

## A MESSAGE TO *Our Owners*

At BCU, we're proud to measure our success by the value we create for members. Your financial well-being is what motivates and sustains us. So we're excited to report that in 2015 BCU continued to expand its impact, as evidenced by the growth of our organization and the value it provided to you, our members.

With return on assets measuring a strong 1.29%, BCU was able to expand services and your access while sustaining the security and strength of the Credit Union. The Capital Ratio topped 10.3%, far exceeding the 7% standard for being well-capitalized. Additionally, the 11.8% growth in assets pushed the Credit Union total to a record \$2.36 billion. As word spreads about the value of BCU membership, we continue to add new members at a strong pace and now serve over 205,000 members in every state and Puerto Rico.

With growth and stability comes the opportunity to evolve products and improve service experiences. In 2015, BCU introduced PowerPlus™ Checking, a product that rewards members with both a high rate of interest and ATM fee reimbursement. This made accessing cash far more convenient while putting over \$330,000 in bank ATM fees

back in members' pockets. BCU also introduced its newly designed Travel Rewards Visa®, which pays members two points for every dollar spent in every category—making it the most rewarding card in its class. In 2015, total credit card rewards earned by BCU cardholders topped \$5.6 million.

BCU also expanded member programs that make home and auto purchases easier and more cost effective. Our HomeAdvantage™ program saved members \$365,000 in realty fees, while our Auto Buying Service saved members nearly \$6 million via purchase price reduction and simplified dealer purchase experience. To help our members with important financial events from budgeting to home buying to retirement planning, our financial education program provided dozens of videos and online tools, and hosted 48 financial workshops.

It was also a busy year for our charitable giving, with over \$300,000 and 3,000 hours of volunteer time donated to the communities we serve. Positive response to the BCU scholarship program led us to double the number of recipients, raising the total number of promising college-bound members assisted to 20. Our passion for member service and talented workforce were recognized externally with BCU being named a Top 100 Workplace by the Chicago Tribune for the fourth consecutive year.

As we look ahead to this year and beyond, we continue to strive for the perfect blend of valuable products, secure and easy-to-use banking technology, and caring people who have your back. In 2016, look for the newly redesigned

Cash Rewards Visa®, expanded student loan options, and the introduction of a completely reimagined mobile banking experience.

All that was accomplished in 2015 was the result of the tireless efforts of our dedicated staff and the astute guidance of our Board of Directors and volunteers. We'd especially like to thank founding board member Robert Benziger, along with Thomas Abate and David Drohan. As these board members step down in 2016, they leave a legacy of countless hours volunteered and invaluable expertise provided over a collective 60 years of service. On behalf of our current, past and future membership, we offer our gratitude for their contributions to the Credit Union.

We look forward to another successful year in service to our members.



Michael Valentine  
President/CEO



Thomas W. Hodson  
Chairman

*Michael Valentine* *Thomas W. Hodson*

## BOARD OF DIRECTORS *Committees & Officers*

### BOARD OF DIRECTORS

Thomas M. Abate  
Jeffery V. Bailey  
Michael J. Baughman  
Robert A. Benziger  
Michael J. Curran  
David F. Drohan  
Thomas W. Hodson\*  
Margot F. Kaplan  
Ron K. Labrum  
Jack L. McGinley  
Mark E. Rosenbaum  
Charles W. Thurman  
Michael G. Valentine

### EXECUTIVE COMMITTEE

Thomas W. Hodson\*  
Margot F. Kaplan  
Jeffery V. Bailey  
Jack L. McGinley  
Michael J. Baughman

### SUPERVISORY COMMITTEE

Michael J. Baughman\*  
Sebastian J. Bufalino  
Michael Guarriello  
Ron K. Labrum  
Collin Kebo

### FINANCE COMMITTEE

Jeffery V. Bailey\*  
Charles W. Thurman  
Thomas G. Moore  
Margot F. Kaplan  
Michael J. Curran  
C.J. Presto  
Todd Young

### OFFICERS

Michael G. Valentine  
President/CEO/Treasurer  
Thomas W. Hodson  
Chairman

Margot F. Kaplan  
Vice Chairperson  
Robert A. Benziger  
Secretary  
Thomas G. Moore  
Executive Vice President/  
Assistant Treasurer  
C.J. Presto  
Senior Vice President/CFO/  
Assistant Secretary  
Jeffrey M. Johnson  
Senior Vice President/  
Information Systems  
Lisa A. Baron  
Senior Vice President/Human  
Resources/Talent Management

James R. Block  
Senior Vice President/CLO  
Herbert O. Behrens  
Vice President/Mortgages  
Patti Dixon  
Vice President/Member Experience  
Carey A. Price  
Vice President/Sales & Service  
Charles E. Smith  
Vice President/Controller  
Sarah Thorrens  
Vice President/Talent Management  
Douglas N. Wright  
Vice President/Audit & Compliance  
Dave Blum  
Vice President/Corporate  
Relationships and Services

David Brydun  
Vice President/Consumer Lending  
John S. Sahagian  
Vice President/Marketing  
Ken Dryfhout  
Vice President/Finance  
Scott Zulpo  
Vice President/Information Technology

### DIRECTOR EMERITUS

Samuel G. O'Kelly

\*Chairman

## Statements of INCOME

(in thousands)	2015	2014
<b>Interest Income</b>		
Interest on loans to members	\$ 87,145	\$ 79,379
Interest on investments and cash equivalents	1,612	1,515
Total interest income	88,757	80,895
<b>Interest Expense</b>		
Dividends on members' shares	15,013	13,740
Interest on borrowed funds	1,419	393
Total interest expense	16,432	14,132
Net Interest Income	72,325	66,763
Provision for loan losses	6,700	5,800
Net Interest Income After Provision for Loan Losses	65,624	60,963
<b>Non-Interest Income</b>		
Service charges and other fees	16,693	16,070
Interchange income	17,709	15,731
Other mortgage income	7,213	5,922
Net gain on sale of loans	9,305	4,998
Other non-interest income	12,835	12,954
Gain (loss) on sale of investments available for sale	-	141
Gain (loss) on assets at fair value, net	(3,191)	(2,899)
Total non-interest income	60,564	52,918
<b>Non-Interest Expense</b>		
Salaries and benefits	43,799	38,352
Loan costs	16,339	13,785
Equipment and data processing	9,664	8,718
Occupancy	4,382	4,280
Other operating	23,384	21,293
Total non-interest expense	97,569	86,429
<b>Net Income</b>	<b>\$ 28,620</b>	<b>\$ 27,452</b>

## Statements of FINANCIAL CONDITION

(in thousands)	2015	2014
<b>ASSETS</b>		
Cash and cash equivalents	\$ 162,026	\$ 67,621
<b>Investments</b>		
Trading, at fair value	18,344	20,565
Available-for-sale, at fair value	16,822	19,771
Other	9,896	10,870
Mortgage loans held for sale	21,867	24,336
Loans to members, net	2,048,777	1,841,830
(including \$10,418 and \$12,955 at fair value as of December 31, 2015 and 2014 respectively)		
Accrued interest receivable	5,493	4,823
Property and equipment, net	23,129	24,258
NCUSIF deposit	18,157	16,607
Mortgage servicing rights, at fair value	18,894	16,931
Other assets	14,911	60,139
<b>Total Assets</b>	<b>\$ 2,358,315</b>	<b>\$ 2,107,751</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>Liabilities</b>		
Members' shares	\$ 2,053,055	\$ 1,826,647
Borrowed funds	45,000	45,000
Accrued expenses and other liabilities	25,788	30,199
Total Liabilities	2,123,843	1,901,846
<b>Members' Equity</b>		
Retained earnings, substantially restricted	234,549	205,929
Accumulated other comprehensive gain	(77)	(25)
Total members' equity	234,472	205,905
<b>Total Liabilities and Members' Equity</b>	<b>\$ 2,358,315</b>	<b>\$ 2,107,751</b>

HomeAdvantage™ is a trademark of CURealty services.  
 Visa® is a registered trademark of Visa.  
 PowerPlus™ Checking is a trademark of BCU.