CELEBRATING 40 YEARS

2019 was quite the year for HealthCare Associates Credit Union. Celebrating 40 years of serving our members and ensuring those who serve or support healthcare have a healthy way to bank has always been our mission since 1979 and 2019 was no exception. Not only did we look for ways to help our members Bank Healthy, we were Paying it Forward all year long with our #PayIt40 campaign! This campaign, to commemorate our 40th anniversary, was a huge hit and members spent all year long getting involved. Whether it was doing a random act of kindness and sharing their stories, visiting us in branch for surprises, being rewarded for their loyalty or playing #PayIt40 Bingo, our members became involved and were rewarded. We made nationwide news with our historically high 4% for 40 month CD special and we introduced some amazing products to help our members keep more of their hard earned money. Our No PMI mortgage program allowed many members and their families achieve the dream of home ownership, and we helped others begin their collegiate journey. In 2019, we relocated our Oak Lawn branch to a new location that allowed members better access and members and the community came out to celebrate with us. We continued by celebrating member milestones and sharing their #PayIt40 tales of paying it forward. We continue to develop and expand our partnerships with our associations and hospitals. We have grown to over $363 million in assets and in 2019 we had another record breaking year for the lending team which funded over $70 million in new loans. That’s a lot of Banking Healthy!
The credit union also continues to receive awards and accolades and is still ranked in the Top 200 national credit unions by DepositAccounts.com, and is one of the top largest ranked credit unions in Illinois by the Daily Herald Business Ledger. 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. We continue our strong partnerships with the Hospital Associations in Missouri, Indiana, Wisconsin and newly added Tennessee and Kansas. We also continue to grow our relationship with ASHHRA (American Society for Healthcare Human Resource Administrators) and still work 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. As always, HACU remains by healthcare, for healthcare and we give every member the same careful attention regardless of where they call home. 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 dream. 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. Whether you have been a member for the last 40 years or you recently joined, thank you for your trust in HealthCare Associates Credit Union. We appreciate the opportunity and look forward to serving you, your organization, your employees and all members and their families. Together we can further grow and achieve financial health in 2020 and continue to Bank Healthy®.
People helping people

BOARD OF DIRECTORS

By healthcare, for healthcare. Our board of directors are a diverse blend of healthcare industry leaders.

Serving voluntarily and without compensation to oversee the financial services that make a difference in the lives of those who work in the healthcare field.

Our board represents hospitals, associations, healthcare systems and other providers of care.
Founded in 1979 by healthcare, for healthcare.
HELPING OUR PARTNERS HELP THEIR STAFF

Employers are recognizing that financial stress is a problem for many Americans, and that stress can get in the way of their workdays. **Helping their employees deal with their day-to-day finances** as well as planning for the future can also build loyalty with the employer, according to the 2017 version of an annual survey conducted by Aon Hewitt.

HACU partners with many hospital HR departments to give them, at **no cost, an award winning platform for financial literacy** that can be tailored for life events, age and goals.

We held **over 260 on site educational workshops** on important financial topics at employer locations throughout the nation during 2019 to bring financial education directly to their employees. Attending an additional 100+ on site benefits sessions to support financial wellness enrollment, for a total of over 360+ days and over 2,160 hours of service.

"Easing the burden of decisions around finances is a way to give back to our employees."  
Tracy Ardis, Human Resources Director,  
Silver Cross Hospital

"Employees can find the answers to any of their financial concerns."  
Louise Hune, MBA, MHA Human Resource Director of Jefferson City Medical Group

HACU is responsive to the need for financial education and provides 24/7 access to online money management enrichment resources that help members attain fiscal wellness and live a more stress-free life.
**MAKING A DIFFERENCE**

- $10,000+ in charitable donations
- $140,784.20 to members using HACU's high interest checking
- Thousands helping College Graduates
- Excellent Service
- Over 200 on site visits
- 600+ Hospital Partners
- Over 100 Association Partners

Outreach changes lives. "Making a difference in people's lives is how we create change. Acts of kindness give both the giver and the recipient gratitude and inclusion in the community".

Being a part of the healthcare community brings with it a responsibility to improve lives. Donating our time, hosting and joining fundraisers HACU and its employees give their time, care and donations toward making a difference. It could be a food drive during Thanksgiving, cooking for families dealing with an illness, bagging food for starving children of the world or donating to cancer research or other health related charities – it's part of our organization's culture to care.
COMMUNITY AND CARING COUNTS

Not something a financial institution usually counts, but then we’re not your usual financial institution.

Caring is why we show up everyday, whether it's to figure out a way to make a financial goal happen for a member or wearing jeans in order to contribute to a worthy cause.

We're not counting profits but the good we can contribute.

- HACU has provided student loan refinancing to help college graduates tackle their student loan debt
- In 2019, we gave over $140,000 back to our members through our free interest bearing checking account
- HACU has raised over $10,000 for various charitable causes and donated over 100 hours in service – this year alone
- We celebrated our 40th anniversary with a 4% CD promo which was one of the highest CD rates in the country and a 4% Signature Loan which has saved our members over thousands in interest
- We have shown our commitment to Banking Healthy by providing 24/7 financial literacy and conducted over 260 financial wellness workshops
- Our employees have completed thousands of hours of training to ensure we are equipped to meet your needs
People helping people

MEMBERS MATTER

Celebrating 40 Years

For over 40 years we’ve been helping our members
Bank Healthy®

- Founded in 1979 by the Illinois Hospital Association
  as Illinois Hospitals Employee Credit Union.
- To provide financial service to employees of IHA
  member hospitals and their affiliates.
- 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 – allowing the healthcare
  industry to Bank Healthy®.
- In 1989, the membership base had grown across state
  lines and our name changed to HealthCare
  Associates Credit Union to reflect that. Even though
  our name changed, our commitment to HealthCare
  was unwavering.

MEMBERSHIP GROWTH

*We might be a national company, but we still strive to give one-on-one help to each member* Jean Morris, Assistant Vice President, Loan Operations

Member growth from 1979–2019.
People helping people

CELEBRATING

40 YEARS

1979-2019

Normandie, a life long member of HealthCare Associates Credit Union won an Anniversary Cruise. Just one example of how HACU gives back to its members. Jordan, AVP, Marketing and the creative mind behind #PayIt40 was on hand to share the occasion.
People helping people

**BANKING HEALTHY NATIONWIDE**

**ATMs**
With your HACU Membership you have access to over 75,000 ATMs.

**Banks**
More than 5,600 branch locations nationwide through our Shared Branch Network of Credit Unions.

**My247 Digital Banking**
My247 Digital Banking gives members nationwide on-the-go banking.

**Healthcare Businesses and Associations**
Over 400 Select Employer Groups across the nation partner with HACU to provide a healthy way to bank for their employees.

**Members**
Over 38,000 members and their families trust and rely on sound financial offerings and education from HACU.
At HealthCare Associates Credit Union we believe everyone should have the opportunity to bank healthy. Our vision is to be the financial institution people in the healthcare industry nationwide choose. We've made it our mission to help each member achieve their financial goals by providing great solutions to bank healthy.

Our not-for-profit status allows us to give our profits back to our members in the form of more advantageous rates but we don't stop there... We focus on building relationships and providing financial education to empower each member to build a solid financial base and become more fiscally fit as they progress through life.

It is the aim of everyone at HACU to ensure the financial health of each member and their family.

We promise to:
- Recommend solutions to improve financial health
- Make it easy to do business with us
- Take ownership of requests
- Exceed expectations and anticipate needs
- Treat each member with respect
- Thank you for being a member
#PayIt40 - 2019 was our 40th anniversary since opening our doors to help the community and health care professionals around the nation to Bank Healthy®! With great gratitude we Paid It 40 (forward) to our members and encouraged them to join the fun and Pay It 40 themselves and share how they made someone’s day better using social media for entries into our giveaways! Doing good feels good and we are truly thankful to be a part of such a wonderful community.
A FEW #PAYIT40 STORIES

**Sam** took the time to help a friend through a hard time. She encouraged her, stood by her side and helped her recover. #PayIt40

**Rosario** shared her lunch with someone today.

**Laura** saw a stranger in a restaurant that looked like they weren't having the best day. She decided to surprise him and pay for his meal to cheer him up. Laura saw him smile as she left.

**Jessica** helped multiple individuals that were having health or life struggles. She helped by donating her own money and organized fundraisers for them.

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So many of our members paid it forward with us during 2019’s #PayIt40 that we knew we did the right thing to celebrate by paying it forward in the spirit of people helping people.

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**Cruise Certificate Winners**
We gave over a dozen cruise certificates for two as part of our #PayIt40 Celebration. We thought a cruise would be perfect for our members, some of whom work on holidays or during the night as healthcare professionals.

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**Gift Cards**
Members played Financial Bingo and each quarter a winner was selected to receive a $500 Gift Card. We also gave out surprise cards, one at about 30,000 feet, you never know when you’ll bump into a member.

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**Gifts and HACU Swag**
HACU umbrellas, tote bags, pens, backpacks, treats at branches, lunch at our Oak Lawn Branch’s Grand Opening and more were given out throughout 2019.

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**Fab 40 Fridays!**
As part of #PayIt40, every Friday during our October Anniversary month we gave the 40th member at each branch $40 dollars and everyone some HACU swag or treat!
The staff at Winfield are always friendly and helpful no matter what you need. Applying for a car loan is quick, easy and painless whether you’re online or at the branch. I’ve been a member for over 20 years and will never go anywhere else.

As a member of HACU I have been able to attain many goals. These goals range from being able to finance safe, reliable transportation with their great rates and resources to find a great automobile, to being able to send my twins now Seniors through college. The services and products for loans and savings are unmatched. The assistance and advice received from their loan officers and branch associates is what keeps HACU as a main partner as I now plan for retirement.

Happy 40th

My family has been with HACU for over 20 years. We’ve enjoyed the no-nonsense minimal fees and personalized service from the staff at the Des Plaines Branch. It’s wonderful to be on a first name basis with the staff who are always eager to assist in any way they can. Rosa is a gem! There’s nothing more to say.

The staff at Naperville has been great too, helping with my mortgage and auto loans. Again, friendly, easy and efficient.

We look forward to many more years of partnering with HACU.

HACU has helped me so much over the past couple of years. Even though I’ve changed employers and moved I’ve stayed a member and look forward to many years to come.
Financially Fit for 40 Years
2019 was no exception
HACU CHECKING ACCOUNTS GAVE MEMBERS:

$140,784

CREDIT UNION HOUSEHOLDS HAVE AN AVERAGE ANNUAL SAVINGS OF:

$261 A YEAR

HACU MEMBERS SAVED BY REFINANCING STUDENT LOANS:

$2 MILLION+

STUDENT LOANS FUNDED

Giving back to members in one of the most often used financial accounts pays off when members take full advantage of our Totally Free/High Yield Checking account. They receive the best of the best combined into one account. No Monthly Minimums or Fees, High Interest Return options, Rewards, 24/7 Access and much more.

On average members saved thousands of dollars by converting their high interest loans and credit cards into one easy payment with their signature. It's a great way to lower payments and pay off debt sooner.

HACU saw the need to provide higher education loans and refinancing that enabled members to find a way out of predatory loans that keep people burdened with never-ending debt. "We are always working proactively to find solutions that positively influence our members' lives." ~ Todd Niedermeier, Senior Vice President/COO.
## 2019 Balance Sheet

### Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans: Consumer</td>
<td>$111,568</td>
<td>$99,818</td>
</tr>
<tr>
<td>Visa</td>
<td>16,110</td>
<td>17,632</td>
</tr>
<tr>
<td>Home Mortgages</td>
<td>42,814</td>
<td>31,217</td>
</tr>
<tr>
<td>Home Equity Loans</td>
<td>49,358</td>
<td>49,225</td>
</tr>
<tr>
<td>Member Business Loans</td>
<td>11,767</td>
<td>14,226</td>
</tr>
<tr>
<td>Reserve for Loan Loss</td>
<td>2,246</td>
<td>2,311</td>
</tr>
<tr>
<td><strong>Total Loans (Net)</strong></td>
<td><strong>$229,371</strong></td>
<td><strong>$209,807</strong></td>
</tr>
<tr>
<td>Cash on Hand</td>
<td>$1,359</td>
<td>$2,209</td>
</tr>
<tr>
<td>Investments</td>
<td>124,972</td>
<td>132,040</td>
</tr>
<tr>
<td>Accrued Income</td>
<td>1,191</td>
<td>1,146</td>
</tr>
<tr>
<td>NCUSIF Deposit</td>
<td>2,949</td>
<td>2,834</td>
</tr>
<tr>
<td>Other Assets</td>
<td>4,105</td>
<td>3,193</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$363,947</strong></td>
<td><strong>$351,229</strong></td>
</tr>
</tbody>
</table>

### Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>2,939</td>
<td>2,760</td>
</tr>
<tr>
<td>Notes Payable</td>
<td>5,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Accrued Expenses</td>
<td>1,600</td>
<td>1,610</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$9,539</strong></td>
<td><strong>$14,370</strong></td>
</tr>
</tbody>
</table>

### Membership Equity

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Share Savings</td>
<td>$81,941</td>
<td>$87,320</td>
</tr>
<tr>
<td>Secondary and Club Accounts</td>
<td>6,199</td>
<td>5,805</td>
</tr>
<tr>
<td>Checking</td>
<td>41,469</td>
<td>40,255</td>
</tr>
<tr>
<td>Money Markets</td>
<td>122,412</td>
<td>118,911</td>
</tr>
<tr>
<td>Certificates and IRAs</td>
<td>50,349</td>
<td>37,169</td>
</tr>
<tr>
<td><strong>Total Membership Shares</strong></td>
<td><strong>$302,370</strong></td>
<td><strong>$289,460</strong></td>
</tr>
</tbody>
</table>

### Capital in $ Mions

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Reserves</td>
<td>6,906</td>
<td>6,906</td>
</tr>
<tr>
<td>Undivided Earnings</td>
<td>46,132</td>
<td>40,493</td>
</tr>
<tr>
<td>Total Membership Equity</td>
<td><strong>$52,038</strong></td>
<td><strong>$47,399</strong></td>
</tr>
<tr>
<td>Total Liabilities &amp; Membership Equity</td>
<td><strong>$363,947</strong></td>
<td><strong>$351,229</strong></td>
</tr>
</tbody>
</table>

*(In Thousands)* Unaudited Balances as of December 31, 2019
**2019 INCOME STATEMENT**

<table>
<thead>
<tr>
<th>Income</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Income</td>
<td>$11,281</td>
<td>$10,292</td>
</tr>
<tr>
<td>Investment Income</td>
<td>3,061</td>
<td>2,742</td>
</tr>
<tr>
<td>Other Income</td>
<td>5,161</td>
<td>5,365</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>$19,503</strong></td>
<td><strong>$18,399</strong></td>
</tr>
</tbody>
</table>

| Provision for Loan Loss | 958    | 945    |
| Dividends               | 1,809  | 1,046  |
| Income Before Operating Expenses | 16,736 | 16,408 |

Operating Expenses 14,859 14,353

| **Net Income** | 1,877 | 2,055 |
| **Return on Average Assets** | 0.59% | 0.59% |
| **Capitol to Assets** | 14.16% | 14.4% |

*(In Thousands) Unaudited Balances as of December 31, 2019*

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**Savings Portfolio**

- Certificates & IRAs: 13%
- Checking: 14%
- Regular Savings: 32%

**Loan Portfolio**

- Business: 7%
- Visa®: 8%
- Mortgages: 15%
- Home Equity: 23%
- Consumer: 47%