



## Report To Members

CEFCU\* is a Credit Union owned by a community of borrowers and savers, helping one another enjoy better value every day. In 2019, better value was the continual focus for member/owners, who enjoyed enhancements in experience, service, and technology. The CEFCU team strives to meet the needs of more than 340,000 members, and is committed to making a difference. We believe in *better*, and we thank you for believing in *better*, too.

The following are just a few Credit Union highlights from 2019:

	2019	Increase over 2018
Assets	\$6,258,523,000	5.1%
Savings	\$5,517,894,000	5.1%
Loans	\$4,669,835,000	5.1%
Net Worth	\$ 659,931,000	4.3%

- Introduced a fleet of new Money Center 24\* ATMs, offering new touchscreens with a modern look and feel and increased transaction options.
- Began or completed seven Member Center remodels in Illinois including Morton; Pekin; Summershade Circle, Northpoint Shopping Center, and the Airport Member Centers in the Peoria area; Empire Street Member Center in Bloomington; and Iles Avenue Member Center in Springfield. Also completed one remodel in California at the Willow Glen Member Center in San Jose.
- Started the transition to contactless Credit Cards and prepared for the transition of contactless Debit Cards, which will make purchasing convenient, quick, and secure with Tap and Go\* capabilities.
- Returned \$50 million to members in the form of the Extraordinary Dividend, split evenly between borrowers/savers as a direct result of their support and CEFCU's continual efforts to control costs.

Members continued to look to CEFCU for their borrowing needs. During the year, over \$1.2 billion was loaned to members for their consumer loan needs ranging from Vehicle Loans, to Student Loans, to Credit Cards. This was a record year for consumer loans! The Home Loan Department had another outstanding year, receiving nearly 7,600 total applications. More than \$422 million was loaned to members, which allowed them to purchase, build, or refinance their homes. In addition, CEFCU provided nearly \$135 million in Member Business Loans. CEFCU's California market continued to see strong growth. With record Consumer and First Mortgage Loan volume of more than \$107 million, the overall book of business increased by \$35.2 million.

As technology develops, we look to bring digital enhancements to members in order to meet changing financial needs. Updates were made to CEFCU On-Line\* and Mobile Banking in 2019 that included management tools for Credit Card users, such as alerts and integrated eStatements, quick links on the Mobile Banking app, and accessibility with the Apple Watch app. All of these updates give members the ease to conduct financial transactions whenever, wherever they are. Looking toward the future, CEFCU will continue to focus on technological enhancements, community involvement, and, most importantly, keeping members our number one priority so we can share in success and believe in *better*, together.

Thank you for your continued support and loyalty.

For the Board of Directors,



Eric D. Montgomery, Chairman

## Consolidated Statements Of Financial Condition

December 31, 2019 and 2018  
(Dollars in Thousands)

### ASSETS

Cash and cash equivalents	
Interest bearing time deposits in financial institutions	
Investments available for sale	
Loans, net of allowance for loan losses	
Accrued interest receivable	
NCUSIF deposit	
Restricted stock	
Property and equipment	
Other assets	
Total assets	

### LIABILITIES AND MEMBERS' EQUITY

Members' savings accounts	
Accrued interest payable	
Accrued pension and postretirement benefits	
Other liabilities	
Total liabilities	
Members' equity	
Total liabilities and members' equity	

	2019	2018
Cash and cash equivalents	\$ 284,777	\$ 294,599
Interest bearing time deposits in financial institutions	14,631	18,103
Investments available for sale	1,142,986	1,063,948
Loans, net of allowance for loan losses	4,640,959	4,414,697
Accrued interest receivable	20,927	18,953
NCUSIF deposit	51,005	49,384
Restricted stock	5,000	5,000
Property and equipment	75,403	68,619
Other assets	22,835	20,031
Total assets	<u>\$6,258,523</u>	<u>\$5,953,334</u>
Members' savings accounts	\$5,517,894	\$5,248,210
Accrued interest payable	2,023	1,642
Accrued pension and postretirement benefits	94,366	70,240
Other liabilities	59,619	55,831
Total liabilities	5,673,902	5,375,923
Members' equity	584,621	577,411
Total liabilities and members' equity	<u>\$6,258,523</u>	<u>\$5,953,334</u>

## Consolidated Statements Of Income

Years ended December 31, 2019 and 2018  
(Dollars in Thousands)

Interest income:	
Loans receivable	
Investments	
Interest bearing time deposits	
Total interest income	
Interest expense:	
Savings accounts	
Net interest income	
Provision for loan losses	
Net interest income after provision for loan losses	
Non-interest income:	
Administrative insurance fees	
Interchange income	
Investment gains, net	
Other	
Total non-interest income	
Non-interest expense:	
Compensation and benefits	
Occupancy and equipment	
Communications	
Marketing	
Other	
Total non-interest expense	
Net income	

	2019	2018
Interest income:		
Loans receivable	\$ 206,554	\$ 189,423
Investments	27,526	21,872
Interest bearing time deposits	350	192
Total interest income	<u>234,430</u>	<u>211,487</u>
Interest expense:		
Savings accounts	100,094	86,032
Net interest income	134,336	125,455
Provision for loan losses	16,578	16,999
Net interest income after provision for loan losses	<u>117,758</u>	<u>108,456</u>
Non-interest income:		
Administrative insurance fees	2,307	2,113
Interchange income	21,769	20,342
Investment gains, net	356	-0-
Other	23,186	25,174
Total non-interest income	<u>47,618</u>	<u>47,629</u>
Non-interest expense:		
Compensation and benefits	76,480	74,008
Occupancy and equipment	16,519	15,186
Communications	5,139	5,693
Marketing	8,431	7,971
Other	31,329	31,151
Total non-interest expense	<u>137,898</u>	<u>134,009</u>
Net income	<u>\$ 27,478</u>	<u>\$ 22,076</u>

Audited consolidated financial statements are available from the Credit Union for the fiscal years ended December 31, 2019 and 2018. To review statements or for more information, call 309.633.7000 or 1.800.633.7077.