

2016 ANNUAL REPORT



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

87th ANNUAL MEETING

Chairpersons:

John R. Janezic
(2008-Present)

George Harro
(1977-1979)

Ellen (Sandvick) Nantz
(1958-1965)

James A. Mahnich, Sr.
(2002-2008)

Ernest W. Wooldridge
(1975-1976)

Russ Alford
(1948-1957)

Raymond W. DeWeerth
(1979-2002)

Helen Dragunas
(1966-1974)

Jack Liukku
(1930-1947)

2016 Board Members:

- John R. Janezic - *Chairman*
- Ann Campanella - *Vice Chairperson*
- Denise Charts - *Secretary*
- Alice Clements - *Treasurer*
- Nancy L. Anderson
- Spiro Giotis
- Leslee Johnson
- James A. Mahnich, Sr.
- Joseph M. Rajcevich
- Kenneth Robinson
- Michael Raysakis
- Frank C. Soyka

Committee Members:

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

Nominating Committee:

- Kenneth Robinson - *Chairman*
- Spiro Giotis
- James A. Mahnich, Sr.

Board Candidates:

As Approved by the Nominating Committee

- Nancy L. Anderson
- Denise Charts
- Scott Drabicki
- Demar Harris
- John R. Janezic
- Spiridoula (Litza) Mavrothalasitis



SEAN RATHJEN
(President 2004-Present)



WILLIAM REIDEL
(President 1979-2004)



ANTON KERZIC, JR.
(President 1970-1978)



ANTHONY PIERCE
(President 1956-1970)



LEO SAARI
(President 1930-1956)

MARCH 15, 2017

KeyLime Cove

1700 Nations Drive
Gurnee, IL 60031

Agenda:

- *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 86th
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*

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

CHAIRMAN AND CEO REPORT TO MEMBERS



John R. Janezic
Chairman of the Board



Sean M. Rathjen
CEO

It's hard to believe that Consumers Credit Union (CCU) has been in existence for 86 years. 2016 was quite the year for CCU. We've achieved some impressive milestones this past year, and it has everything to do with our committed volunteer Board of Directors, dedicated employees and active and engaged Member-owners. As a not-for-profit financial cooperative, CCU is only as strong as those three key segments: Board of Directors, employees, and the Members.

Many great things happened this year, but we'd like to point out a few key items.

\$1,000,000,000 Strong

Late in 2016 CCU's assets surpassed \$1,000,000,000, ending the year at \$1,051,735,256 to be exact. Compared to 2015, this is a 16.63% increase.

What's more is that CCU's total loans serviced also leaped above \$1,000,000,000 by the end of the year, bringing our total loans serviced to \$1,008,233,165. In comparison to the prior year, this is more than 16.22% growth. We've been fortunate to have many long-term employees, board and committee members, none of whom would have predicted when they began their involvement with CCU, that the organization would be above one billion in both assets and total loans serviced.

What seemed unimaginable long ago came at no surprise today, as we have seen the credit union flourish over the last few years. Over 11,000 Members joined CCU in 2016. This record number of new Members indicates that others are quickly learning of CCU's ultra-competitive products, convenient service, and friendly staff. While we have grown to over \$1,000,000,000, the commitment to our founding principles remains steadfast: long-term stability, dedication to providing the finest financial services and a committed investment in our Members.

A Successful Conversion

In November of 2015 we joined hands with Premier Credit Union to become one larger Consumers Credit Union. During February of




2016, we successfully converted the systems and Member accounts to one common operating system. Our combined organization now can fully service our 88,599 Members at one of our nine Service Centers or anytime online.

This conversion wouldn't have been possible without our credit union employees' execution and hard-work. Many hours were spent on this large project with a goal to make the impact on Members as minimal as possible. We thank those affected Members for their patience and hope they are realizing the incremental benefits with improved rates and more services.

Safety, Security, and Convenience

CCU continuously monitors, researches, evaluates, and (if appropriate) implements programs or services that provide a more secure means of doing business with us while staying as convenient as possible. In late 2015 and through the early part of 2016, we issued chip enabled (EMV) credit and debit cards which provide an additional layer of card security when purchasing goods in-person. We also added text banking, providing Members a fast and secure way to access account balances on the go. Another key item implemented in 2016 was automated fraud alerts on CCU debit and credit cards.


Chairman of the Board


CEO

LOAN SUMMARY

Loan Review Committee:

Frank Soyka – Chairman

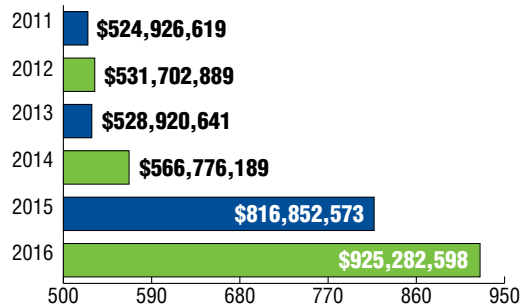
Horacio Lopez

Michael Raysakis

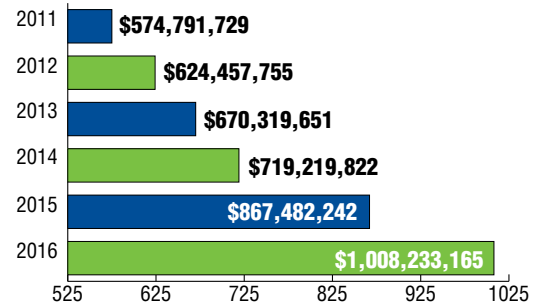
LOAN TYPE	2016 Number	2016 Amount	2015 Number	2015 Amount
New Auto	1,302	\$ 39,514,817	1,303	\$ 37,422,788
Used Auto	6,614	124,060,561	5,296	92,301,207
Motorcycle	542	4,470,701	448	3,215,824
Boats, Campers, and Motorhomes	64	1,519,481	35	855,445
Personal Watercraft, Snowmobiles, ATVs	49	485,294	87	1,332,090
Other Secured	1,401	11,669,945	1,481	11,195,324
Savings (includes Share and CD Secured)	172	7,150,772	221	1,262,593
Signature and Cosigner	1,379	4,220,748	1,054	2,666,912
Overdraft Loan	5,901	788,740	3,254	601,620
NSGCU REDI Cash	47	14,442	70	15,828
Home Equity Loans	36	1,263,100	25	846,665
Home Equity Lines of Credit (HELOC)	4,267	14,736,118	3,729	14,677,499
First Mortgages	447	74,080,620	338	58,895,102
Commercial Loans	75	78,472,971	53	19,990,442
Total	22,296	\$362,448,310	17,394	\$245,279,338

LOAN RECAP	2016 Number	2016 Amount	2015 Number	2015 Amount
Rewrites and Extensions	175	\$ 2,273,896	100	\$ 1,268,609
Approval Rate	72%		70%	

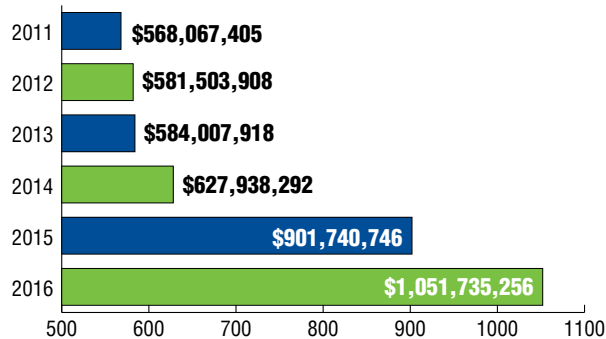
TOTAL DEPOSIT BALANCE HISTORY



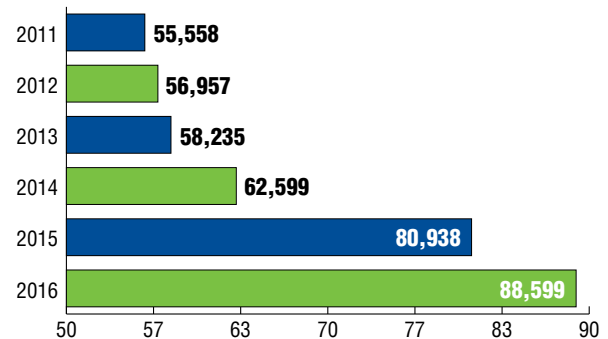
SERVICED LOAN HISTORY



ASSETS



MEMBERS



ASSETS	2016	2015	Difference
Cash and equivalents	\$ 24,578,209	16,135,642	8,442,567
Loans to Members	660,731,694	572,573,258	88,158,436
Investments	314,057,222	263,777,941	50,279,281
Fixed Assets, net	22,723,718	21,594,875	1,128,843
Other Assets	29,644,413	27,659,030	1,985,383
Total Assets	\$ 1,051,735,256	901,740,746	149,994,510
LIABILITIES AND MEMBERS' EQUITY			
<i>Liabilities</i>			
Current Liabilities	\$ 6,797,017	5,764,240	1,032,777
Total Borrowed Funds	38,619,389	719,505	37,899,884
Members' Shares and Certificates	925,282,598	816,852,573	108,430,025
Total Reserves and Net Income	81,036,252	78,404,428	2,631,824
Total Liabilities and Members' Equity	\$ 1,051,735,256	901,740,746	149,994,510
<i>Total Members</i>			
	88,599	80,938	7,661

OPERATING STATEMENT			
INTEREST INCOME	2016	2015	Difference
Interest on Loans	\$ 31,705,150	25,128,959	6,576,191
Income from Investments	4,349,166	2,237,516	2,111,650
Total Interest Income	\$ 36,054,315	27,366,475	8,687,840
INTEREST EXPENSE			
Member Dividends	\$ 5,770,034	4,973,496	796,538
Borrowed Funds	914,921	218,239	696,682
Total Interest Expense	6,684,955	5,191,735	1,493,220
Net Interest Income	\$ 29,369,360	22,174,740	7,194,620
Provision for Loan Loss	2,192,658	1,161,988	1,030,670
Net Interest Income after Loan Loss	\$ 27,176,702	21,012,752	6,163,950
OTHER INCOME			
Service Charges and Other Fees	\$ 17,051,042	13,280,235	3,770,807
Other Operating Income	2,328,420	2,144,277	184,143
Total Other Income	\$ 19,379,462	15,424,512	3,954,950
OPERATING EXPENSES			
Salaries and Benefits	\$ 20,289,988	15,558,780	4,731,208
Office and Occupancy	7,132,320	5,790,736	1,341,584
Professional and Outside Services	5,192,865	3,639,224	1,553,641
Marketing Expense	1,107,446	1,167,606	(60,160)
Loan Expense	6,012,315	4,546,305	1,466,010
Other Operating Expenses	1,768,974	1,482,652	286,322
Total Operating Expenses	\$ 41,503,909	32,185,303	9,318,606
Gain (Loss) on Other Real Estate Owned	24,911	25,994	(1,083)
Gain (Loss) on Disposal of Assets	572,620	129,124	443,496
Net Income (Loss)	\$ 5,649,787	4,407,078	1,242,709

Over 600 employee hours were spent giving back and helping our communities where we reside and serve!



Waukegan Independence Day Parade



Round Lake Beach Fest



Gurnee Days



Mundelein Days



During the Flint, Michigan water crisis, we donated nearly 400 cases of water and over 30 boxes of baby wipes!



CCU team members volunteered their time and donated nearly 3,900 meals to those in need through *Feed My Starving Children*.

Thank You!

On behalf of our volunteer Board of Directors and the CCU team, we thank you for an incredible year.

LOCATIONS

Your life. Our commitment.

Office:

(Limited access, by appointment-only):

Headquarters

1075 Tri-State Parkway
Suite 850
Gurnee, IL 60031

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

myconsumers.org

877-275-2228

