



# ANNUAL REPORT

# 2018



**HEALTHCARE  
ASSOCIATES  
CREDIT UNION**

The healthy way to bank®



## THE HEALTHY WAY TO BANK



### Our Vision

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

### Our Mission

Helping our members achieve their financial goals by providing superior financial solutions to "Bank Healthy"<sup>™</sup>.



# EXECUTIVE MESSAGE



**Jack A. Gilbert**  
Chairman

2018 heralded many new and exciting innovations for HealthCare Associates Credit Union. We started off with a bang with the introduction of our new digital platform My247. This brought about a new way to bank healthy. My247 allows us to provide our members with a singular experience, regardless of the means they choose to manage their account. Whether it's online from a computer, on the go with a tablet, or even sitting at home on your mobile device, we've made sure it's easy to do business with us. As with change there are sometimes growing pains but please know that our teams are continually working to test and try each of these systems before presenting it to you. With every achievement and project, new product or enhancement; 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 successes, improvements and accomplishments.

We celebrated the financial warrior in all of us with our Yogi campaign. Over the past 12 months we challenged our members to bank healthy and provided them with solutions to help them do just that. The Yogi campaign helped members reach financial goals and become stronger financially. We helped members lower their debt, save money, ensure they had the right products to suit their needs and lifestyles, all while staying in a budget.

The credit union...  
is still ranked in  
the Top 100 Illinois  
Credit Unions by  
DepositAccounts.com

We continue to develop and expand our partnerships with our associations and hospitals. We have grown to over \$350 million in assets and in 2018 we had a record breaking year for the lending team which funded \$67 million in new loans. The credit union also continues to receive awards and accolades and is still ranked in the "Top 100" Illinois Credit Unions by DepositAccounts.com, and is one of the top ranked credit union in Illinois by the Daily Herald Business Ledger. Needless to say, we are pleasing members nationwide.



**Joseph J. Kregul**  
President/CEO

Our mission continues as we proudly serve IHA's (Illinois Health and Hospital Association) 200 plus hospitals and nearly 50 health systems throughout Illinois. We've expanded partnerships with Missouri Hospital Association, the Indiana Hospital Association and the Wisconsin Hospital Association. All while still working closely with the AHA's (American Hospital Association) over 5,000 member hospitals and 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 nationwide. Our leadership remains by healthcare, for healthcare and we give every member the same careful attention whether they reside in our home state of Illinois or if they engage with us virtually.

As a member-owned cooperative we continually renew our promise to help our members achieve their financial goals by providing superior financial solutions so they can "Bank Healthy". This means getting to know you, your goals and having thoughtful conversations around how we can help you achieve your dreams. Whether it's preparing to send a student off to college, stepping into a brand new home, or even just getting your debt under control, HealthCare Associates Credit Union is here to help. We make sure that our members and their families have access to superior financial products, financial literacy and multiple online financial tools for handling credit reports, identity theft, investing and so much 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 further grow and achieve financial health and continue to Bank Healthy.

Jack A. Gilbert

Joseph J. Kregul

Healthcare leaders serving healthcare members.

# OUR BALANCE SHEET

<b>Assets</b>	<b>2018</b>	<b>2017</b>
<b>Loans:</b> Consumer Loans	\$ 99,818	\$ 87,214
Visa®	17,632	17,641
Home Mortgages	31,217	29,286
Home Equity Loans	49,225	48,822
Member Business Loans	14,226	13,551
Reserve for Loan Loss	(2,311)	(2,002)
<b>Total Loans (Net)</b>	<b>\$209,807</b>	<b>\$194,512</b>

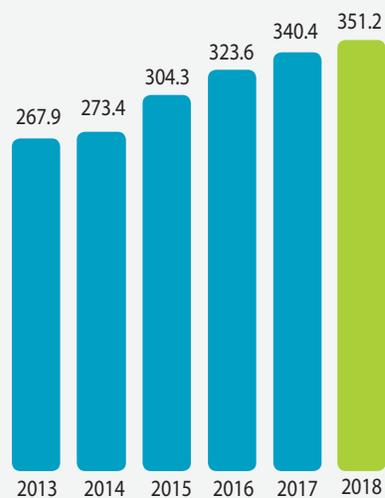
Cash on Hand	\$ 2,209	\$ 3,201
Investments	132,040	136,499
Accrued Income	1,146	1,057
NCUSIF Deposit	2,834	2,792
Other Assets	3,193	2,343
<b>Total Assets</b>	<b>\$351,229</b>	<b>\$340,404</b>

<b>Liabilities</b>	<b>2018</b>	<b>2017</b>
Accounts Payable	2,760	2,804
Notes Payable	10,000	5,000
Accrued Expenses	1,610	1,446
<b>Total Liabilities</b>	<b>\$ 14,370</b>	<b>\$ 9,250</b>

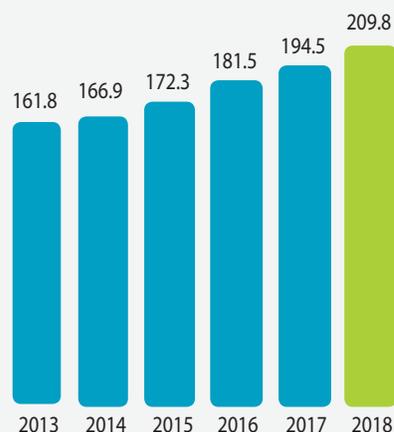
<b>Membership Equity</b>	<b>2018</b>	<b>2017</b>
Regular Share Savings	\$ 87,320	\$ 89,276
Secondary and Club Accounts	5,805	5,978
Checking	40,255	36,372
Money Markets	118,911	122,107
Certificates and IRAs	37,169	31,118
<b>Total Membership Shares</b>	<b>\$289,460</b>	<b>\$284,851</b>
Regular Reserves	6,906	6,906
Undivided Earnings	40,493	39,397
<b>Total Membership Equity</b>	<b>\$ 47,399</b>	<b>\$ 46,303</b>

<b>Total Liabilities &amp; Membership Equity</b>	<b>\$351,229</b>	<b>\$340,404</b>
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## Assets in \$millions



## Loans in \$millions

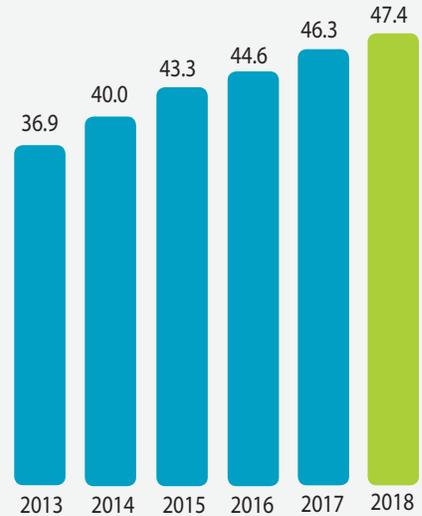


# OUR INCOME STATEMENT

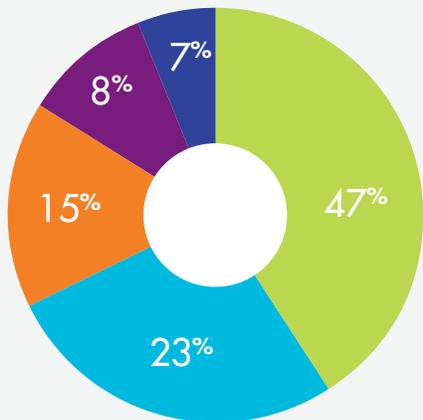
Income	2018	2017
Loan Income	\$ 10,292	\$ 9,252
Investment Income	2,742	2,405
Other Income	5,365	5,155
<b>Total Income</b>	<b>\$ 18,399</b>	<b>\$ 16,812</b>
Provisions for Loan Loss	\$ 945	\$ 995
Dividends	1,046	672
Income Before Operating Expenses	16,408	15,145
Operating Expenses	14,353	13,142
<b>Net Income</b>	<b>\$ 2,055</b>	<b>\$ 2,003</b>
<b>Return on Average Assets</b>	<b>0.59%</b>	<b>0.60%</b>
<b>Capital to Assets</b>	<b>14.14%</b>	<b>13.99%</b>

(in thousands) Unaudited Balances as of December 31, 2018

## Capital in \$millions

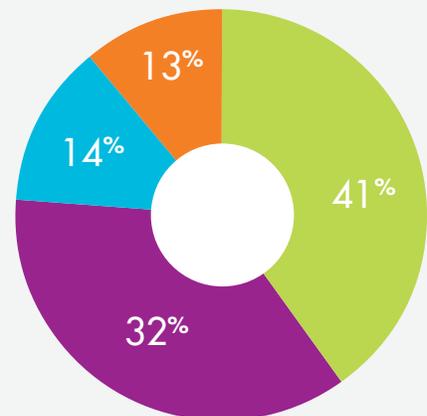


## Loan Portfolio



- Consumer Loans
- Home Equity Loans
- Home Mortgages
- Visa®
- Member Business Loans

## Savings Portfolio



- Money Markets
- Regular Share & Club Savings
- Checking
- Certificates & IRAs

# BOARD OF DIRECTORS



Jack A. Gilbert, Chairman



Dayla L. Randolph, Vice Chairman



John J. Scarano, Treasurer/  
Secretary



Kenneth J. Rojek, Immediate Past  
Chair



Terri L. Allen



William J. Huff



Vince D. Keenan



J. Chris Mahaffey



James E. Marseille



Margaret G. McDermott



John F. Morgan



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 unions can expect U.S. economic growth to remain above historical averages through the end of 2019, said CUNA Mutual Group's director and chief economist Steven Rick. While the economy's growth will likely retreat from its 3 percent pace in 2018, to 2.3 percent in 2019, the current economic expansion will become the longest in American history if it lasts through the end of 2019.

"We continue to enjoy one of the most prosperous stretches of economic expansion in our country's history, and this positive economic climate has greatly benefitted credit unions," said Rick. "Today, there are more job openings than unemployed people in this country, marking the first time that's ever happened. Unemployment sits at about 4 percent now, and should fall as low as 3.4 percent in coming years – far below the expected long-term unemployment rate of 4.7 percent."

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 treat you with respect

We promise to thank you for being a member

We promise to anticipate your needs and exceed your expectations

We promise to make it easy to do business with us

We promise to take ownership of your requests

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**HEALTHCARE  
ASSOCIATES**  
**CREDIT UNION**

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Federally  
Insured by the  
NCUA

**ESI** EXCESS SHARE  
INSURANCE  
Additional insurance of up to \$250,000  
on your savings accounts is provided  
by Excess Share Insurance Corporation,  
a licensed insurance company.

