



THE PLACE TO
BANK HEALTHY®
FOR 40 YEARS.



CREATED BY HEALTHCARE
FOR HEALTHCARE.



People helping people

1

EXECUTIVE MESSAGE



Jack A. Gilbert, Chairman



Joseph J. Kregul, President/CEO

CELEBRATING 40 YEARS

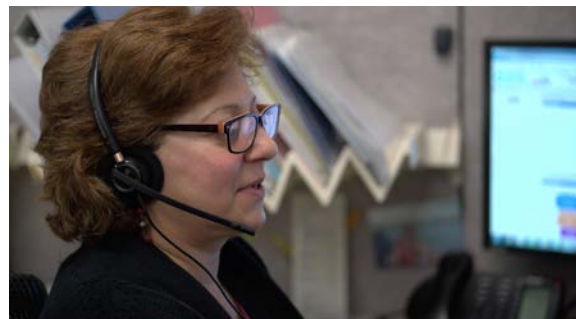
2019 was quite the year for HealthCare Associates Credit Union. Celebrating 40 years of serving our members and ensuring those who serve or support healthcare have a healthy way to bank has always been our mission since 1979 and 2019 was no exception. Not only did we look for ways to help our members 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!

MESSAGE

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

3

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

**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, health care 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



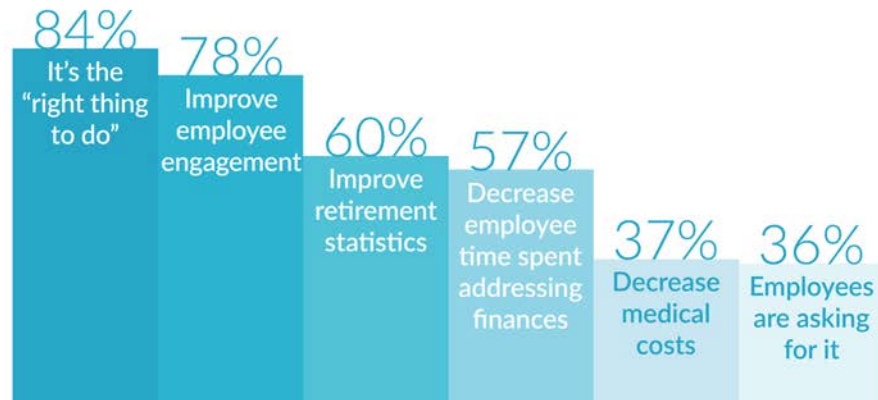
"Employees can find the answers to any of their financial concerns."

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.

Why are employers interested in workers' financial wellness?

Source: Aon Hewitt 2017 survey



MAKING A DIFFERENCE

\$10,000+
in
charitable
donations

Excellent
Service

Over 200
on site
visits

Thousands
helping
College
Graduates

\$140,784.20
to members
using HACU's
high interest
checking

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.



Gwyn and Teresa, two HACU leaders who make donating time at Ronald McDonald House a fun team event.



Employees from HACU pitch in on their day off to make CU Kind a success at Feed My Starving Children.

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

7



Members and staff celebrate at HACU's Oak Lawn Branch.



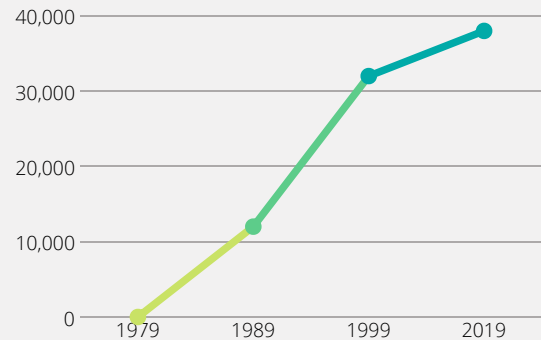
"We might be a national company, but we still strive to give one-on-one help to each member" Jean Morris, Assistant Vice President, Loan Operations

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



Member growth from 1979-2019.

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 it's members. Jordan, AVP, Marketing and the creative mind behind #PayIt40 was on hand to share the occasion.



People helping people

BANKING HEALTHY NATIONWIDE

9

75,000

ATMs

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

5,600

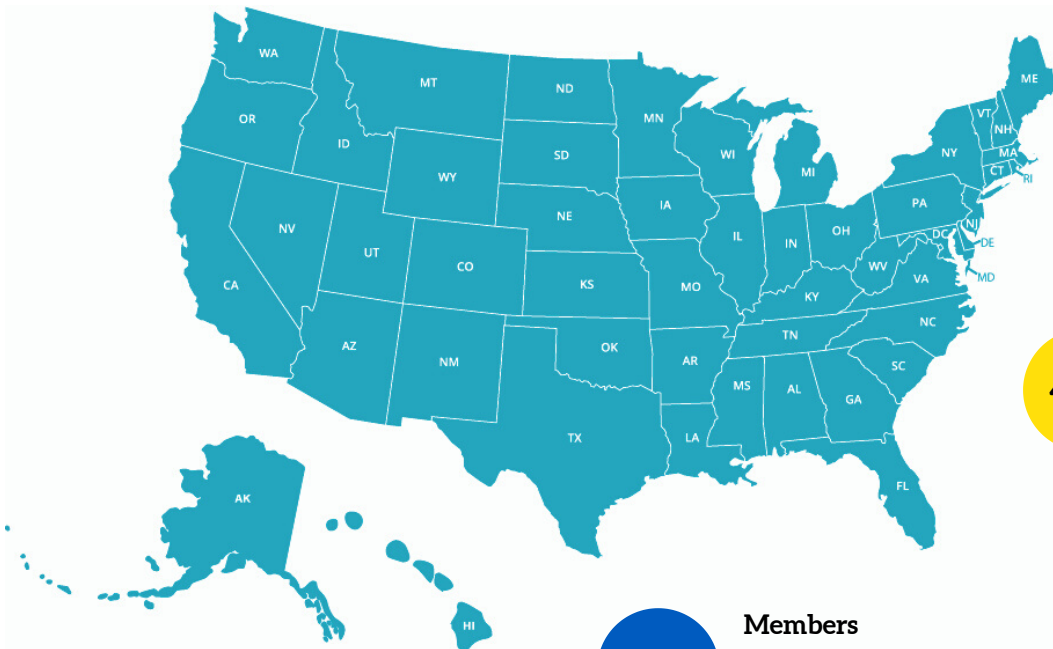
Branches

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

My247

My247 Digital Banking

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



400+

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.

38,000+

Members

Over 38,000 members and their families trust and rely on sound financial offerings and education from HACU.



People helping people

BANK HEALTHY

10



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



People helping people

#PayIt40 PAYING IT FORWARD

11



**FACEBOOK
ENGAGEMENT**



**INSTAGRAM
ENGAGEMENT**



**TWITTER
ENGAGEMENT**

#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.



Kristine Winning a \$500 Gift Card!



Judith Winning a CRUISE CERTIFICATE!



HACU presents Normandie, a member for 40 years, Winning a CRUISE CERTIFICATE!

A FEW #PAYIT40 STORIES

<p>Sam took the time to help a friend through a hard time. She encouraged her, stood by her side and helped her recover. #PayIt40</p>
<p>Rosario shared her lunch with someone today.</p>
<p>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.</p>
<p>Jessica helped multiple individuals that were having health or life struggles. She helped by donating her own money and organized fundraisers for them.</p>

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.



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.



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.



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.



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!



HOW MEMBERS FEEL ABOUT US

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 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



People helping people

14

2019 HIGHLIGHTS

**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.

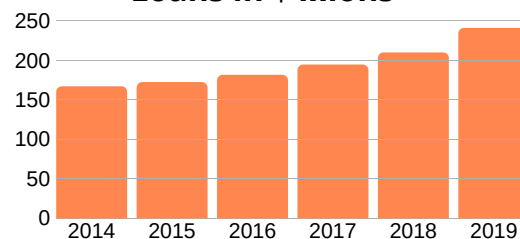
HACU saw the need to provide higher education loans and refinancing that enabled members to find a way out of predatory loans that keep people burdened with never-ending debt. "We are always working proactively to find solutions that positively influence our members' lives." ~ Todd Niedermeier, Senior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



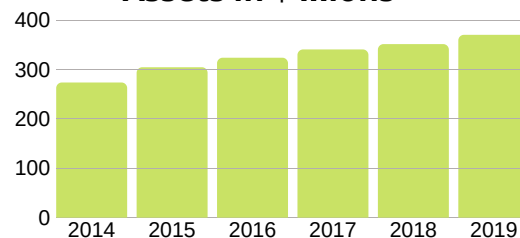
2019 BALANCE SHEET

Assets	2019	2018
Loans: Consumer	\$ 111,568	\$ 99,818
Visa	16,110	17,632
Home Mortgages	42,814	31,217
Home Equity Loans	49,358	49,225
Member Business Loans	11,767	14,226
Reserve for Loan Loss	2,246	2,311
Total Loans (Net)	\$229,371	\$209,807
Cash on Hand	\$ 1,359	\$ 2,209
Investments	124,972	132,040
Accrued Income	1,191	1,146
NCUSIF Deposit	2,949	2,834
Other Assets	4,105	3,193
Total Assets	\$363,947	\$351,229
Liabilities	2018	2018
Accounts Payable	2,939	2,760
Notes Payable	5,000	10,000
Accrued Expenses	1,600	1,610
Total Liabilities	\$ 9,539	\$ 14,370
Membership Equity	2019	2018
Regular Share Savings	\$ 81,941	\$ 87,320
Secondary and Club Accounts	6,199	5,805
Checking	41,469	40,255
Money Markets	122,412	118,911
Certificates and IRAs	50,349	37,169
Total Membership Shares	\$302,370	\$289,460
Regular Reserves	6,906	6,906
Undivided Earnings	46,132	40,493
Total Membership Equity	\$ 52,038	\$ 47,399
Total Liabilities &		
Membership Equity	\$363,947	\$351,229

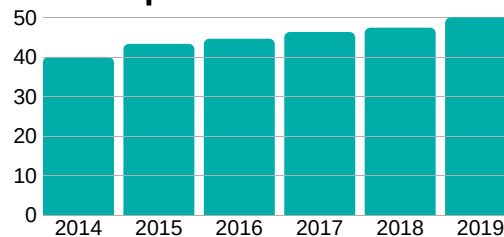
Loans in \$ Mions



Assets in \$ Mions



Capital in \$ Mions

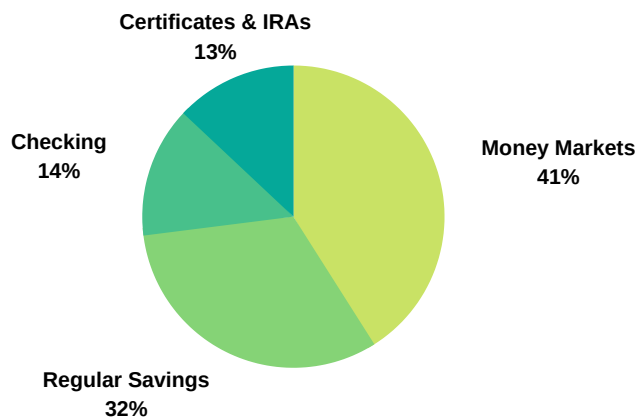


2019 INCOME STATEMENT

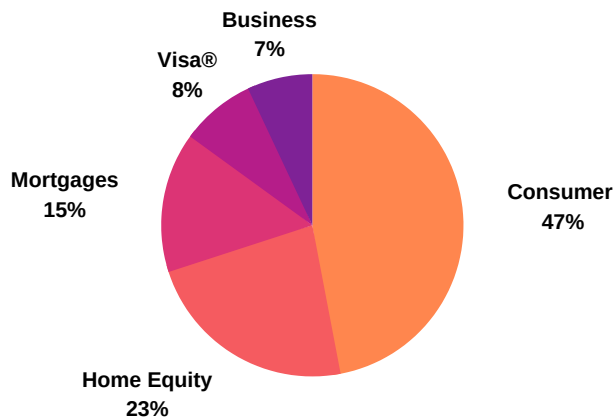
	2019	2018
Income		
Loan Income	\$ 11,281	\$ 10,292
Investment Income	3,061	2,742
Other Income	5,161	5,365
Total Income	\$ 19,503	\$ 18,399
Provisions for Loan Loss	\$ 958	\$ 945
Dividends	1,809	1,046
Income Before Operating Expenses	16,736	16,408
Operating Expenses	14,859	14,353
Net Income	\$ 1,877	\$ 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

Savings Portfolio



Loan Portfolio





Joseph J. Kregul, President/CEO , Elian Caban, Assistant Vice President, Member Services



HealthCare Associates Credit Union, 1151 E. Warrenville Road, Naperville IL 60563