



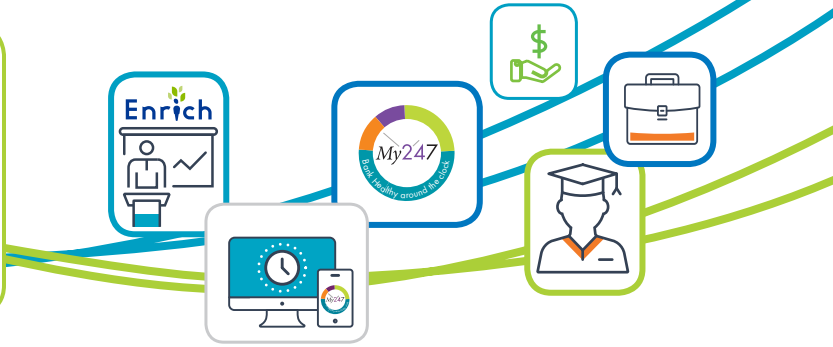
**2017**  
Annual Report

Bank Healthy around the clock

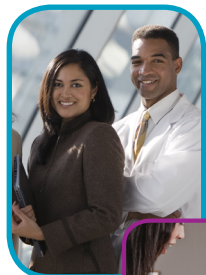
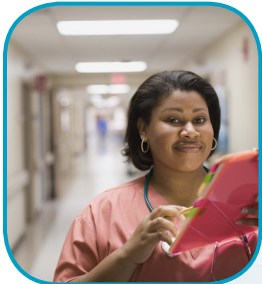


# Executive Message

**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.



Kenneth J. Rojek | Chairman

Joseph J. Kregul | President/CEO

**2017 was a year of new innovations and progress for HealthCare Associates.** We worked long and hard on several system upgrades, some that you might have noticed and others that you would not. With every achievement and project, we do it with our members in mind, and we'd like to take a moment to share with you some of HealthCare Associates Credit Union's achievements, improvements and accomplishments. In 2017 we learned from our members' feedback what you liked and what you didn't and what was important to you. We worked hard in 2017 to bring about some amazing improvements in items like Bill Pay and Online and Mobile Banking, plus others that impact the behind the scenes functionality and security of our systems. The introduction of our new My247 Digital Banking platform brings a new way to bank, regardless of the device you choose to use. Our teams worked tirelessly to test and try each of these systems before presenting it to you. I hope you'll enjoy these improvements and enhancements to your banking experience.

**We continue to develop and expand our partnerships with our associations and hospitals.** We have grown to over \$340 million in assets. The credit union also continues to receive awards including being named one of the top 200 Healthiest

**Credit Unions in the United States by DepositAccounts.com for the second year in a row.** HealthCare Associates is still ranked in the Top 100 national credit unions, and is one of the top ranked credit unions 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 is still growing nationwide and we continue to innovate and make it easy for our members to do business with us. We develop and implement strategies on how best to serve our over 38,000 members beyond our home base in Illinois. We look to serve every member and to this day are by healthcare, for healthcare and give every member the same careful attention wherever they reside.

**The organization has continued down the path of making improvements to our members' online experience with us.** We invite you to tour our new My247 Digital Banking platform and take a look at the changes and improvements. With our membership in mind, we worked and developed new products based on member needs and implemented changes based on their feedback and concerns. We improved 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 getting to know you, your goals and having thoughtful conversations around how we can achieve those goals. If you have any goals or events coming up this year like increasing your savings, reaching the goal of home ownership, avoiding bankruptcy, consolidating debt, sending a child to college or even refinancing your own college debt, we'd love to help you. We also ensure that our members and their families have access to financial literacy and counselors, as well as, multiple online financial tools for handling credit reports, identity theft, investing and so much more.

**Named one of the top 200 Healthiest Credit Unions in the United States for the second year in a row**



## Our Balance Sheet

<b>Assets</b>	<b>2017</b>	<b>2016</b>
<b>Loans:</b> Consumer Loans	\$ 87,214	\$ 75,292
Visa®	17,641	17,398
Home Mortgages	29,286	29,254
Home Equity Loans	48,822	50,088
Member Business Loans	13,551	11,268
Reserve for Loan Loss	(2,002)	(1,837)
<b>Total Loans (Net)</b>	<b>\$194,512</b>	<b>\$181,463</b>

Cash on Hand	\$ 3,201	\$ 2,834
Investments	136,499	131,988
Accrued Income	1,057	947
NCUSIF Deposit	2,792	2,645
Other Assets	2,343	3,752
<b>Total Assets</b>	<b>\$340,404</b>	<b>\$323,629</b>

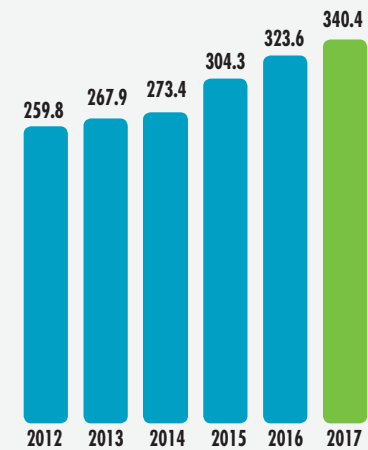
<b>Liabilities</b>	<b>2017</b>	<b>2016</b>
Accounts Payable	2,804	959
Notes Payable	5,000	-
Accrued Expenses	1,446	1,072
<b>Total Liabilities</b>	<b>\$ 9,250</b>	<b>\$ 2,031</b>

<b>Membership Equity</b>	<b>2017</b>	<b>2016</b>
Regular Share Savings	\$ 89,276	\$ 95,569
Secondary and Club Accounts	5,978	6,180
Checking	36,372	34,668
Money Markets	122,107	111,484
Certificates and IRAs	31,118	29,105
<b>Total Membership Shares</b>	<b>\$284,851</b>	<b>\$277,006</b>
Regular Reserves	6,906	6,906
Undivided Earnings	39,397	37,686
<b>Total Membership Equity</b>	<b>\$ 46,303</b>	<b>\$ 44,592</b>

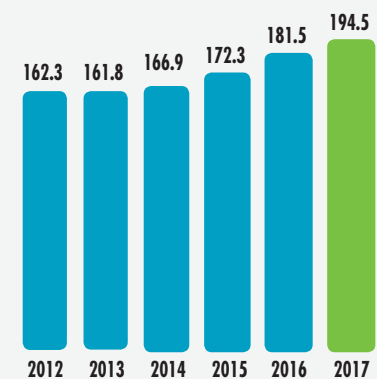
<b>Total Liabilities &amp; Membership Equity</b>	<b>2017</b>	<b>2016</b>
	<b>\$340,404</b>	<b>\$323,629</b>

(in thousands) Unaudited Balances as of December 31, 2017

### Assets in \$millions



### Loans in \$millions



## Our Income Statement

<b>Income</b>	<b>2017</b>	<b>2016</b>
Loan Income	\$ 9,252	\$ 8,870
Investment Income	2,405	1,947
Other Income	5,155	4,997
<b>Total Income</b>	<b>\$ 16,812</b>	<b>\$ 15,814</b>

Provisions for Loan Loss	\$ 995	\$ 240
Dividends	672	599
Income Before Operating Expenses	15,145	14,975

Operating Expenses	13,142	12,959
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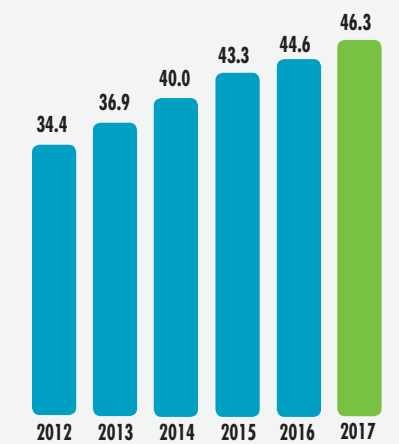
<b>Net Income</b>	<b>\$ 2,003</b>	<b>\$ 2,016</b>
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<b>Return on Average Assets</b>	<b>0.6%</b>	<b>0.6%</b>
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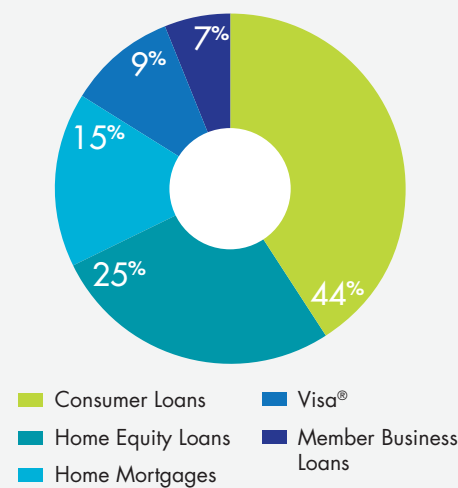
<b>Capital to Assets</b>	<b>14.0%</b>	<b>14.1%</b>
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(in thousands) Unaudited Balances as of December 31, 2017

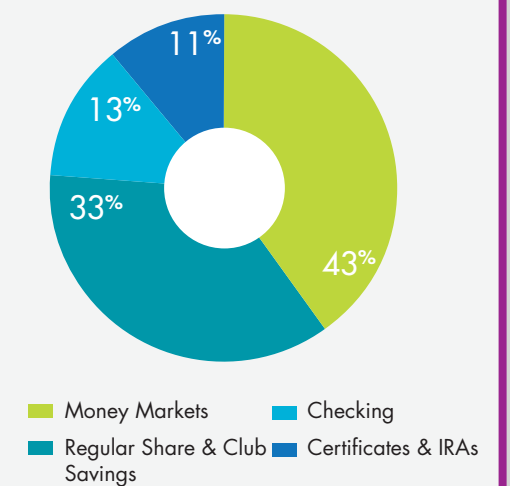
### Capital in \$millions



### Loan Portfolio



### Savings Portfolio





## Our 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



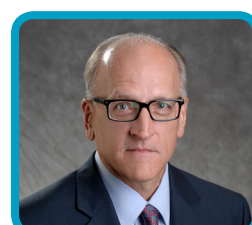
John J. Scarano



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 can expect the U.S. economic growth will remain above trend in 2017 and into 2018. As credit unions continue to reap the benefits from this economic expansion, the next two years will continue to see a growth of up to 2.4 percent.

"We continue to benefit from the second longest economic expansions in U.S. history and credit unions have benefited from these tailwinds," said CUNA Mutual Group's director and chief economist Steven Rick. "But we should continue to expect to see the Federal Reserve raise interest rates in the next year. We could also see a modest recession in 2019, due to a short term credit cycle recalibration, but this will not emulate the recession we experienced in 2008."

With HealthCare Associates we continue to see the rise in both our deposits and memberships. 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 continues to deliver on its' promise to provide superior financial solutions 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.**



## Our Bank Healthy Philosophy

### 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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