

# **CEFCU**

Not a bank. Better. ®

# **Report To Members**

CEFCU® had another extraordinary year in 2017! It was a year of performance, transformation, and innovation — all building for the future. And, through the continued commitment and support from CEFCU members/owners, your Credit Union returned a \$40 Million Extraordinary Dividend! Since 2000, CEFCU has returned \$230 million in Extraordinary Dividends to members. CEFCU is proud to be able to return Extraordinary Dividends to members, and this is just one of the many reasons CEFCU is "Not a bank. Better."

The following are just a few Credit Union highlights from 2017:

	2017	Increase over 2016		
Assets	\$5,811,215,000	3.5%		
Savings	\$5,129,496,000	3.5%		
Loans	\$4,219,276,000	4.6%		
Net Worth	\$ 610,695,000	3.6%		

- Opened the Veterans Parkway Member Center in Bloomington, Illinois, in January 2017. And, a new Springfield, Illinois, Member Center opened in February. These Member Centers were the third location in each of the communities.
- Prepared to open a new Member Center in Fremont, California.
   Opening in January 2018, this location on Osgood Avenue will be the fifth Member Center for CEFCU in California.
- Converted CEFCU's Money Center 24\* ATM fleet to chip-card enabled in May 2017. This change made CEFCU's already secure ATMs even safer by making it more difficult to copy or counterfeit the card's encrypted information.

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 6,200 mortgage applications. More than \$384 million was loaned to members, which allowed them to purchase, build, or refinance their homes. In addition, CEFCU provided nearly \$224 million in Member Business Loans. CEFCU's California market continued to see record growth in their book-of-business of over \$52 million, as well as record Consumer/Mortgage and Business Loan volume of more than \$108 million.

As technology continues to advance, we continue to keep pace to ensure members can manage their money effectively. This means banking where you want, when you want. CEFCU My Pay was introduced, offering a no-cost, expedited, and simplified way for person-to-person transfers through CEFCU On-Line\* and Mobile Banking. CEFCU also continued to grow in the digital wallet market by adding Google Pay\*\* and Masterpass\*\* in 2017, giving members the purchasing power to experience faster, easier, and more secure ways to make transactions. Going forward, technology enhancements will be at the forefront as we are focused on providing members with quality products and services to improve their financial well-being.

Finally, thank you for the continued support of your Credit Union!

For the Board of Directors,

Bob Metzinger, Chairman

## **Consolidated Statements Of Financial Condition**

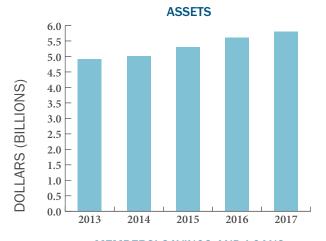
December 31, 2017 and 2016		
(Dollars in Thousands)	2017	2016
ASSETS		
Cash and cash equivalents	\$ 311,611	\$ 347,153
Interest bearing time deposits in financial institutions	10,415	23,260
Investments available for sale	1,138,947	1,088,513
Loans, net of allowance for loan losses	4,193,515	4,010,617
Accrued interest receivable	17,086	15,562
NCUSIF deposit	48,146	43,429
Restricted stock	5,000	5,000
Property and equipment	65,029	61,293
Other assets	21,466	19,365
Total assets	\$5,811,215	\$5,614,192
LIABILITIES AND MEMBERS' EQUITY		
Members' savings accounts	\$5,129,496	\$4,954,286
Accrued interest payable	1,243	1,177
Accrued pension and postretirement benefits	80,685	75,196
Other liabilities	58,747	51,959
Total liabilities	5,270,171	5,082,618
Members' equity	541,044	531,574
Total liabilities and members' equity	\$5,811,215	\$5,614,192

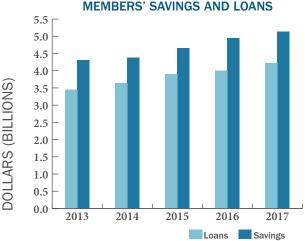
### **Consolidated Statements Of Income**

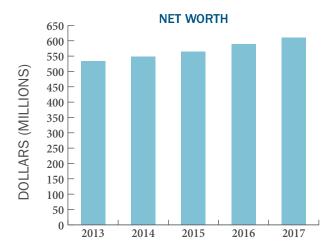
Years ended December 31, 2017 and 2016 (Dollars in Thousands)

(Dollars in Thousands)	2017	2016
Interest income:	2017	2010
Loans receivable	\$ 176,005	\$ 168,895
Investments available for sale	16,578	11,693
Interest bearing time deposits	148	176
Total interest income	192,731	180,764
Interest expense:		
Savings accounts	70,433	63,515
Net interest income	122,298	117,249
Provision for loan losses	16,587	12,870
Net interest income after provision for loan losses	105,711	104,379
Non-interest income:		
Administrative insurance fees	1,927	1,694
Interchange income	19,170	18,445
Other	21,294	20,402
Total non-interest income	42,391	40,541
Non-interest expense:		
Compensation and benefits	72,148	67,183
Occupancy and equipment	14,537	14,443
Communications	5,214	5,274
Marketing	7,771	6,749
Investment losses, net	13	10
Other	26,957	26,857
Total non-interest expense	126,640	120,516
Net income	\$ 21,462	\$ 24,404

Audited consolidated financial statements are available from the Credit Union for the fiscal years ended December 31, 2017 and 2016. To review statements or for more information, call 309.633.7000 or 1.800.633.7077.







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