

# 2020

## ANNUAL REPORT



**CEFCU**

Not a bank. Better. ®

## Report To Members

In 2020, CEFCU® worked to adapt to this unparalleled time while continuing to deliver better value to members. Despite the challenges faced, employee dedication and continued member loyalty resulted in Credit Union growth; reaching a milestone of \$7 billion in assets! We thank you for putting your trust in us, both in good and difficult times. CEFCU remains committed to improving your financial well-being, as well as the other 356,000 member/owners we serve... that's just one of the things that makes us *better!*

The following are just a few Credit Union highlights from 2020:

	2020	Increase over 2019
Assets	\$7,096,007,000	13.4%
Savings	\$6,301,822,000	14.2%
Loans	\$4,880,654,000	4.5%
Net Worth	\$ 701,876,000	6.4%

- Began the process to acquire four bank branches located in the Metro East area of Illinois, near St. Louis. When finalized, this will add 11 new counties to CEFCU's service area, allowing the Credit Union to serve those that live or work in 25 Illinois counties.
- Implemented several digital enhancements and convenience services within CEFCU On-Line® and Mobile Banking, including Card Management, Automated Fraud Alerts, Biller Direct, CardSwap, and more.
- Enhanced the CEFCU Debit Mastercard® with contactless technology; issued new contactless Debit Cards to all Debit Cardholders so members could have the newest and safest payment technology available.

Members continued to look to CEFCU for their borrowing needs, which resulted in several record-breaking outcomes. During the year, nearly \$1.2 billion was loaned to members for their consumer loan needs, including Vehicle Loans and Credit Cards. The Home Loan Department received over 13,000 mortgage applications and modification requests, with more than \$1 billion loaned or modified — a new record high! In addition, CEFCU provided nearly \$224 million in Member Business Loans. Through the Paycheck Protection Program, backed by the Small Business Administration, CEFCU assisted 669 businesses, of which 225 were new business members to the Credit Union. Those businesses received much-needed COVID-19 relief totaling \$29.8 million. CEFCU's California market surrounding the San Jose area ended the year with record Deposit growth as well as Consumer, Business, and Mortgage Loan volume of more than \$188 million, increasing the overall book of business by \$104.5 million!

This remarkable year would not have been possible without you. The continued support from new and long-standing members, as well as staff's diligence in working to control costs, allowed us to return a \$30 million Extraordinary Dividend in December 2020. Looking forward, your Credit Union will continue to focus on meeting members' financial needs, sharing our success, and making a difference in the communities we serve. Because we truly are *better*, together.

Thank you for making CEFCU your Credit Union!

For the Board of Directors,



Matthew D. Jolliff, Chairman

## Consolidated Statements Of Financial Condition

December 31, 2020 and 2019  
(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	

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 588,338	\$ 284,777
Interest bearing time deposits in financial institutions	14,383	14,631
Investments available for sale	1,463,920	1,142,986
Loans, net of allowance for loan losses	4,848,134	4,640,959
Accrued interest receivable	18,564	20,927
NCUSIF deposit	55,897	51,005
Restricted stock	5,000	5,000
Property and equipment	78,340	75,403
Other assets	23,431	22,835
Total assets	<u>\$7,096,007</u>	<u>\$6,258,523</u>
LIABILITIES AND MEMBERS' EQUITY		
Members' savings accounts	\$6,301,822	\$5,517,894
Accrued interest payable	1,517	2,023
Accrued pension and postretirement benefits	128,225	94,366
Other liabilities	62,295	59,619
Total liabilities	<u>6,493,859</u>	<u>5,673,902</u>
Members' equity	602,148	584,621
Total liabilities and members' equity	<u>\$7,096,007</u>	<u>\$6,258,523</u>

## Consolidated Statements Of Income

Years ended December 31, 2020 and 2019

(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	

	2020	2019
Interest income:		
Loans receivable	\$ 207,290	\$ 206,554
Investments	20,372	27,526
Interest bearing time deposits	291	350
Total interest income	<u>227,953</u>	<u>234,430</u>
Interest expense:		
Savings accounts	<u>72,538</u>	<u>100,094</u>
Net interest income	155,415	134,336
Provision for loan losses	<u>15,535</u>	<u>16,578</u>
Net interest income after provision for loan losses	<u>139,880</u>	<u>117,758</u>
Non-interest income:		
Administrative insurance fees	2,920	2,307
Interchange income	21,758	21,769
Investment gains, net	-0-	356
Other	<u>22,204</u>	<u>23,186</u>
Total non-interest income	<u>46,882</u>	<u>47,618</u>
Non-interest expense:		
Compensation and benefits	80,709	76,480
Occupancy and equipment	17,326	16,519
Communications	5,316	5,139
Marketing	8,178	8,431
Other	<u>33,288</u>	<u>31,329</u>
Total non-interest expense	<u>144,817</u>	<u>137,898</u>
Net income	<u>\$ 41,945</u>	<u>\$ 27,478</u>

Audited consolidated financial statements are available from the Credit Union for the fiscal years ended December 31, 2020 and 2019. To review statements or for more information, call 309.633.7000 or 1.800.633.7077.

# CEFCU BOARD OF DIRECTORS

Todd W. Bryant  
Todd C. Gwillim  
Matthew D. Jolliff  
Angel G. Martinez  
Robert M. Metzinger  
Eric D. Montgomery  
Joseph R. Needham

Thea M. Robinson  
Kavita Sachdev  
Sean D. Scranton  
Grant M. Seshul  
Mark A. Spenny  
Reed A. Stuedemann

## SUPERVISORY COMMITTEE

Todd W. Bryant  
Robert M. Metzinger

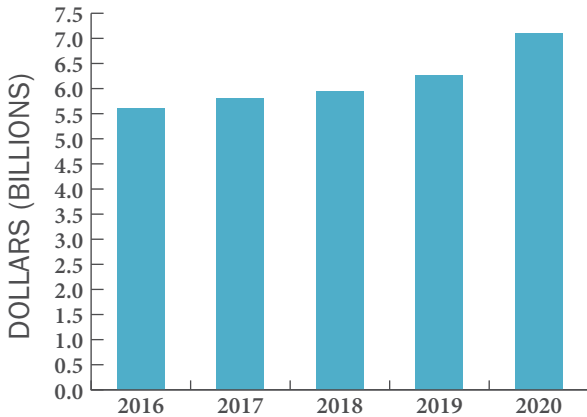
Reed A. Stuedemann

## OFFICERS

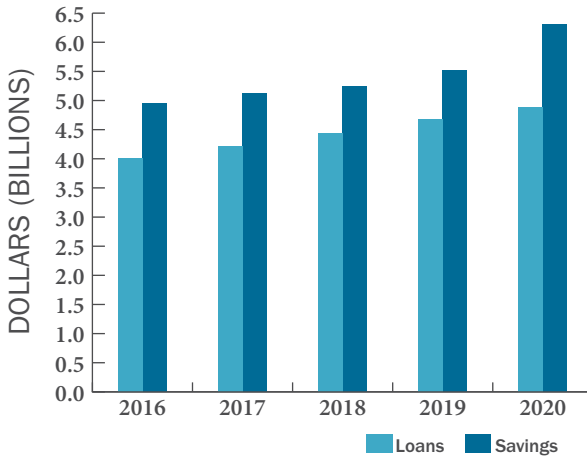
*Chairman*  
*Vice Chairman*  
*Vice Chairman*  
*President-Treasurer*  
*Secretary*  
*Chief Delivery Officer*  
*Chief Operations Officer*  
*Chief Legal Counsel*  
*Chief Financial Officer*  
*Senior Vice President*  
*Senior Vice President*  
*Vice President*  
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Matthew D. Jolliff  
Sean D. Scranton  
Angel G. Martinez  
Kavita Sachdev  
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Matthew J. Mamer  
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Wyatt S. Wolven  
Denise A. Ghere  
Mark A. Hoffmire  
Kenneth J. Anderson  
Peter Diaz  
Mark B. Geason  
Todd R. Haller  
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Douglas L. Higgins  
Alycia D. Hightower  
Dianna L. Hunter  
Theresa A. Lake  
Stacy L. Leavitt  
Melody L. Malcom  
Gary L. Moss  
Diane M. Roe  
Ronald L. Routh  
Janã C. Stevens  
Jeffrey D. Thomas  
Joseph E. Varda

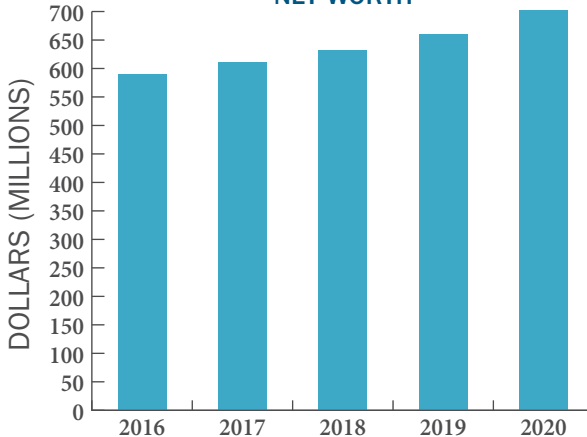
## ASSETS



## MEMBERS' SAVINGS AND LOANS



## NET WORTH



## CEFCU FINANCIAL SERVICES, INC.<sup>®</sup> OFFICERS AND BOARD OF DIRECTORS

*President-Treasurer*  
*Director, Vice President-Secretary*  
*Director*  
*Director*  
*Director*

Wyatt S. Wolven  
Mark A. Spenny  
Arthur R. Anliker  
Melissa A. Rakestraw  
Keith M. Reynolds

Federally Insured by NCUA

