

Annual Report 2012

Thank you for 75 great years!



CEFCU

Not a bank. Better.®

Report To Members

Thank you for entrusting your financial well-being to CEFCU! As we celebrate 75 years of serving members, the insight that started the Credit Union all those years ago, "we're better, together," still holds true today. It's no wonder the CEFCU family of borrowers and savers continues to grow. Thank you for 75 great years, and we look forward to serving you for many more! The following are just a few highlights from 2012:

	2012	Increase over 2011
Assets	\$4,794,270,000	4.4%
Savings	\$4,220,248,000	4.2%
Loans	\$3,363,748,000	4.2%
Net Worth	\$ 501,898,000	7.0%

- Returned a record year-end \$9 million Extraordinary Dividend to members as a direct result of the loyalty of members looking to CEFCU to help them meet their financial needs. Over the past 13 years, CEFCU has returned \$63 million in Extraordinary Dividends to members.
- Launched an enhanced mobile website, which serves as the access point for CEFCU's browser-based mobile banking service. Members can initiate and confirm transfers, as well as check balances and account activity. Additionally, CEFCU's free Mobile Banking app is available in the iTunes App Store for Apple iPhone®, iPad®, or iPod® touch users.
- Entered into a relationship with California's Chavez Supermarkets to provide Money Center 24 Cash Express Machines. The San Jose area supermarket chain will have machines installed at the Hayward and Sunnyvale locations by the end of the first quarter of 2013, with other locations being evaluated.
- Opened a new Member Center in Chillicothe, Illinois in January 2012. This is CEFCU's second Member Center which is Leadership in Energy and Environmental Design (LEED) certified. CEFCU is continuing with efforts to build green Member Centers. Ground is being prepared for CEFCU's third LEED-certified Member Center in Germantown Hills, Illinois, which will be located just west of the Germantown Crossing shopping center.

The Home Loan Department had another outstanding year, receiving 7,909 mortgage applications. Over \$639 million was loaned to members, which allowed them to build, purchase, or refinance their homes. And, more than 230 first-time home buyers closed loans totaling over \$28 million, receiving approximately \$180,000 in paid closing cost assistance from CEFCU.

Members also financed \$829.5 million in new Consumer Loans, ranging from new automobiles to recreational vehicles to Visa® Credit Cards. In addition, CEFCU provided \$155 million in Member Business Loans.

In 2012, CEFCU proudly continued efforts to provide free financial literacy materials to area schools. A record number of workbooks were delivered to elementary and high schools in CEFCU's 17-county service area. In addition, CEFCU partnered with area elementary schools to provide in-school branches and enhanced financial literacy education to prepare today's youth to be the informed consumers of tomorrow.

Thank you for continuing to support your Credit Union!

For the Board of Directors,



Patricia J. Hampton, Chairman

Consolidated Statements Of Financial Condition

December 31, 2012 and 2011
(Dollars in Thousands)

ASSETS

Cash and cash equivalents	\$ 554,529	\$ 620,904
Interest bearing time deposits in financial institutions	14,423	27,432
Investments available for sale	740,173	489,566
Loans, net of allowance for loan losses	3,332,061	3,286,274
Accrued interest receivable	11,614	12,618
NCUSIF deposit	39,368	38,221
Restricted stock	22,823	37,266
Property and equipment	50,782	47,907
Other assets	28,497	30,689
Total assets	\$4,794,270	\$4,590,877

LIABILITIES AND MEMBERS' EQUITY

Members' savings accounts	\$4,220,248	\$4,048,983
Accrued interest payable	1,460	1,868
Accrued pension and postretirement benefits	97,267	81,941
Other liabilities	33,088	37,212
Total liabilities	4,352,063	4,170,004
Members' equity	442,207	420,873
Total liabilities and members' equity	\$4,794,270	\$4,590,877

Consolidated Statements Of Income

Years ended December 31, 2012 and 2011
(Dollars in Thousands)

Interest income:	2012	2011
Loans receivable	\$ 166,350	\$ 179,377
Investments available for sale	5,196	5,887
Interest bearing time deposits	153	253
Total interest income	171,699	185,517
Interest expense:		
Savings accounts	49,144	58,930
Net interest income	122,555	126,587
Provision for loan losses	12,397	16,229
Net interest income after provision for loan losses	110,158	110,358
Non-interest income:		
Administrative insurance fees	2,150	1,475
Interchange income	14,642	13,675
Gain on sale of loans	-0-	26
Other	13,848	12,522
Total non-interest income	30,640	27,698
Non-interest expense:		
Compensation and benefits	59,335	55,932
Occupancy and equipment	13,464	11,679
Communications	4,976	4,432
Marketing	4,981	4,967
Stabilization Fund premium assessment	3,740	9,555
Other	21,252	18,963
Total non-interest expense	107,748	105,528
Net income	\$ 33,050	\$ 32,528

Audited consolidated financial statements are available from the Credit Union for the fiscal years ended December 31, 2012 and 2011. To review statements or for more information, call 309.633.7000 or 1.800.633.7077.

