

A photograph of the IU Credit Union building, featuring a stone-clad facade and a prominent entrance. The building is set against a bright blue sky with scattered white clouds. The IU Credit Union logo is visible on the building's facade.

Powering Performance

2018 Annual Report

IU Credit Union

Federally insured by the NCUA

Chair and President's Report



Larry Polley
Board Chair



Bryan Price
President & CEO

We are pleased to report that 2018 was another outstanding year for the IU Credit Union. Thanks to the ongoing support and loyalty of our members and dedicated staff, a number of significant results were achieved.

In 2018 we enhanced our mortgage loan offerings, specifically for first-time homebuyers, with the launch of FHA loans and other low down payment programs. Other notable achievements include implementation of a knowledge management system to better serve our membership, and a credit card processor conversion.

IU Credit Union is an active partner in the communities we serve and we are proud to annually provide more than \$250,000 in sponsorships and financial contributions. Through our scholarship program we awarded more than \$30,000 of financial assistance to college students. IU Credit Union and its employees again contributed \$40,000 to the local United Way Campaign and received the Community Builder Award in recognition of our ongoing support.

*"IU Credit Union
is an active
partner in the
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we serve."*

We thank our members for voting IU Credit Union as the Herald-Times Readers' Choice "Best Bank/Credit Union" in 2018 for a record eleventh year. Additionally, we were recognized by the Bloomington Economic Development Corporation as a top employer through its Best Work Places Bloomington Awards.

IU Credit Union achieved impressive financial results in 2018. Retail loan balances increased a record \$68 million, or 13.5%. We remained the leader in real estate lending, closing the highest number and amount of mortgages in Monroe County. Business loan balances increased a record \$29 million. Combined, these results produced record loan growth of \$98 million with total balances increasing to \$801 million. Our loan to share ratio was 94.3% — the highest in our history.

Total share balances increased \$43 million. Net income in 2018 was a record \$12.4 million.

Total assets increased \$54 million, or 5.7%. Net worth, a key indicator of safety and soundness, surpassed \$137 million, or 13.8% of total assets. IU Credit Union remains well-positioned for continued strong financial performance.

IU Credit Union Investment Services acquired a record \$27 million in new investments and continues to serve as a trusted provider of professional and personalized investment services.

Serving our members, each other and our community reflects the heart of what we do every day and we will carry these principles forward in 2019. We will break ground on a new Operations Center; conduct a member survey; and continue our commitment to sustaining strong communities.

Since our founding in 1956, we have been led by outstanding volunteers who have served on our Board and Supervisory Committee. We thank you for your continued confidence in IU Credit Union and we look forward to serving you in the coming year.

Treasurer's Report

Bruce Jaffee
Treasurer



IU Credit Union ended 2018 with assets of \$998 million, an increase of \$54 million, or 5.7% from 2017. Total loan balances increased \$98 million, or 13.9%. Total share and certificate balances increased \$43 million in 2018.

Net income for 2018 was \$12.4 million. As a result, the Credit Union's total equity increased to \$137 million or 13.8% of assets.

Statement of Condition as of December 31, 2018 and 2017

Assets	2018	2017
Cash and due from banks	\$14,269,350	\$10,901,184
Interest bearing deposits with other financial institutions	53,131,352	70,053,706
Certificates of deposit with other financial institutions	-	1,479,737
Securities available for sale, at market value	82,944,707	111,291,823
Federal Home Loan Bank stock, at cost	3,624,900	3,605,400
Loans held-for-sale	440,000	227,200
Loans to members (Note 1)	797,860,747	701,049,680
Accrued interest receivable	2,302,008	2,055,118
Premises and equipment, net	12,455,867	13,303,910
Business Owned life insurance	21,203,565	20,598,759
National Credit Union Share Insurance Fund capitalization deposit	7,962,860	7,623,419
Prepaid expenses and other assets	1,928,449	1,845,219
TOTAL ASSETS	\$998,123,805	\$944,035,155

Note 1 - Net of allowance for possible loan losses

Liabilities and Members' Equity	2018	2017
Accrued expenses and other liabilities	\$11,317,663	\$11,434,849
Shares and certificates	849,581,066	806,954,246
Statutory reserves	46,203,521	41,680,862
Undivided earnings	91,949,014	84,065,019
Unrealized gain (loss) on securities, net	(927,459)	(99,821)
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$998,123,805	\$944,035,155

Statement of Income for the years ended December 31, 2018 and 2017

	2018	2017
Interest income	\$33,931,481	\$28,385,241
Interest expense	5,135,624	2,683,249
Net interest income	28,795,857	25,701,992
Provision for possible loan losses	1,691,690	1,130,783
Net interest income after provision	27,104,167	24,571,209
Other income	11,580,091	10,942,957
Other expenses	26,277,604	25,097,195
Net income	\$12,406,654	\$10,416,971

Supervisory Committee Report



Vivian Winston
Supervisory Committee Chair

The primary objective of the Supervisory Committee is to determine that members' assets are adequately safeguarded. This objective is carried out through reviews and evaluations of IU Credit Union's operating, financial reporting, and internal control systems. These responsibilities are administered through the combined efforts of the Audit Services Department, independent certified public accountants and others. The findings and recommendations of these audits are communicated to the Supervisory Committee, Management and the Board of Directors on a regular basis.

IU Credit Union Officials

Board of Directors

Larry Polley (Chair)	Retired, Controller, Dynamic Medical Practice Services
Brad Heim (Vice Chair)	Associate Dean for Faculty Affairs and Professor, O'Neill School of Public and Environmental Affairs, Indiana University
Jon Barada (Secretary)	President, Bloomington Health Foundation
Bruce Jaffee (Treasurer)	Emeritus Professor of Business Economics and Public Policy, Indiana University
Hannah Buxbaum	Vice President for International Affairs, Indiana University; John E. Schiller Chair in Legal Ethics and Professor of Law, Indiana University
Kim Milford	Executive Director, Research and Education Network Information Sharing and Analysis Center (REN-ISAC), Indiana University
Dana Palazzo	Developer, Fretless
Doris Sims	Housing and Neighborhood Development Director, City of Bloomington
Scott Smart	Clinical Professor of Finance; Associate Chair of the Full-Time MBA Program, Kelley School of Business, Indiana University
Emily Springston	Chief Student Welfare and Title IX Officer, Indiana University
John Whikehart	Retired, Chancellor, Ivy Tech Community College Bloomington; Former Deputy Mayor, City of Bloomington

Supervisory Committee

Vivian Winston (Chair)	Senior Lecturer of Accounting, Kelley School of Business, Indiana University
Dennis Cromwell	Executive Director of the Media Digitization and Preservation Initiative, Indiana University; Adjunct Faculty member in The O'Neill School of Public and Environmental Affairs, Indiana University
Roy Elkes	Professor of Accounting, Ivy Tech Community College
Marcy Shepardson	Assistant Professor of Accounting, Kelley School of Business, Indiana University
Gregory Udell	Chase Chair of Banking & Finance, Kelley School of Business, Indiana University

Director Emeriti

P.A. Mack, Jr.	Retired, Former Indiana University Trustee, Former NCUA Board Member
Don Weaver	Retired, Assistant to the President for State Relations, Indiana University
Tim Thrasher	Retired, Director of Business Operations, Monroe County Community School Corporation

Senior Management

Bryan Price	President & Chief Executive Officer
Andy Allard	Senior Vice President, Chief Operating Officer
Julie Ragsdale	Senior Vice President, Chief Administrative Officer
David Sipes	Senior Vice President, Marketing & Business Development
Chris Hawk	Senior Vice President, Chief Financial Officer
Teddie Gambler	Senior Vice President, Information Technology

Community Matters



Community matters. In fact, it matters a great deal to IU Credit Union since serving our community is at the heart of what we do. Community is not a buzzword or a feel good word for us. It's about what we do as individuals and as an organization to show what is important. We're passionate about the communities we serve, particularly in the areas of education and financial literacy.

We invite you to visit www.iucu.org often to see firsthand the community matters the IU Credit Union participates in.

www.iucu.org



Purpose & Vision Statements

IU Credit Union Purpose Statement

To provide financial solutions for everyone, consistent with the not-for-profit cooperative spirit on which we were founded, by creating value for our members, promoting financial education and well-being, and contributing to the betterment of our community.

IU Credit Union Vision Statement

To build long-term relationships with our members as a trusted financial partner.

IU Credit Union

We started a credit union
and created a community.