



SIMPLICITY



2017 **ANNUAL REPORT**

RELIABILITY

RELEVANCY





Photo top

Our 4.6-star Connexus App rating in the iOS App Store and 4.5-star Android App Store recognizes our ability to exceed expectations in Digital Banking.

Photo bottom

Keep a close eye on your money with Account Notifications.

CONNEXUS CREDIT UNION

## A MESSAGE FROM YOUR PRESIDENT AND BOARD CHAIR



J. David Christenson & Ron Dins

In 2017, Connexus Credit Union experienced an exceptional year. We plotted a course for success and focused on upholding our mission statement – helping members achieve their personal financial objectives, while anticipating their needs and exceeding their expectations with superior service and products – and we accomplished what we set out to do. We made numerous enhancements to our website, invested in technology and security, and improved member services throughout the year. We are excited to tell you more about these successes and how they contributed to our goal of *giving back*, so keep reading to learn more about the 2017 achievements that we can all be proud of.



“Love the app! Super easy to use, and it allows fingerprint login if your device has it.”

– Member Testimonial

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## GIVING BACK TO OUR MEMBERS

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Connexus is here to serve our member-owners – you’re the reason we exist, and our motivation to keep pursuing the best offerings in products and services. Connexus welcomed new members on a daily basis, with the year-end membership reaching **305,859** – a 7% increase over 2016. The growth in membership alone is something to be proud of, but it doesn’t end there. It is important for us to constantly strive toward giving back to our members, and we did this in several ways:

- We ended the year with **\$9.1 million** in member savings when members refinanced loans with us.
- We offered the highest share certificate rates in the country at various times throughout the year. We were the first financial institution in the country to offer a 3% five-year share certificate!
- Connexus paid members **\$13.4 million** in dividends in 2017, which was **\$10.4 million** more than the national average.
- We saved members **\$1.6 million** with Connexus Fee-Free Services (surcharge-free ATMs).

Our mission is to help our members achieve their personal financial objectives by anticipating their needs and exceeding their expectations with superior service and products.

# 305,859


Connexus welcomed new members on a daily basis, with the year-end membership reaching 305,859 – a 7% increase over 2016.

# 14,000+

Over 14,000 members were using the Connexus App by the end of 2017.

# 54,000+

Over 54,000 members were registered for Digital Banking by the end of 2017.



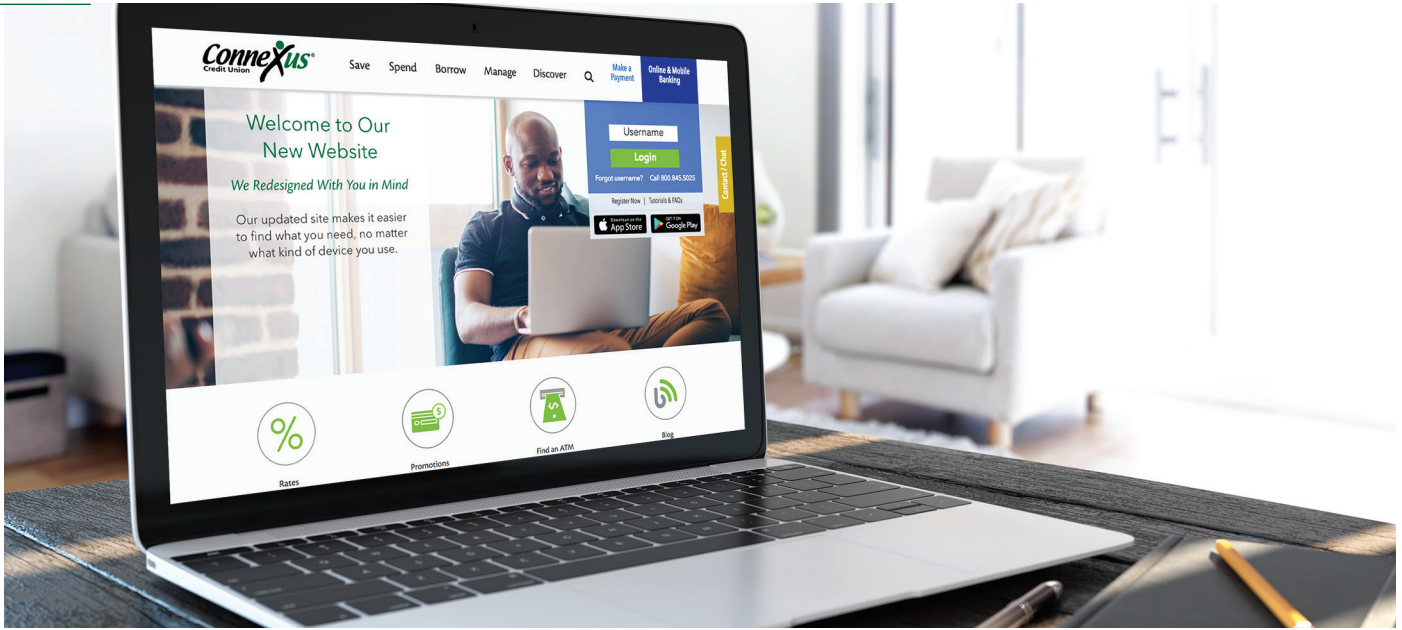


*Photo right*

New security notifications give members the option to receive an email, text, or push notification for balance alerts, login alerts, and more.

*“Awesome Mobile Banking: The Connexus application is fast, always available, and has a full feature set. Basically, I hold a bank in the palm of my hand.”*  
– March 2017 Member Testimonial





*Our latest Connexus website debuted in July of 2017 with enhancements for a better online experience.*

## AREAS OF EMPHASIS

# SIMPLICITY, RELIABILITY, RELEVANCY

We have worked hard to attract, select, and retain a highly skilled workforce – our Connexus family – who are experts in their fields and also committed to Connexus’ core values of Integrity, Respect, Open & Honest Communication, Work Hard/Play Hard, Learn & Grow, and Synergy. These values, along with our mission to help members achieve their personal financial objectives, stand as the foundation of our success. Integrity: our dedication to doing the right thing is, and always will be, the most important promise for our organization. To help guide us toward a successful year, we focused on three key areas of emphasis: simplicity, reliability, and relevancy.

### SIMPLICITY

#### **Enhanced Mobile Wallet**

Connexus credit and debit cards were made available through Apple Pay, Google Wallet, and Samsung Pay. This service allows for quicker checkout, added security, and more accessibility.

#### **Person to Person Payments (P2P)**

February 2017 brought forth a new way to quickly and easily send money to others through Person to Person Payments. Members are able to send money from their Connexus debit card with only the recipient’s cell phone number or email address.

#### **Balance Peek**

We introduced an easier way for members to access their account information, with the ability to view an account balance from a smart phone or smart watch without logging into the Connexus App. With the increasing desire to have information at our fingertips, Balance Peek offers a way to do exactly that.

#### **Enhanced Mobile Deposit**

Since thousands of members are now using their phones to deposit checks by simply taking a picture of the check they would like deposited, we made the process even easier. The enhanced “Snap” feature allows members to easily take images allowing them to manage their accounts without the need for in-person transactions.

### RELIABILITY

#### **Touch ID®/Face ID®/PIN Access**

Connexus App updates were released to keep pace with ever-changing technological advances. In this case, an update to support Touch ID® and Face ID® features, along with Personal Identification Number (PIN) access, were added to make account login easy no matter the device.

### Website Redesign

Our latest Connexus website debuted in July of 2017, giving members a better online experience through simplified navigation, responsive layout for a consistent experience across devices, streamlined content for easy access to information, and a contemporary look and feel that's not only aesthetically pleasing, but also supported with member accessibility in mind. Industry-leading security features were implemented to help ensure information exchange is safe. The ability to check rates and receive up-to-date information, the newest promotions, product details, and advice on financial goals, leads to an exceptional digital experience for our members.

### Security

Members can feel more secure with new notification options that send email, text, or push notifications for everything from balance alerts to login alerts when an account is accessed from an unrecognized device. An added layer of security was also implemented for contact information, requiring periodic verification to ensure members are getting the service and communications from us that they expect.

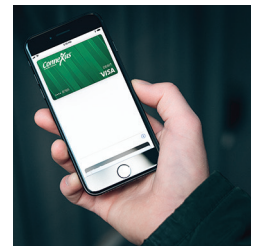
## RELEVANCE

### iOS/Samsung/Android App Store Ratings

Our 4.6-star Connexus App rating in the iOS App Store and 4.5-star Android App Store recognizes our ability to exceed expectations in Digital Banking. As one member noted: "Awesome Mobile Banking: The Connexus application is fast, always available, and has a full feature set. Basically, I hold a bank in the palm of my hand." (March 2017 Member Testimonial)

### Kiplinger Best Credit Union Runner-Up

In June of 2017, popular business forecasting and financial advice publisher Kiplinger named Connexus Credit Union the runner-up for Best Credit Unions Anyone Can Join. This prestigious list of all-access credit unions was compiled with data from economic research through Moebs Services, along with factors such as fees, interest rates, and minimum-



Photos from top to bottom, left to right:

Balance Peek; Check your account balance without logging in.

Person to Person Payments (P2P); Send money to virtually anyone in seconds.

Enhanced Mobile Wallet; Use a faster, safer way to pay – 24/7.

Enhanced Mobile Deposit; Deposit checks from your smartphone.



balance requirements for credit unions that have open doors to any qualifying U.S. customer. Connexus was chosen runner-up as a result of our high yields on checking accounts, free money market deposit account, and a variety of credit cards and loan options made available to members.

Photo right

The July 2017 issue of Kiplinger's Personal Finance magazine where Connexus Credit Union was named runner-up for Best Credit Unions Anyone Can Join.



*Photo top left*

2017 Connexus Invitational; The annual golf outing donates proceeds to the American Cancer Society's Relay for Life.



*Photo bottom left*

Never Forgotten Honor Flight; Based in the heart of Wausau, WI, the Never Forgotten Honor Flight works diligently to give veterans the opportunity to tour Washington, D.C. war memorials that were built specifically in their honor. Connexus was honored to be a part of the veterans' experiences and to donate \$3,000 to the organization – giving back directly to our community and the men and women who have fought to protect it.



*Photo right*

2017 Rescue Teddy Bear Donation; Over 250 teddy bears were assembled as a donation to the Wausau Police Department for children in need.



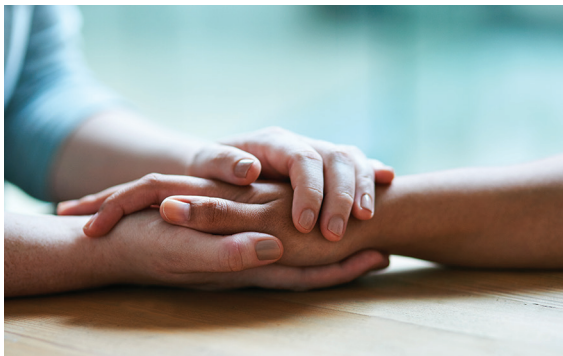
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## GIVING BACK TO THE COMMUNITY

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While Connexus reaches members nationwide, with employees spread across multiple states, we also recognize the importance of supporting local community needs. One way of doing this is through United Way - an organization that exists to aid in advancing education, income, and health in local communities, where the need is often vastly overlooked. Numerous events and activities took place throughout the year, producing donations that were given directly to United Way for use in community programs. In total, Connexus donated over **\$20,000** to United Way for 2017 - a phenomenal showing of support on behalf of the Connexus organization last year.





*When natural disasters strike, those affected are in need of vital resources such as food, shelter, and medical support. Connexus is motivated by our Family Values and ready to aid both members and non-members in need, and the hurricane disasters in 2017 were times for us to step up and live by those values. Immediate responses included donations to the National Credit Union Foundation Disaster Relief Fund (100% of donations through CUAid went to credit union disaster relief), and active Red Cross promotion across the ConnexusCU.org website, Digital Banking, and social media. Long-term response efforts included modifying loan payment procedures to account for a member's inability to make a scheduled payment, instituting new fee-reversal procedures, and the collection and delivery of needed resources through business partners and local businesses. It is our mission to operate with integrity and set a positive example for others, and the hurricane relief efforts were no different.*

In addition to United Way, Connexus hosts a variety of events to raise money for the American Cancer Society's fight against cancer. In 2017, those events included everything from small-scale activities like cookouts and bowling, to large events like the Connexus Invitational golf outing and the Relay for Life – an event for which Connexus Credit Union was the sole Presenting Sponsor. These efforts led to great accomplishments, with a total of over **\$53,000** raised for the cause! Connexus was extremely proud to set the standard as the #1 team in Wisconsin (out of 2,054 teams), the #7 team in the North region (out of 11,310 teams), and the #64 team in the entire nation (out of 101,400 teams). This sends a caring message of support and love for others that we should all be proud of.

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## LOOKING AHEAD

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It's easy to reflect on things that have already happened and say they were a success. What's challenging, and something we are committing to you for 2018, is using those experiences in the past to help inform future decisions, maintain continuous growth, and build on our services to make even more improvements for our members. 2017 was a successful year, and we believe the best is yet to come. We look forward to continuing on this rewarding journey with you, and we thank you for your patronage and for being a part of the Connexus family.

Regards,



J. David Christenson  
President/CEO



Ron Dins  
Board Chair



### J. DAVID CHRISTENSON

#### President/CEO

*As the leader of Connexus, Dave oversees a nationwide enterprise comprised of 250+ employees. He is focused on developing and delivering superior financial services to optimize member satisfaction, all while maintaining profitability of core operations. He was named to his current position in 1995, and continues the leadership role at Connexus.*



### RON DINS

#### Board Chair

*Ron has been an employee of Liberty Mutual Insurance (previously Wausau Insurance) and a Connexus member for almost 40 years. In his current role as a Regional Facility Manager with the Liberty Real Estate Services group, he is responsible for the maintenance and operation of a portfolio of Liberty buildings in various locations across the country. He has been on the Connexus Board of Directors for 9 years, serving several years as Vice Chair, and for last 2 years, serving as Board Chair.*

### THE BOARD OF DIRECTORS

Ron Dins, *Chair*  
Mark Steinberg, *Vice Chair*  
Todd McDonald, *Treasurer*  
Kim Smith, *Secretary*  
Steve Derebey  
Kelsi Seubert  
Thomas Seuntjens  
Steve Zeinemann

# FINANCIAL STATEMENTS

## BALANCE SHEET

Assets	2017		2016	
Cash	\$	130,743,535	\$	116,876,335
Investments		9,513,665		14,726,813
Member Loans		1,468,561,577		1,293,424,754
Fixed Assets, Net		8,304,103		6,842,163
NCUA Insurance Deposits		13,429,669		10,979,018
Other Assets		55,196,109		51,072,936
<b>Total Assets</b>	<b>\$</b>	<b>1,685,748,658</b>	<b>\$</b>	<b>1,493,922,019</b>
<b>Liabilities</b>				
Members' Share & Savings Accounts	\$	1,441,048,291	\$	1,277,662,284
Borrowed Funds		45,536,902		46,455,347
Accrued Expenses & Other Liabilities		17,901,263		13,950,983
<b>Total Liabilities</b>	<b>\$</b>	<b>1,504,486,456</b>	<b>\$</b>	<b>1,338,068,614</b>
<b>Member's Equity</b>				
Regular Reserves	\$	11,011,690	\$	11,011,690
Undivided Earnings		91,250,437		65,843,447
Acquired Equity		79,000,000		79,000,000
Accumulated Other Comprehensive Income (Loss)		75		(1,732)
Total Members' Equity		181,262,202		155,853,405
<b>Total Liabilities and Members' Equity</b>	<b>\$</b>	<b>1,685,748,658</b>	<b>\$</b>	<b>1,493,922,019</b>

## INCOME STATEMENT

Interest Income				
Loans	\$	75,117,243	\$	52,973,351
Investments		2,705,308		2,565,450
<b>Total Interest Income</b>	<b>\$</b>	<b>77,822,551</b>	<b>\$</b>	<b>55,538,801</b>
<b>Interest Expense</b>				
Members' Account	\$	15,780,488	\$	11,635,075
Borrowed Funds		938,954		751,327
<b>Total Interest Expense</b>	<b>\$</b>	<b>16,719,442</b>	<b>\$</b>	<b>12,386,402</b>
<b>Net Interest Income</b>	<b>\$</b>	<b>61,103,109</b>	<b>\$</b>	<b>43,152,399</b>
Provision for Loan Losses		4,319,794		3,152,542
<b>Net Interest Income After Provision for Loan Losses</b>	<b>\$</b>	<b>56,783,315</b>	<b>\$</b>	<b>39,999,857</b>
Non-Interest Income	\$	14,015,153	\$	12,518,718
Non-Interest Expense		45,391,478		34,825,054
<b>Net Income</b>	<b>\$</b>	<b>25,406,990</b>	<b>\$</b>	<b>17,693,521</b>

The financial statements for the credit union are in order and were reported in accordance with generally accepted accounting principles (GAAP).

Reviewed and approved by the Board of Directors.

Federally Insured by NCUA



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