

**HEALTHCARE
ASSOCIATES
CREDIT UNION**

The healthy way to bank®

2016
Annual Report



Our Mission

Helping our members achieve their financial goals by providing superior financial solutions to "Bank Healthy".

Our Vision

To be the financial institution of choice for those who serve and support the healthcare industry nationwide.



2016 was a leap year and HealthCare Associates certainly made some huge leaps. We took advantage of all 366 days to go above and beyond for our members, and we'd like to share with you some of HealthCare Associates Credit Union's successes and incredible accomplishments. 2016 for us was a chance to revisit who we are and how we did things. The executive team dubbed 2016 as the year of PI (Process Improvement) where the organization saw system and process improvements. Our teams worked together to develop new ways of doing things and improve on existing methods. We were able to develop and expand our partnerships with our associations and hospitals. As a result, our hard work set record numbers for deposits, loans and



**HACU,
ranked top
credit union in
Illinois**

asset size; HealthCare Associates has grown to over \$322 million in assets. The credit union also received several awards such as the Best of the Best Award from MemberXP for providing outstanding member service, as well as being named one of the top 200 Healthiest Credit Unions in the United States by DepositAccounts.com. HealthCare Associates landed at #81 in the national ranking, and was the top ranked credit union in Illinois. Needless to say, we are pleasing members nationwide.

Our mission continues as we proudly serve IHA's (Illinois Health and Hospital Association) 200 plus hospitals and nearly 50 health systems throughout Illinois, the AHA's (American Hospital Association) over 5,000 member hospitals as well as medical and professional associations and organizations, and healthcare-related corporations. Our field of membership continues to grow nationwide and we continue to innovate

and make it easy for our members to do business with us. We have even expanded our Vision and Mission to reflect the change and growth. Plus, we strive to develop and implement strategies on how best to serve our over 38,000 members beyond our home base in Illinois.

The organization continued down the path of making improvements to our members' online experience with us. We spent 2016 refining our Online Account Opening and upgraded our mobile app to better serve the membership and developed new products based on member needs and implemented changes based on their feedback and concerns. We continue to improve our brick-and-mortar branch locations in the Chicagoland area while expanding our online services and are constantly on the lookout for ways to enhance our members' experience.

As a member-owned cooperative we have renewed our promise to help our members achieve their financial goals by providing superior financial solutions so they can "Bank Healthy". This is evident in our consultative approach when helping to ensure that they are getting the most out of their membership with us. This means having thoughtful conversations and helping members set and achieve goals like developing a manageable spending plan, increasing their savings, reaching the goal of home ownership, avoiding bankruptcy, consolidating debt and so much more. We ensure that there is access to financial literacy and counselors, as well as multiple online financial tools for handling credit reports, identity theft, investing and more.

On behalf of the volunteer Board of Directors and professional staff, thank you for being a member of HealthCare Associates Credit Union. We look forward to serving your organization, your employees and all members and their families. Together we can continue to grow and achieve financial health and continue to Bank Healthy.



Kenneth J. Rojek | Chairman



Joseph J. Kregul | President/CEO



Our Balance Sheet

Assets	2016	2015
Loans: Consumer Loans	\$ 75,292	\$ 71,923
Visa®	17,398	15,798
Home Mortgages	29,254	26,185
Home Equity Loans	50,088	51,186
Member Business Loans	11,268	9,494
Reserve for Loan Loss	(1,837)	(2,251)
Total Loans (Net)	\$181,463	\$172,335
Cash on Hand	\$ 2,834	\$ 2,080
Investments	131,988	122,976
Accrued Income	947	837
NCUSIF Deposit	2,645	2,491
Other Assets	3,752	3,617
Total Assets	\$323,629	\$304,336

Liabilities	2016	2015
Accounts Payable	959	701
Accrued Expenses	1,072	857
Total Liabilities	\$ 2,031	\$ 1,558

Membership Equity	2016	2015
Regular Share Savings	\$ 95,569	\$ 98,180
Secondary and Club Accounts	6,180	6,054
Checking	34,668	32,243
Money Markets	111,484	97,307
Certificates and IRAs	29,105	25,741
Total Membership Shares	\$277,006	\$259,525
Regular Reserves	6,906	6,906
Undivided Earnings	37,686	36,347
Total Membership Equity	\$ 44,592	\$43,253
Total Liabilities & Membership Equity	\$323,629	\$304,336

(in thousands) Unaudited Balances as of December 31, 2016

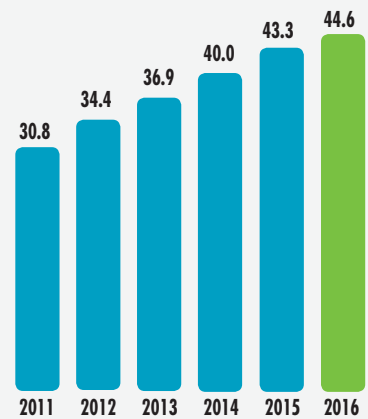


Our Income Statement

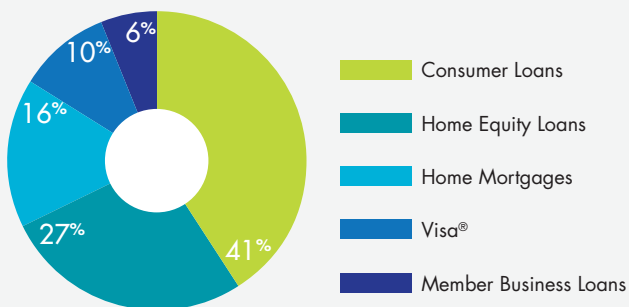
Income	2016	2015
Loan Income	\$ 8,870	\$ 8,711
Investment Income	1,947	1,262
Other Income	4,997	4,941
Total Income	\$ 15,814	\$ 14,914
Provisions for Loan Loss	\$ 240	\$ 330
Dividends	599	465
Income Before Operating Expenses	14,975	14,119
Operating Expenses	12,959	11,793
Net Income	\$ 2,016	\$ 2,326
Return on Average Assets	0.6%	0.8%
Capital to Assets	14.1%	14.3%

(in thousands) Unaudited Balances as of December 31, 2016

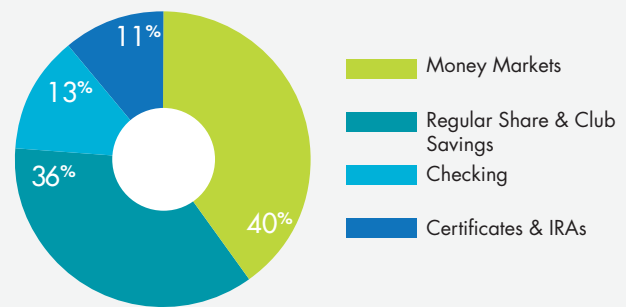
Capital in \$millions



Loan Portfolio



Savings Portfolio



Board of Directors



Kenneth J. Rojek, Chairman



Dayla L. Randolph, Vice Chairman



Jack A. Gilbert, Treasurer/Secretary



William J. Huff, Immediate Past Chair



Terri L. Allen



John F. Morgan



Vince D. Keenan



Albert L. Lewis



J. Chris Mahaffey



James E. Marseille



John J. Scarano



Margaret G. McDermott



Kenneth C. Robbins



Joseph J. Kregul, President/CEO

Healthcare leaders serving healthcare members.

HealthCare Associates Credit Union is governed by a board of directors, elected by and from the credit union's membership. Our board members are a diverse blend of healthcare industry leaders representing hospitals, associations, health care systems, and other providers of care. Board members serve voluntarily and are not compensated for their services.

Credit union members throughout the country continue to show signs of economic health and confidence in the latest Credit Union Trends Report from CUNA Mutual Group, the leading provider of lending, insurance and wealth management products for credit unions.

Credit unions membership growth nationwide is expected to exceed 3% this year, pushing total credit union membership to 108 million members. In the last 12 months ending in the first quarter of 2016, credit union membership grew 6.6% at institutions with assets of more than \$1 billion, compared with less than 1% for credit unions with fewer than \$100 million.

Credit union savings balances also improved. We expect to see this growth continue into 2017. Loan balances are likely to grow in 2017, CUNA Mutual said. During the past 12 months, credit unions with assets of more than \$1 billion reported a 12.5% increase, compared with 3% growth at credit unions with fewer than \$20 million in assets.

As referenced earlier, HealthCare Associates clearly participates in this growth in both general membership and in loan growth. As a member-owned and operated cooperative, everything we do is aimed at keeping costs down in order to provide above market savings rates, below market loan rates and less restrictive loan underwriting policies. In addition, HealthCare Associates delivers premier member service to all of our members nationwide.

Whether your organization is urban or rural, large or small, regional or national, HealthCare Associates has the expertise to anticipate your needs and exceed your expectations.

We are proud to be our members' trusted choice.

Bank Healthy, we make it easy!

HealthCare Associates is a full service, not-for-profit financial cooperative serving those who serve and support the healthcare industry nationwide.

A vital resource to our Select Employee Groups (SEGs), HealthCare Associates complements any employee or member benefit package without additional cost to hospitals, associations, organizations, and corporations within the field of healthcare.

HealthCare Associates also offers employees and members of our SEGs a direct benefit—at no cost—of membership in a cooperative financial institution with a “not-for-profit but for service” operating philosophy. We embrace financial literacy and dedicate ourselves to helping our members bank healthy.



HealthCare Associates Credit Union complements any employee or member benefit package

We promise to recommend solutions that will improve your financial health

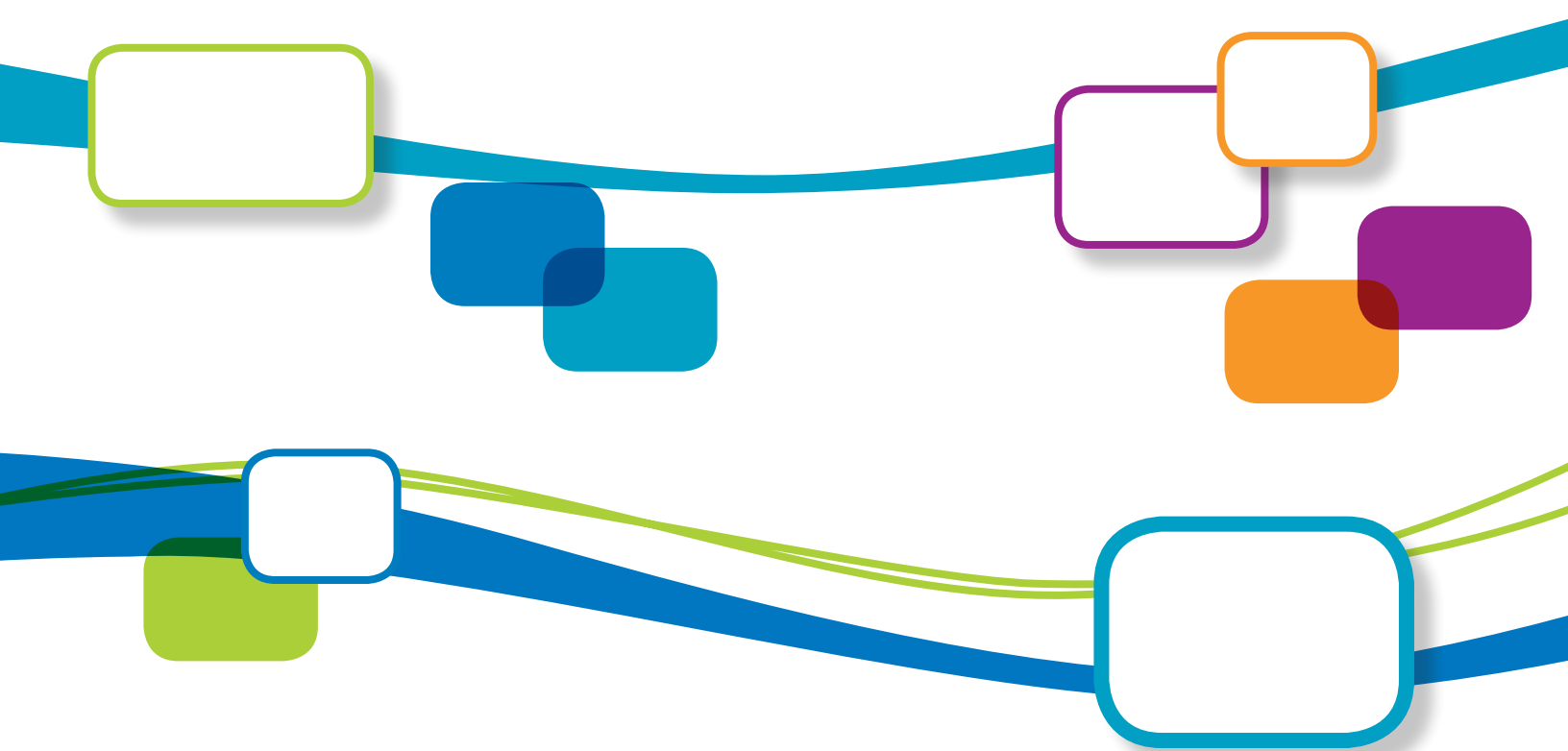
We promise to take ownership of your requests

We promise to make it easy to do business with us

We promise to treat you with respect

We promise to thank you for being a member

We promise to anticipate your needs and exceed your expectations



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