

Annual Report 2015



 **CONSUMERS**
CREDIT UNION
Your life. Our commitment.

This credit union is federally insured up to at least \$250,000 by NCUA.

CCU Annual Meeting

86th

CCU Presidents | Past and Present



LEO SAARI
(1930-1956)



ANTHONY PIERCE
(1956-1970)



ANTON KERZIC, JR.
(1970-1978)



WILLIAM REIDEL
(1979-2004)



SEAN RATHJEN
(2004-Present)

Chairpersons:

JACK LIUKKU
(1930-1947)

RUSS ALFORD
(1948-1957)

ELLEN (SANDVICK) NANTZ
(1958-1965)

HELEN DRAGUNAS
(1966-1974)

ERNEST W. WOOLDRIDGE
(1975-1976)

GEORGE HARRO
(1977-1979)

RAYMOND W. DEWEERTH
(1979-2002)

JAMES A. MAHNICH, SR.
(2002-2008)

JOHN R. JANEZIC
(2008-Present)



2015 Directors:

- John R. Janezic – Chairman
- Ann Campanella – Vice Chairperson
- Denise Charts – Secretary
- Alice Clements – Treasurer
- Nancy L. Anderson
- Spiro Giotis
- Leslee Johnson
- James Mahnich
- Joseph M. Rajcevich
- Kenneth Robinson
- Frank C. Soyka
- Jim Spengler

Committee Members:

- Scott Drabicki
- Jerry P. Larson
- Horacio Lopez
- Spiridoula (Litza) Mavrothalasitis
- Michael Raysakis
- Dr. John R. Schwab

Nominating Committee:

- Kenneth Robinson – Chairman
- Denise Charts
- Scott Drabicki
- James Mahnich

Board Candidates:

As Approved by the Nominating Committee

- Ann Campanella
- Richard Lynn
- Joseph Rajcevich
- Michael Raysakis
- Frank Soyka



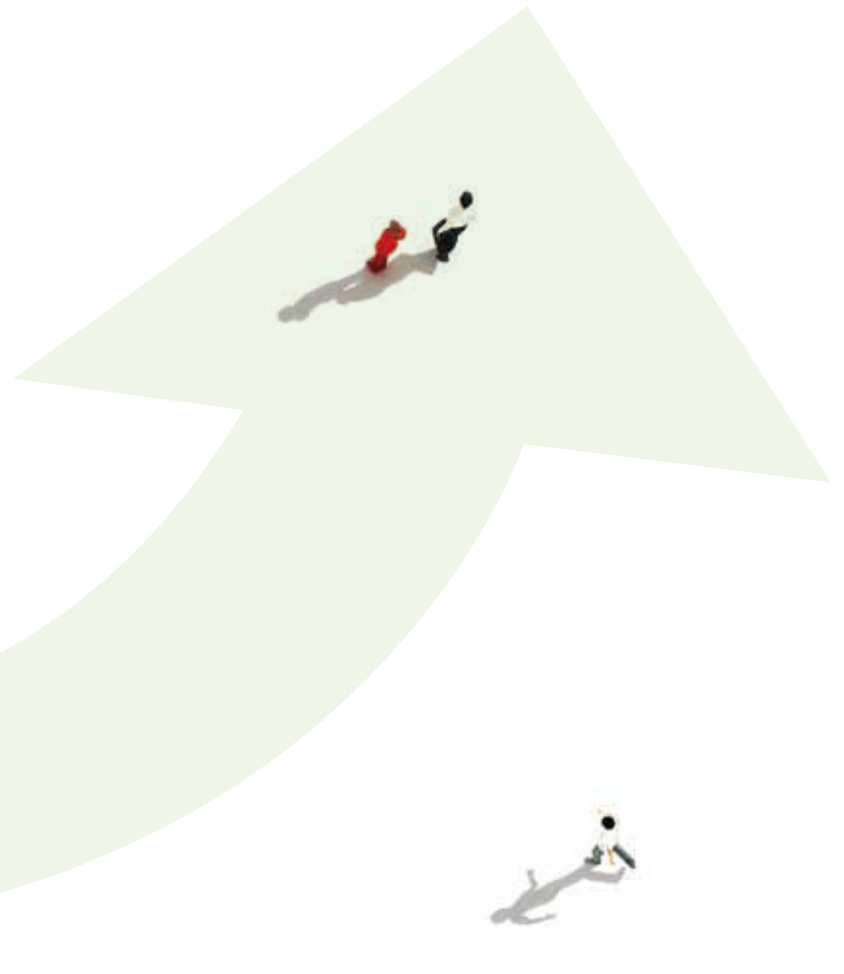
CCU Annual Meeting 86th

Details and Agenda | March 23, 2016

KeyLime Cove

1700 Nations Drive, Gurnee, IL 60031

- *Welcome & Introduction of Guests*
- *Mr. John R. Janezic, Chairman of the Board*
- *Dinner*
- *Call to Order*
- *Determination of Quorum*
- *Report of the Registration Committee*
- *Reading and Approval of Agenda*
- *Approval of Minutes of 85th Annual Meeting*
- *Report to the Members*
- *Report of the Nominating, Supervisory, and Loan Review Committees*
- *Election of Directors*
- *Unfinished Business*
- *New Business*
 - A.
 - B.
 - C.
- *Adjournment*



Mission Statement | Consumers Credit Union

We promise to work with you to find personal solutions to help you achieve your financial potential.

Chairman and CEO



John R.
Janezic
Chairman of
the Board



Sean M.
Rathjen
CEO

Report to Our Members

2015 was an incredible year for Consumers Credit Union (CCU), our team members, and most importantly you, our Member-owners. CCU had impressive growth in Member satisfaction, employee satisfaction, new Service Centers, and many key financial categories.

Being a Member-owned financial cooperative, CCU's financial results are important in order to maintain long-term safety and soundness. Maintaining a strong financial position enables the Credit Union to offer ultra-competitive products and convenient services, while increasing our investment in technologies - especially data security. There are many benefits for our Members as CCU grows and gains economies of scale. In 2015, your Credit Union grew its assets over 43%; from approximately \$627 million to over \$901 million!

Here are a few of our major highlights from 2015:

➤ **We joined hands with Premier CU to merge into one larger, combined Consumers Credit Union.** Through this partnership, nearly 12,000 Members now have enhanced product and service offerings, along with an expanded Service Center network. We now have nine Service Centers spanning from Northern Cook County (Northbrook, Palatine, and Schaumburg) to the Wisconsin border in Lake County. Just as important, we welcomed over 40 experienced team members from Premier CU to join CCU's 200+ team members.

➤ **More Members joined CCU and more Members took advantage of our products and services.** Over 9,000 people joined the Credit Union in 2015 - a record number of new Memberships!

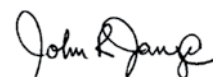
We granted nearly 6,600 vehicle loans, representing a 19% increase from 2014. Granting these loans helped our Members purchase or refinance vehicles at lower rates, ultimately saving them money by paying less interest. We made 338 mortgage loans, representing a 33% increase from 2014. Granting these mortgages helped Members either buy their dream home or refinance to a better program and save money. In total, over \$245 million in loans were made in 2015 to our Members!

➤ **CCU moved its back-office operations into our new headquarters in Gurnee, Illinois.** This move provided the capability to run a more efficient operation, ultimately improving Member service. Having all back-office

operations in one location provides many benefits such as having our employees communicate easier, work more collaboratively, and gain economies of scale.

➤ **Continued investments in technology, specifically in Online and Mobile Banking.** Last year nearly 13% of Members' checks were deposited through eXpressShot, our mobile check deposit program. This wouldn't be possible without an unwavering commitment to technology for our Members. Furthermore, CCU was among the first pilot credit unions offering Apple Pay® for debit and credit card holders. We understand that convenience is key for our Members, and we are committed as an organization to monitor emerging technologies and deploy those that make sense and provide benefits to our Membership at large.

➤ **Consumers MortgagesSM launched their HomeAdvantageTM program in December 2015.** HomeAdvantage allows Members to search for homes on the MLS, research neighborhoods, connect with a local, experienced agent, and earn a rebate from any real estate transaction. The average rebate is over \$1,500! That's dollars our Members can put towards home improvements, paying down debt, investing or saving for a rainy day.


Chairman of the Board


CEO

LOAN SUMMARY

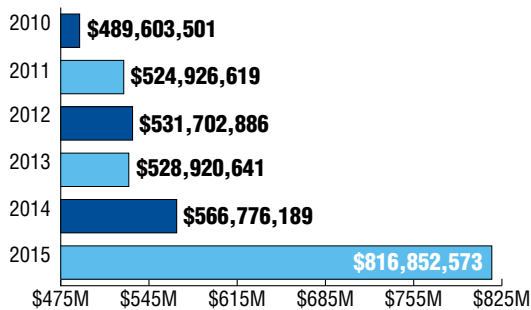
LOAN TYPE	2015 Number	2015 Amount	2014 Number	2014 Amount
New Auto	1,303	\$ 37,422,788	1,263	\$ 32,712,807
Used Auto	5,296	92,301,207	4,264	70,550,073
Motorcycle	448	3,215,824	317	2,597,936
Boats, Campers, and Motorhomes	35	855,445	31	542,612
Personal Watercraft, Snowmobiles, ATVs	87	1,332,090	100	1,441,694
Other Secured	1,481	11,195,324	1,435	9,891,012
Savings (includes Share and CD Secured)	221	1,262,593	182	1,225,458
Signature and Cosigner	1,054	2,666,912	942	2,431,356
Overdraft Loan*	3,254	601,620	3,698	698,538
NSGCU Read Cash	70	15,828	117	23,462
Home Equity Loans	25	846,665	34	970,443
Home Equity Lines of Credit (HELOC)	3,729	14,677,499	3,579	10,765,223
First Mortgages	338	58,895,102	254	39,659,314
Commercial Loans	53	19,990,442	54	21,635,629
Total	17,394	\$ 245,279,338	16,270	\$ 195,145,555

LOAN RECAP	2015 Number	2015 Amount	2014 Number	2014 Amount
Rewrites and Extensions	100	\$ 1,268,609	135	\$ 1,452,462
Approval Rate	70%		71%	

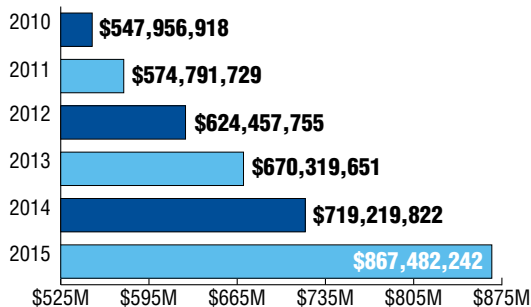
Loan Review Committee:

Frank Soyka – Chairman
 Horacio Lopez
 Michael Raysakis

TOTAL DEPOSIT BALANCE HISTORY



SERVICE LOAN HISTORY



FINANCIAL CONDITION

ASSETS	2015	2014	Difference
Cash and equivalents	\$ 16,135,642	\$ 16,009,356	\$ 126,286
Loans to Members	572,573,258	433,165,555	139,407,703
Investments	263,777,941	143,572,427	120,205,514
Fixed Assets, net	21,594,875	17,529,586	4,065,289
Other Assets	27,659,030	17,661,369	9,997,661
Total Assets	\$ 901,740,746	\$ 627,938,292	\$ 273,802,454
LIABILITIES AND MEMBERS' EQUITY			
<i>Liabilities</i>			
Current Liabilities	\$ 6,483,745	\$ 5,711,233	\$ 772,512
Members' Shares and Certificates	816,852,573	566,776,189	250,076,384
Total Reserves and Net Income	78,404,428	55,450,871	22,953,557
Total Liabilities and Members' Equity	\$ 901,740,746	\$ 627,938,292	\$ 273,802,454
<i>Total Members</i>			
	80,938	62,599	18,339

OPERATING STATEMENT

INTEREST INCOME	2015	2014	Difference
Interest on Loans	\$ 25,128,959	\$ 22,234,137	\$ 2,894,822
Income from Investments	2,237,516	2,203,616	33,900
Total Interest Income	\$ 27,366,475	\$ 24,437,753	\$ 2,928,722
INTEREST EXPENSE			
Member Dividends	\$ 4,973,496	\$ 3,390,041	\$ 1,583,455
Borrowed Funds	218,239	101,783	116,456
Total Interest Expense	5,191,735	3,491,824	1,699,911
Net Interest Income	22,174,739	20,945,928	1,228,811
Provision for Loan Loss	1,161,988	568,928	593,060
Net Interest Income after Loan Loss	\$ 21,012,752	\$ 20,377,001	\$ 635,751
OTHER INCOME			
Service Charges and Other Fees	\$ 13,280,235	\$ 10,758,036	\$ 2,522,199
Other Operating Income	2,144,277	2,443,924	(299,647)
Total Other Income	\$ 15,424,513	\$ 13,201,961	\$ 2,222,552
OPERATING EXPENSES			
Salaries and Benefits	\$ 15,558,780	\$ 14,164,549	\$ 1,394,231
Office and Occupancy	5,790,736	4,615,930	1,174,806
Professional and Outside Services	3,639,224	3,433,084	206,140
Marketing Expense	1,167,606	1,095,107	72,499
Loan Expense	4,546,305	3,937,235	609,070
Other Operating Expenses	1,482,652	1,248,315	234,337
Total Operating Expenses	\$ 32,185,305	\$ 28,494,222	\$ 3,691,082
Gain (Loss) on Other Real Estate Owned	25,994	(326,246)	352,240
Gain (Loss) on Disposal of Assets	129,124	270,884	(141,760)
Net Income (Loss)	\$ 4,407,078	\$ 5,029,377	\$ (622,299)

Community Involvement | 2015

Over 580 employee hours were spent giving back and helping our communities where we reside and serve!



CCU Employees in Round Lake Beach Memorial Day Parade.



CCU Employees walk in the Annual Waukegan Independence Day Parade.



CCU Employees support the Northern Illinois Food Bank in Waukegan.



CCU Employees tend our booth at Gurnee Days Event.

Thank You!

As we look forward to 2016, we are excited to continue delivering Member value and an easy and unique experience along the way. On behalf of our volunteer Board of Directors and the CCU team, we thank you for an incredible year.

Giving Back to Our Members in 2015

ATM fees paid
\$578,626

Rewards Checking dividends paid:
\$3,085,602

Total money saved from refinancing auto loans to CCU
\$2,882,096

Total VISA® Signature Cash Back Earned
\$386,843

Average savings from refinancing an auto loan to CCU
\$1,527



Your life. Our commitment.

CCU Service Centers:

Waukegan

2750 Washington Street
PO Box 9119
Waukegan, IL 60079

Mundelein

1210 S. Lake Street
Mundelein, IL 60060

Round Lake Beach

2626 N. Route 83
Round Lake Beach, IL 60073

Gurnee

4946 Grand Avenue
Gurnee, IL 60031

North Waukegan

3737 N. Lewis Avenue
Waukegan, IL 60087

Volo

195 East Route 120
Volo, IL 60073

Palatine

311 E. Northwest Highway
Palatine, IL 60067

Northbrook

1334 Shermer Road
Northbrook, IL 60062

Schaumburg

22 W. Schaumburg Road
Schaumburg, IL 60194

Office Locations :

*(Limited access,
by appointment-only):*

Headquarters

1075 Tri-State Parkway
Suite 850
Gurnee, IL 60031

Other

1212 W. Northwest Highway
Suite 1212
Palatine, IL 60067

myconsumers.org
877-275-2228