Dollars in Thousands)		
Interest income:	2015	2014
Loans receivable	\$ 165,562	\$ 159,806
Investments available for sale	8,514	6,811
Interest bearing time deposits	78	69
Total interest income	174,154	166,686
Interest expense:	66.040	66.101
Savings accounts	66,948	66,191
Net interest income	107,206	100,495
Provision for loan losses	11,112	8,675
Net interest income after provision for loan losses	96,094	91,820
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	39,323	35,404
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	119,569	112,285
Net income	<u>\$ 15,848</u>	\$ 14,939

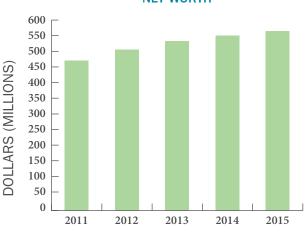
Audited consolidated financial statements are available from the Credit Union for the fiscal years ended December 31, 2015 and 2014. To review statements or for more information, call 309.633.7000 or 1.800.633.7077.



#### MEMBERS' SAVINGS AND LOANS



## **NET WORTH**



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Director
Director
Director

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