



1937-2017



Educators
CREDIT UNION™

For the teacher in you.

Annual Report

Dear Members,

Today we celebrate the many successes of Educators Credit Union over the last 80 years, but while there is much to celebrate, we must also take the time to remember a tragic loss. As you know, Gene Szymczak passed away in his sleep in December. Gene was very important to us, employees and members alike. As we move forward, we continue to remain true to Gene's values and the legacy he left us.

Over the last year, we have continued to advance with more high-tech banking services. We launched a new Online and Mobile Banking system that allows members to manage their accounts in a fluid manner whether they're using a computer or smartphone. We continue to add more convenient features to these applications.

While we expanded further into the digital realms, we also expanded our physical presence. We opened an 18th branch in West Bend to better serve our members in Washington and Ozaukee Counties and a 19th branch in Pleasant Prairie to assist members located in southern and western Kenosha County. Through continuing partnerships and expansions, credit union membership is now available in Jefferson and Dane Counties.

In 2016, Educators continued to support the communities where we live and work. We participated in more than 70 community events, offered 21 shred days to our members and donated more than \$87,000 to the United Way. The credit union distributed \$50,000 in scholarships to help 25 high school students pay for college and will do so again in 2017.

Giving back to our community is important, but so is giving back to our members. In 2016, Educators returned more than \$2 million to our members through our Loyalty Payback and more than \$685,000 in financial literacy programs and donations. Our Auto & Lease department helped more than 1,200 members purchase a vehicle, averaging 40 leases per month. We ran more than 24,500 free "What's Your Score?" credit reports, giving our members the tools they need to achieve and maintain good credit.

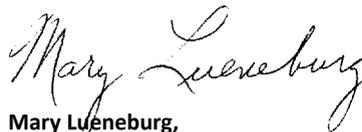
The credit union continues to build its virtual presence to better reach our members where ever they are. At the end of 2016, Educators ranked 14th nationally in The Financial Brand's Power 100 Credit Unions on Social Media list.

Thank you for your continued support. It is because of our member-owners that we are able to achieve greatness. Without you, none of this is possible.

In 2017, we will build on all of these great successes, laying the groundwork for another amazing 80 years and more!



Linda Hoover,
CEO and President



Mary Lueneburg,
Chairperson

Educators Credit Union Board of Directors



Linda Hoover, CEO and President

During Linda's more than 29-year career at Educators Credit Union, she has held many responsibilities. Linda began as a teller, worked in collections, implemented the mortgage department, consumer lending, mortgage lending, operations and branch operations. She is very passionate about helping people and often volunteers throughout the community.

Serves as Chairperson on the following Committee:
CUSO

Serves on Committees:
Asset Liability Management | Budget & Insurance | Building | Credit | Innovation | Scholarships & Grants | Succession | Technology



Mary Lueneburg, Chairperson Board Member 37 years

Mary is a retired Business and Computer Technology teacher from Park High School in Racine and UW-Parkside Outreach.

She is Chairperson and serves on all Board Committees.



Cheryl Kothe, Vice Chairperson Board Member 11 years

Cheryl is the Coordinator of Career and Technical Education for Kenosha Unified School District.

Serves as Chairperson on the following Committees:
Innovation | Technology

Serves on Committees:
Budget & Insurance | CUSO | Scholarships & Grants | Succession | Trustees



Brad Zautcke, Secretary Board Member 11 years

Brad is the Utility District Administrator and Land Development Coordinator for the Village of Salem Lakes.

Serves on Committees:
Asset Liability Management | Audit | Budget & Insurance | Building | CUSO | Innovation



Bob Stepien, Treasurer Board Member 1 year

Bob is the former Assistant Superintendent, Business Services for Racine Unified School District. He is retired Chief Financial Officer of Educators Credit Union.

Serves as Chairperson on the following Committees:
Asset Liability Management | Budget & Insurance

Serves on Committee:
Audit





Paul Pelzek, Board Member
Board Member 31 years

Paul is a retired Diagnostic Special Education Teacher who spent 42 years with Milwaukee Public Schools.

Serves as Chairperson on the following Committees:
Audit | Scholarships & Grants

Serves on Committees:
Asset Liability Management | CUSO | Succession



Mary Ann Smith, Board Member

Board Member 27 years

Mary Ann is retired from the School District of Kettle Moraine and Milwaukee Public Schools.

Serves as Chairperson on the following Committee:
Succession

Serves on Committees:
Asset Liability Management | Audit | Scholarships & Grants | Technology



Bill Halsey, Board Member
Board Member 24 years

Bill volunteers his services as the attorney for Educators and has been an attorney for Racine County. In addition to maintaining a private practice in Racine, he provides legal advice on issues that arise in the day-to-day business operations of the credit union.

Serves as Chairperson on the following Committee:
Building

Serves on Committees:
Budget & Insurance | Credit | CUSO | Succession



Milton Dockery, Board Member
Board Member 8 years

Milton teaches American History at Milwaukee Area Technical College (MATC) in Milwaukee.

Serves on Committees:
Building | Scholarships & Grants | Succession



Clarence Allen, Board Member
Board Member 2 years
Associate Board Member 4 years

Clarence is a retired Professional School Counselor and his background includes work as Coordinator of the Student Assistance Program and coach at Racine's Starbuck Middle School.

Serves on Committees:
Budget & Insurance | Innovation | Scholarships & Grants | Technology



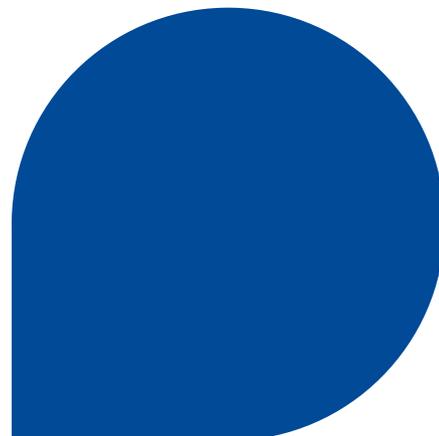
Janet Days, Associate Board Member

Associate Board Member 9 years

Janet is an Academic Advisor for Gateway Technical College. She has 25 years of professional experience with the University of Wisconsin and the Technical College Systems. Janet is also a former Racine Unified School District board member.

Serves on Committees:
Scholarships & Grants | Technology

Meet Educators' Newest Associate Board Members



Logan Martin, Associate Board Member

Associate Board Member 1 year

Logan currently serves as an Associate Manager in Community Affairs at SC Johnson, and is responsible for management of the Johnson Redevelopment Corporation, as well as assisting in community engagement strategy and philanthropic giving. Prior to joining SC Johnson, Logan spent 9-1/2 years working in community and economic development for the Village of Mount Pleasant. In addition, he has served on various non-profit boards throughout the community.

Serves on Committees:

Innovation

Sarah Fierek, Associate Board Member

Associate Board Member 1 year

Sarah is a passionate member of Educators Credit Union. She is the Director of Underwriting Partnerships at 88Nine Radio Milwaukee. In addition to her role as Director of Underwriting Partnerships, Sarah hosts an on-air set on Sundays 3 p.m. to 6 p.m. She was recognized as a 40 Under 40 in 2015 by the Milwaukee Business Journal.

Serves on Committee:

Innovation

Elton Demeti, Associate Board Member

Associate Board Member 1 year

Elton is a University of Wisconsin – Milwaukee graduate with a bachelor's degree in accounting. He is a passionate internal audit leader and a prior public accountant. Elton has significant experience in performing and managing financial, operational, and compliance audits; risk management; internal control design; and evaluation; including information technology audits. His industry experience includes transportation and logistics as well as non-profit and governmental organizations.

Serves on Committees:

Audit

Innovation

Get to know CEO and President Linda Hoover

In March, Educators' Board of Directors named Linda Hoover as Chief Executive Officer and President. Linda is Educators Credit Union's fifth president in its 80 year history.

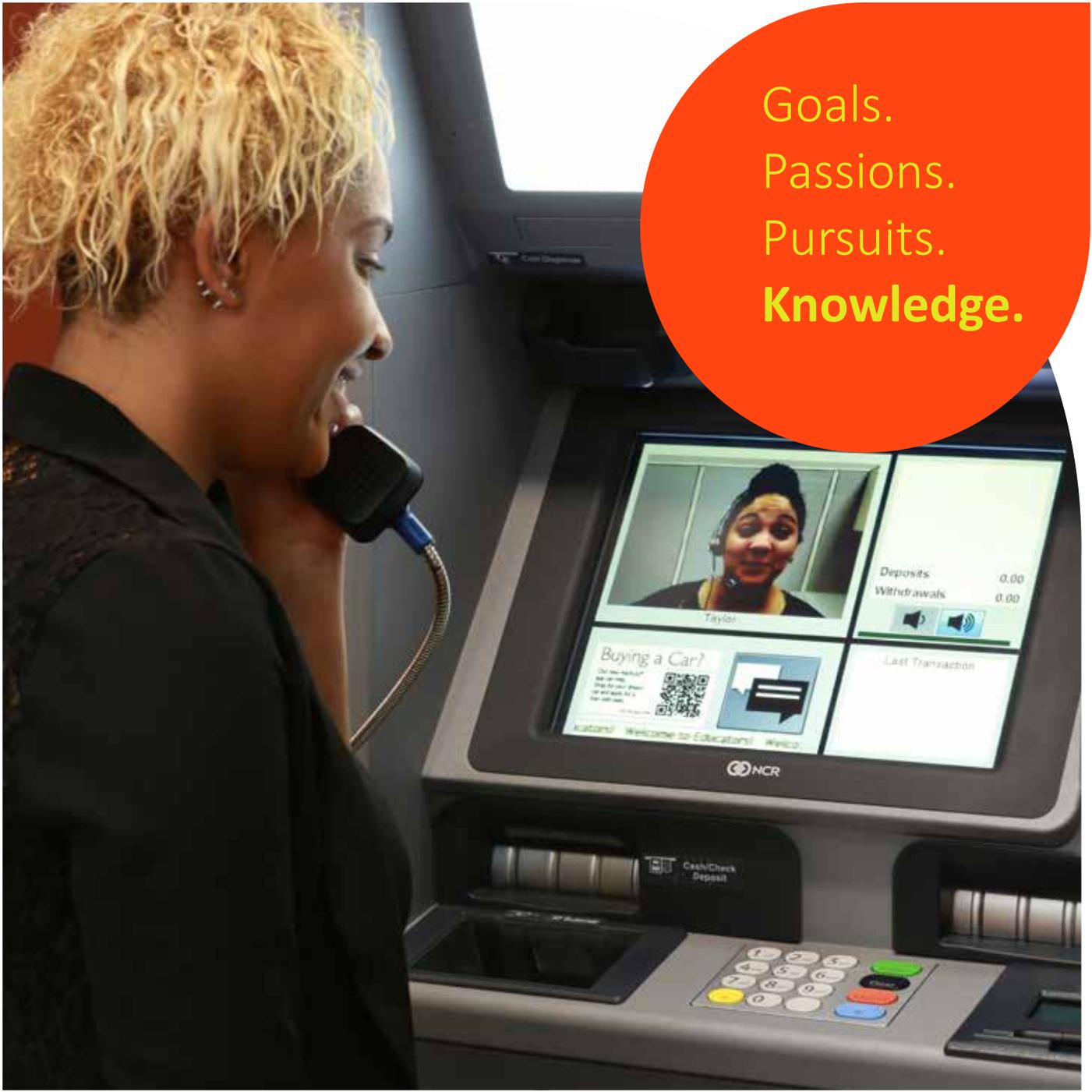
Linda is a Racine native and joined Educators in 1987. Since then, she has managed most of the business units of the credit union at one time or another. She knows this organization and our industry inside and out. She is passionate about the role of the credit union in the lives of our own members and the members of the communities in which we operate – we are in the position to help them realize their dreams. In recognizing that passion, the Board sees in Linda a line of continuity with Gene's own vision for us. At the same time, she brings her own unique perspective and skillset. Her work ethic is second to none, as is her integrity. We believe that Linda can inspire all of us by her example as well as by her ability to sort through the minutiae to chart our course forward.

"It is a deep honor that the Board has expressed its confidence in me, and entrusted the credit union, its staff and its members to my leadership," said Linda. "I believe that the essence of what we are called to do is to create relationships and build trust with our members in order to meet their financial needs. Our foundation has always been a 'People Helping People' cooperative, and that will never change. I had the honor of working with Gene and Harold Kaeding, his predecessor, in this great legacy they created. They lived that principle. They built our culture on it. We continue to advance it each day."

As part of her own commitment to the community, Linda is a member of the Board of Directors of River Bend Nature Center and of the United Way of Racine County's 2017 Cabinet Committee. She has also served in board roles for the Racine Food Bank, Family Services of Racine and Focus on Racine.



Goals.
Passions.
Pursuits.
Knowledge.



80th Annual Meeting Agenda

Saturday, May 6, 2017

Welcome to the 80th Annual Meeting of Educators Credit Union. Our continued growth and success is attributed to you, our members!

7:45 to 8:45 — Breakfast

9:00 to 11:00 — Annual Meeting

Call to order — Mary Lueneburg, Chairperson

Determination of Quorum

Introduction of Directors

Minutes of 2016 Annual Meeting — Brad Zautcke, Secretary

Reports of Directors and Committees

Mary Lueneburg, Chairperson

Linda Hoover, Educators Credit Union President and Chief Executive Officer

Bob Stepien, Treasurer

Paul Pelzek, Nominating Committee

Old Business/New Business

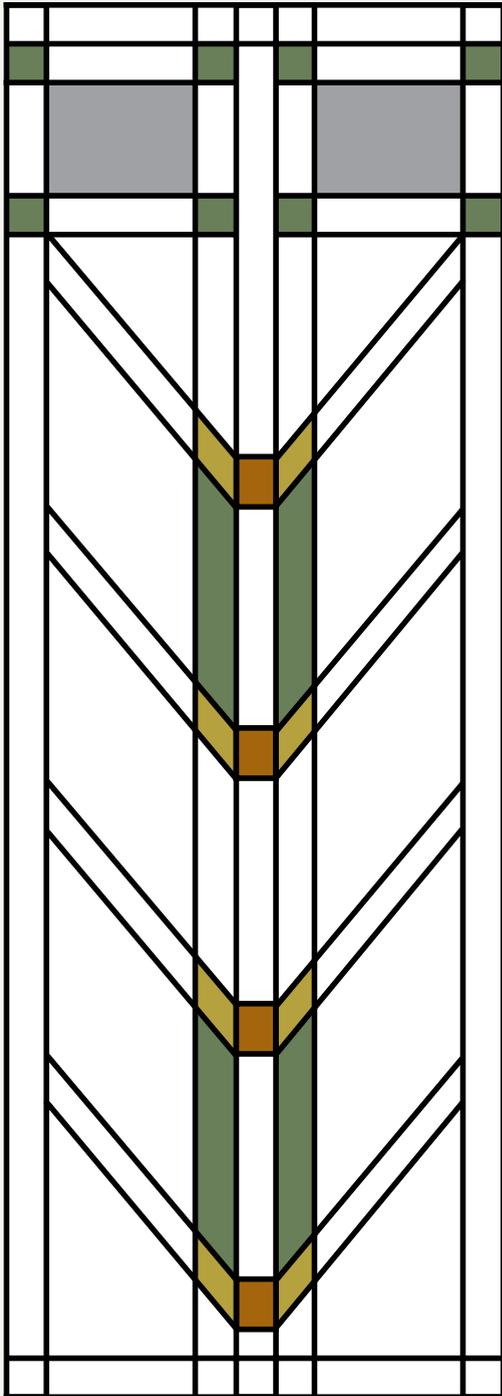
Branch Manager introductions

Door Prizes Awarded

Adjournment

Thank you for your continued support of Educators and participation in today's events.

— Educators Credit Union Board of Directors



Remembering Gene

Eugene Szymczak was born in Racine on June 2, 1949, the son of the late Eugene and Helen (Puchinsky) Szymczak. Gene graduated from St. Catherine's High School and earned a degree in business from UW-Madison.

Gene spent his entire professional career with Educators Credit Union. As a college graduate, he began working as a teller at Educators' 5200 Washington Avenue office location. He rose through the organization to succeed Harold Kaeding as President and CEO in June of 1994.

Gene accomplished a lot throughout his four-decade career. Since he became president in 1994, Educators went from 94 full-time employees to 354 full-time employees, membership grew from 32,803 members to 144,530 members, and assets went from \$153,454,362 to \$1,664,179,198.

While we reflect on the accomplishments Gene made professionally, it's important to reflect on the impact he had on the people in his life. When you ask co-workers about what Gene was like, you tend to hear the same words over and over again: humble, caring, generous, intelligent and loving.

"He was such a good man," said Educators branch manager Barb Drew, one of the people hired shortly after Gene started his career at Educators. "His motto for his whole life was 'Do the right thing' and he projected that into the people he worked with."

This is a message you'll get from most people who had the pleasure of meeting Gene. He shared this energy with everyone he interacted with. No matter their role in the organization or their status outside of Educators, every person deserved the same respect as the next to Gene.

"It was worth working with Eugene to see all the days he brightened for other people," said Educators receptionist Maggie McGee. "And it didn't matter what race, color or creed these members were from. Eugene treated everyone with fairness and equality."

One story that illustrates Gene's generosity and giving nature comes from Kenosha branch manager Ashley Madala.

"I was visiting Gene at Newman, and I complimented him on a picture of birds flying in his office," Ashley said. "I thought it was really cool and we talked about it for a minute, and he told me to take it with me. Of course I said no, but he insisted and actually got up, took it off the wall and gave it to me on my way out."

This story comes as no surprise to the people who knew Gene. It's that same loving spirit that he shared with his family, friends, co-workers and members. His desire to give to those he knew was one of the leading qualities that made him so important to those who had the pleasure of knowing him.

Gene may have left us, but he lives on through every person he's had an impact on and his legacy at Educators Credit Union.



A Legacy of Giving

It was Gene's specific request that his passing not be marked with a formal service. On **Saturday, May 20**, Educators will be celebrating his life with a day of service at Gateway Technical College in Racine. We invite you to come and give back to the community and organizations that meant the most to him.

Tiffany — Building relationships and her credit score

Like many 18-year-olds, Tiffany Gorski opened her account with Educators Credit Union because that's where her family banks. After just three years at the credit union, Tiffany has come to appreciate the direction her mom pushed her in.

"My mom loves it (at Educators) and brought me to open my account when I got my first job," said Tiffany. "Now, I love it here too. I like the perks that I get. Even just getting \$15 at the end of the year."

Tiffany also appreciates that Educators is working to get her ready for the rest of her life. In the fall, she will head to the Milwaukee Institute of Art and Design for college, but she had no credit built up as she enters adulthood.

"I just got accepted for a \$500 credit card to build my credit," said Tiffany. "I had no idea how to build my credit score from zero. Everyone at Educators was so helpful and took the time to walk me through it."

And although she relies on Mobile Banking to manage her accounts, Tiffany still loves coming to her branch at Park Place.

"I love coming to my branch" she said. "Everybody who works here is nice. Any time I'm stuck, they're always willing to help me."





STRAIGHT ARROW BUILDERS, LLC

Tom — Making many memories at Educators

Tom Wilson is a long-time member with Educators who has built a lot of memories with the credit union, but when you ask to hear one of those stories, you might be surprised — you'll most likely hear about Tom, a teller and a family of ducks.

It was a rainy day, and an Educators teller was watching a mother duck lead her ducklings around the Waukesha branch's parking lot. As the ducks waddled, they crossed over a sewer grate, and, one by one, the baby ducks fell into the sewer.

Shortly after the ducks became trapped, Tom pulled into the branch's drive-through. The teller told Tom that she saw the ducks fall into the sewer, and Tom did what he thought was right.

"I grabbed my crowbar out of my truck and took off the top of the sewer grate," said Tom. "Sure enough, there were about 12 baby ducklings in there. So, I went down in there and got them all out."

While Tom's story is about helping a flock, he knows Educators will show the same care with his own family. He has two kids and knows that, when the time comes, Educators will do what they can to support his family and community.

"It's a nice atmosphere, it's a small-town feel," said Tom. "Other banks that I have been in, they don't know you by name. When I come in here, they know me by name."

Frances — Still dancing

When Frances Scott walks through the doors of the Educators Credit Union branch on Rapids Drive, it doesn't take long to notice that she has a long-standing relationship with the staff there. Immediately, staff greet her with a warm "hello" or walk up to discuss how one of the branch's most popular members is doing.

After a short discussion with Fran, it's hard to believe she's over 95 years old and has been an Educators member going on 64 years. Those 64 years as a member are a legacy she's passing down to her family.

"We love how personable everyone is," Frances' daughter Lisa said. "Any time I call and discuss our accounts, they know us and take care of us. It's service you don't get anywhere else. It's focused on service for the member and not service for the credit union."

As with many Educators members, the staff likes Frances just as much as she likes the credit union, and they love to catch up on her dancing.

"It's international folk dancing," said Frances. "It started at my church and branched into the city. We've been dancing since 1970, and I've been going every Friday night."

As the years go on, Frances is the only dancer who doesn't sit out a single dance.

"I wouldn't think of it," Frances said with a smile. "It's not exhausting when you've done it for as long as I have."

When she's not at a dance, Frances will just keep dancing into the lobby of her Educators branch.







A welcome addition to the Village of Pleasant Prairie

On Feb. 1, 2017, Educators Credit Union opened its newest branch in Pleasant Prairie, Wisconsin. Since opening, the manager of Educators' 19th branch, Brett Nielsen (pictured left), says the community response has been fantastic.

"When we opened the doors, an overwhelming amount of members came in and said, 'We're so happy you're here!'" said Nielsen. "This area is just so happy we're here to service them."

The Pleasant Prairie branch offers many services to Educators members, including: Interactive Teller Machines (ITMs), extended hours and a staff of Member Finance Representatives to service member needs.

"The reception to the new technology has been great," said Nielsen.

"And members really appreciate that we can have extended hours thanks to our Interactive Teller Machines."

The Pleasant Prairie branch held its Grand Opening on
March 22, 2017.

Expanding north to the City of West Bend

Educators opened its 18th branch in the summer of 2016 in West Bend. The branch is Educators' northernmost location.

Like the West Bend area, this branch offers a small, tight-knit group of employees waiting to help educate and advise our members. In fact, most members who do their banking at West Bend likely know one of the member finance representatives: Misti Race, Mary Koel or Ashley Tollefson (pictured right). Even if the members don't know the staff by name, they've been vocal about how appreciative they are to have this new branch.

"The response has been good," said Misti. "Members are really excited that we are here."

While existing members have been happy to have a branch that's closer to them, Educators is also getting new members who aren't quite familiar with the credit union since it's never been as close as it is now.

"It's been fun to work with the new members," said Mary. "They walk in and say, 'Oh, you guys are new!' I think we're kind of putting a new light in the world of finance for those people and how great it is to be a member of the credit union."

The West Bend branch held its grand opening Celebration Day on August 6, 2016.





Looking back at 2016

Finances and services

Returned more than \$2 million to members through the Member Loyalty Pay Back Reward.

Membership grew by 6.8%, shares by 6.9% and loans by 7.9%.

Launched new Online and Mobile Banking systems to allow members to access their accounts within one log-on and to provide the same online functionality on the mobile app.

Helped our members save with Black Friday and Cyber Monday specials on cars and credit cards.

Added Wisconsin Educators Association (WEA) Member Benefits employees and members as a Select Employee Group (SEG) to be able to serve public education employees throughout the state.

Refreshed Educators' brand and created a new branding tag line: "For the teacher in you."

Educators Auto & Lease helped over 1,200 members purchase vehicles. Auto & Lease averaged 40 new leases per month and increased our vehicle loans by over \$28 million.

Ran more than 24,500 free "What's Your Score?" credit reports to members.

Implemented a new card fraud service to automatically contact members by email, text or phone when fraud has been detected on their account.

Our Net Promoter Score (NPS) relationship score was a very strong 69% and the transactional score was 75%.

Locations and facilities

Opened a West Bend office with Interactive Teller Machines (ITMs) to better serve our members working/living in Washington and Ozaukee Counties.

Completed construction of a new office in Pleasant Prairie with Interactive Teller Machines (ITMs) that officially opened in February 2017.

Remodeled the UW-Parkside office and added an Interactive Teller Machine (ITM) to extend member hours.

Expanded membership to Jefferson and Dane Counties.

Extended our contact center hours from 8 a.m. to 7 p.m. during the week and from 8 a.m. to 3 p.m. on Saturdays.

People helping people

Staff raised and donated more than \$87,000 to the United Way.

Increased our focus on financial literacy by adding the EverFi program and creating a storefront at Junior Achievements BizTown in Milwaukee.

Continued to provide Reality Check Days at local high schools, outreach workshops, What's Your Score? credit score checks and Banzai classroom programs.

Took part in more than 70 community events across southeastern Wisconsin.

Offered 21 branch shred days to our members.

Began offering a new student loan-borrowing program through LendKey for both new and consolidated loans at lower variable and fixed rates.

Awarded \$2,000 scholarships to 25 local high school seniors in May and will be doing so again in 2017.

Lending a Hand, our loan refinance program, helped more than 1,900 members save more than \$35.9 million in interest.

Other highlights

Added the EMV chip feature to our debit cards.

Ranked in the "Power 100" categories for the Financial Brand ending December 2016: #14 Top 100 credit union using social media, #21 Top 100 credit union using Facebook, #23 Top 100 credit unions using Twitter and #18 Top 100 credit union using YouTube.

Exceeded 35,500 followers on Educators' Facebook page.

Awarded the 2016 Shepherd Express Best of Milwaukee in the following categories: Best Credit Union, Best Financial Institution for Getting a Business Loan, Best Financial Institution for Getting a Home Mortgage and Best Financial Institution for Opening a Checking Account.

Educators Credit Union was voted Best Financial in Kenosha by Kenosha News.

Income Statement

Year Ending December 31, 2016

Income	2015	2016
Interest – Personal and Other Loans	\$ 19,120,010	\$ 19,584,908
Interest – Credit Card Loans	6,353,044	7,321,783
Interest – Real Estate Loans	23,437,339	25,066,526
Interest – Business Loans	389,666	455,327
Investments	2,215,962	2,769,083
Fees and Commissions	9,869,999	10,944,099
Interchange Income	11,912,441	12,977,442
Other Income	<u>1,476,219</u>	<u>3,851,402</u>
Total Income	\$ 74,774,679	\$ 82,970,569
Expenses	2015	2016
Payroll and Benefits	\$ 20,726,479	\$ 22,932,047
Insurance	0	0
Education and Promotion	3,117,353	3,450,049
Cost of Occupied Space	4,095,790	4,347,424
Office Operations	7,342,201	7,198,403
Data Processing	2,845,879	4,866,371
Provision for Loan Losses	5,982,191	6,835,493
Interchange Expenses	7,465,874	9,497,096
Other Expenses	<u>4,334,452</u>	<u>4,000,467</u>
Total Expenses	\$ 55,910,220	\$ 63,127,349
Net Income	<u>\$ 18,864,459</u>	<u>\$ 19,843,220</u>
Distribution of Income	2015	2016
Dividends	\$ 5,626,169	\$ 6,080,880
Interest Expense	2	3
Reserves before Regulatory Adjustment	<u>\$ 13,238,288</u>	<u>\$ 13,762,338</u>
Regulatory Adjustment	<u>0</u>	<u>0</u>
Reserves after Regulatory Adjustment	<u>\$ 13,238,288</u>	<u>\$ 13,762,338</u>
Capital Ratio — Net Worth/Total Assets	11.62	11.68

Balance Sheet

Year Ending December 31, 2016

Assets	2015	2016
Cash and Due from Deposit Institutions	\$ 25,815,996	\$ 33,479,439
Investments	251,071,718	255,305,036
Personal Loans (Net)	513,175,243	552,989,097
Real Estate Loans (Net)	712,209,638	769,114,516
Business Loans (Net)	6,202,632	8,126,661
Furniture and Fixtures (Net)	11,161,295	9,549,004
Land and Building (Net)	36,438,520	39,117,717
Other Assets	<u>10,193,973</u>	<u>9,290,491</u>
Total Assets	<u>\$ 1,566,269,014</u>	<u>\$ 1,676,971,962</u>
Liabilities and Member Equity	2015	2016
Notes Payable	\$ 0	\$ 0
Other Liabilities	16,810,589	21,141,182
Share Savings	312,918,164	366,803,907
Share Draft Checking	220,369,975	243,272,474
Share Certificates	202,345,172	204,816,614
Individual Retirement (IRA)	91,251,244	94,359,574
Insured Money Market (IMMS)	540,364,435	551,801,651
Regular Reserves	16,689,321	16,689,321
Other Reserves	0	0
Undivided Earning	<u>165,520,114</u>	<u>178,087,239</u>
Total Liabilities and Member Equity	<u>\$ 1,566,269,014</u>	<u>\$ 1,676,971,962</u>

Educators Credit Union Locations

Home Office:

1326 Willow Road
Mt. Pleasant, WI 53177

Branch Locations:

1400 Newman Road
Racine, WI 53406

3525 Rapids Drive
Racine, WI 53404

1300 90th Street
Sturtevant, WI 53177

4215 Green Bay Road
Kenosha, WI 53144

UW-Parkside
900 Wood Road, Student Center
Kenosha, WI 53141

7431 91st Avenue
Pleasant Prairie, WI 53142

448 Falcon Ridge
Burlington, WI 53105

611 E. Geneva Street, Suite A
Elkhorn, WI 53121

1201 Marquette Avenue
South Milwaukee, WI 53172

150 W. Ryan Road
Oak Creek, WI 53154

1600 Summit Avenue
Waukesha, WI 53188

7025 W. Appleton Avenue
Milwaukee, WI 53216

6131 W. Center Street
Milwaukee, WI 53210

10811 W. Park Place
Milwaukee, WI 53224

2243 N. Prospect Avenue
Milwaukee, WI 53202

4000 W. Loomis Road
Milwaukee, WI 53221

7139 N. Port Washington Road
Glendale, WI 53217

15350 W. Howard Avenue
New Berlin, WI 53151

960 W. Paradise Drive
West Bend, WI 53085

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