



Corporate
Central
Credit Union

2019 Annual Report

Helping Members to be *Wildly Successful*

Thank you to the innovative thinkers, the difference makers, and the advocates. Thank you to the hundreds of Corporate Central members across the nation for your support and commitment to one of the nation's strongest and fastest growing corporate credit unions. Thank you to our entire staff of change agents and steadfast leaders for your dedication to our members. Thank you to our volunteer board for your continued support, guidance, and mission to serve. To our CUSOs – Emergifi, InterLutions, and QuantyPhi – thanks for constantly innovating and raising the bar. And to our partners, our collaborators, and peers; we cannot thank you all enough for your unwavering dedication to this amazing credit union movement.

Our 2019 Annual Report will take you through a journey of the past year and show you why we are so excited to deliver on our mission of *advancing financial wellness for our members and the people they serve*.

First, our financial success. Our progressive board is laser-focused on maintaining a position of strength, growth, and longevity. Corporate Central closed 2019 with over \$2.5 billion in assets. And with over \$200 million in capital, we continue to exceed the well-capitalized ratios per NCUA requirements.

While financial strength is paramount, so is growth. Membership grew by 9% in 2019, assets grew by over 25%, and earnings continued to be very strong.

We also strengthened the relationships we maintain with you, our trusted member credit unions, by delivering value-added solutions to support your mission of serving members across the country. In 2019, Corporate Central and our family of CUSOs secured 285 new service contracts from credit unions. We also launched five brand-new, credit union-focused solutions, to support your staff, to engage your members, and to enhance your growth efforts.

Overall, 2019 was another great year for Corporate Central, thanks to our strong and passionate members, board, and staff. What can you expect in 2020? Our key tenets call for the following:

- Service
- Trust
- Innovation
- Strength
- Security
- Technology

Corporate Central will continue to maintain strong capital ratios and we will continue our growth efforts, by adding new members, new product offerings, and new expertise. Our **2020 and Beyond Strategic Plan** will focus on **financial wellness** to promote responsible spenders, savers, and borrowers. We will enhance our **value-added service network** by delivering innovative and personalized member solutions. We will be an **ecosystem developer** by embracing integration and interoperability to facilitate speed, agility, data, and analytics.

One of the key drivers for our success in 2020 and beyond is the development of a new **member platform**. Our bold new strategic plan will leverage technology to **optimize the entire member experience**. We will build a robust engine for innovation utilizing machine learning, robotics, smart workflows, and artificial intelligence. This new and secure platform will deliver a rich, frictionless, digital experience for credit unions all across the country. We are eager to embark on this journey with you! On behalf of our staff, our board, and members who believe in us and in the future of credit unions, thank you again for a tremendous 2019. We look forward to another successful year together.

Thank you,



President/CEO

We are Your Credit Union

Corporate Central is a federally insured financial cooperative that is strongly committed to the needs of our members. Built on the values of commitment to service, fiscal responsibility and respect for the individual, we adhere to the highest standards of integrity, professional ethics, cooperation, and teamwork. A strong focus on maintaining quality partnerships with members nationwide enables us to remain firmly rooted in the tradition of “people helping people.” In addition, by partnering with leading service providers, we are able to offer innovative correspondent products, investment services, and lending programs to our members.

Corporate Central is owned and governed by our members. A volunteer board of directors, elected from and by our membership, guides us to ensure the greatest level of service and utmost integrity. Our management also plays an integral part in the success of Corporate Central in that together they bring expertise and experience that spans decades of service into the organization. They are not only committed to service, but are exceedingly knowledgeable, offer sound advice, and propose solutions to problems based on experience.

Financial Performance as of December 31, 2019*

Consolidated Statement of Financial Condition

	2019	2018
ASSETS		
Cash and Due	\$549,895,054	\$493,824,453
Investment Securities AFS, at Market Value	\$1,887,892,695	\$1,432,420,490
Investment Securities HTM, at Book Value	0	0
Other Investments	\$2,824,625	\$7,879,620
Loans to Members	\$74,366,683	\$169,558,900
Miscellaneous Assets	\$2,375,135	\$2,322,049
Land and Building	\$219,616	\$132,693
Furniture and Equipment	\$2,653,381	\$2,819,347
Interest Receivable	\$547,978	\$540,731
National Credit Union Share Insurance Fund	\$1,001,396	\$873,208
Total Miscellaneous Assets	\$6,797,506	\$6,688,028
TOTAL ASSETS	\$2,521,776,562	\$2,110,371,491
LIABILITIES AND MEMBERS' EQUITY		
Members' Deposits		
Total Member Shares and Certificates	\$2,306,033,816	\$1,814,024,000
Total Members' Deposits	\$2,306,033,816	\$1,814,024,000
Borrowing and Other Liabilities		
Notes Payable	\$53,000,000	\$139,500,000
Accrued Interest & Dividend Payable	\$1,072,285	\$1,320,274
Other Liabilities	\$2,081,090	\$1,748,008
Total Borrowings and Other Liabilities	\$56,153,375	\$142,568,282
Total Liabilities	\$2,362,187,191	\$1,956,592,282
Members' Equity		
Perpetual Contributed Capital	\$103,589,158	\$101,368,643
Retained Earnings	\$61,956,149	\$56,411,006
Unrealized Gain (Loss) on AFS Securities	\$(158,622)	\$473,077
Other Comprehensive Income (Loss)	\$(5,797,314)	\$(4,473,517)
Total Members' Equity	\$159,589,371	\$153,779,209
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$2,521,776,562	\$2,110,371,491

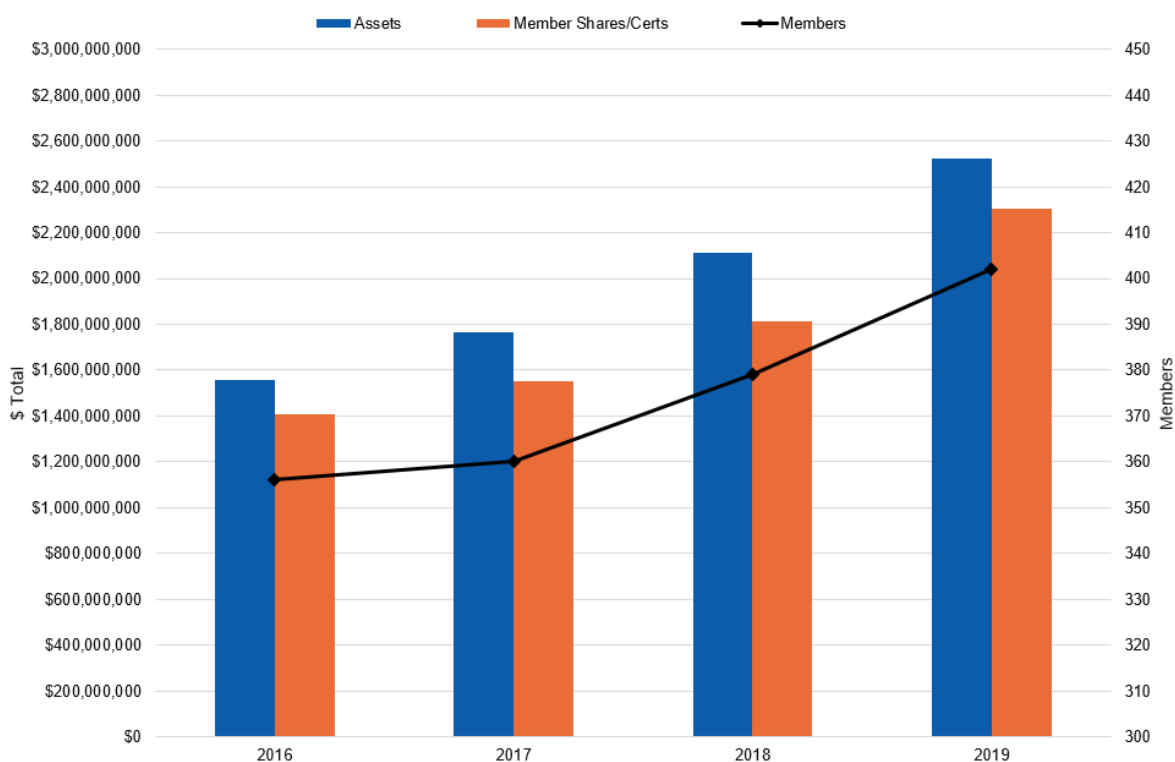
*Corporate Central's 2019 Audited Financials can be found under Due Diligence on corpccu.com.

Financial Performance as of December 31, 2019*

Consolidated Statement of Operations


	2019	2018
Interest Income		
Marketable Securities and Other Investments	\$60,729,119	\$40,373,145
Member Loans - Income	\$1,601,480	\$2,185,152
Total Interest Income	<u>\$62,330,599</u>	<u>\$42,558,297</u>
Interest Expense		
Member Shares and Certificates	\$47,462,546	\$28,761,355
Nonperpetual Capital Account	\$1,339,157	\$1,170,300
Notes Payable	\$512,364	\$1,612,444
Total Interest Expense	<u>\$49,314,067</u>	<u>\$31,544,099</u>
Gain (Loss) on Investments/Loans	<u>\$354,467</u>	<u>\$286,519</u>
Net Investment Income	<u>\$13,370,999</u>	<u>\$11,300,717</u>
Operating Income		
Income	\$6,026,100	\$5,622,195
Other Income	\$902,427	\$552,779
Total Operating Income	<u>\$6,928,527</u>	<u>\$6,174,974</u>
Operating Expense		
Compensation and Employee Benefits	\$6,079,284	\$4,870,610
Office Occupancy and Supplies	\$310,182	\$322,580
Marketing	\$277,115	\$257,465
Operating Services	\$2,900,444	\$2,595,619
Technology and Professional Services	\$726,258	\$683,282
Miscellaneous and Depreciation	\$1,394,306	\$1,303,288
Total Operating Expense	<u>\$11,687,588</u>	<u>\$10,032,843</u>
Net Income Before PCC Dividends	<u>\$8,611,939</u>	<u>\$7,442,848</u>

Growth in Assets, Member Shares and Certificates, and Members



*Corporate Central's 2019 Audited Financials can be found under Due Diligence on corpcu.com.

A Historic Partnership Between Credit Unions

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- 1947:** Corporate Central dates back to 1947 when we were known as State Central Credit Union, a “dual purpose” credit union serving both credit unions and individual credit union members.
 - 1980:** The “dual purpose” role ended when Congress adopted the Monetary Control Act. A reorganization plan created two separate entities: State Central Credit Union and Wisconsin Corporate Central Credit Union.
 - 1981:** State Central continued as a natural person credit union and Wisconsin Corporate Central Credit Union became fully operational on April 1, 1981 taking on the role of a “credit union serving credit unions.”
 - 2002:** To better reflect our growing membership and to position ourselves for the future, Wisconsin Corporate Central Credit Union became simply - Corporate Central Credit Union.
 - 2007:** The Great Recession severely impacted the credit union movement. Our conservative investment strategies and loyal membership base kept Corporate Central as the strongest corporate in the country, without ever impairing our members’ capital.
 - 2015:** InterLutions, a CUSO specializing in collaborative and innovative credit union employee benefit solutions, was born.
 - 2016:** The launch of our Three-Year Strategic Plan, with goals to grow our membership base, launch new innovative CUSOs, and introduce competitive services, all while reducing fees and paying industry-leading rates to members.
 - 2017:** Emergifi, a CUSO focused on delivering technology solutions, launched and delivered over 100 services to credit unions in its first year.
 - 2017:** QuantyPhi, a balance sheet optimization CUSO, was introduced to help credit unions build a balance sheet with strength, flexibility, and stamina.
 - 2020:** Our Strategic Plan 2020 and Beyond is our blueprint to achieve a prominent leadership role in our members overall long-term financial wellness and success.

The Success of Our 2017-2019 Strategic Plan

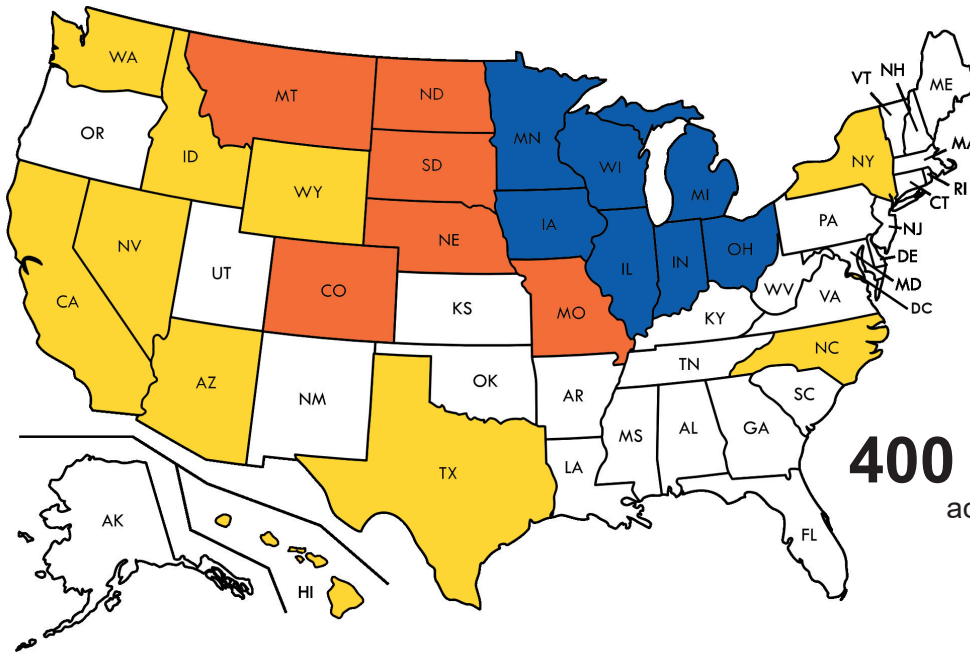


21 new solutions

launched by Corporate Central and our family of CUSOs



launched two new CUSOs,
Emergifi and QuantyPhi

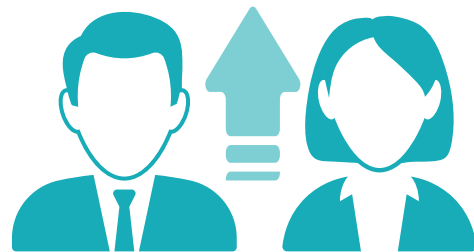


400 members
across 23 states



62% increase in total assets

12% increase in membership





InterLutions
Innovative Business Solutions

I-Care's Collaborative Employee Benefits Program Experienced Record Growth in 2019

InterLutions is a credit union service organization (CUSO) providing collaborative employee benefit solutions that are **improving the lives of nearly 7,500 credit union employees** and family members across the country. Our I-Care employee benefits program grew at a record pace in 2019, by partnering with **18 new credit unions**, nearly doubling the overall pool of insured employees under the I-Care program.

Credit unions that joined I-Care have experienced a **cost savings of over 12%**. This is a time when most employers are experiencing annual medical insurance renewal increases in the 5-10% range.

Whether it is our pooled self-funded captive model designed for large credit unions, or our Association Health Plan designed for smaller groups, our model is exclusively built for credit unions where the growth of insured lives in the I-Care pool is proving to deliver better **benefits and lower costs** for our clients. We look forward to helping our credit unions and growing our solutions in 2020. Thank you for your support!



InterLutions hosted several HR forums across the country where credit union contacts had an opportunity to network and learn about trending topics in the employee benefits field.

7,500 LIVES INSURED

CREDIT UNIONS COLLABORATING FOR ENHANCED EMPLOYEE BENEFITS

AVERAGE COST SAVINGS OF 12%

What are credit unions saying about InterLutions?

*"Moving to I-Care was transparent to our employees, seamless to HR, and **reduced our health insurance fixed costs by over 25%**."*

-- David Powers | Landmark Credit Union | \$4B assets with 600 employees

*"It's a whole **different level of support**."*

-- Janice Appleby | Vizo Financial Corporate Credit Union | \$3.5B assets with 150 employees

*"I-Care's Association Health Plan helped our credit union **retain the talented employees** we need."*

-- Sue Johnson | Fort Community Credit Union | \$250M assets with 65 employees



QuantyPhi Helped Credit Unions Manage Risk and Optimize Balance Sheets in 2019

The constantly changing interest rate and regulatory environment today is compelling credit unions to actively manage their balance sheets more than ever before. We help you do just that.

QuantyPhi can **review all aspects of your credit union's current position** including loan assets, liability structure, and risk exposure. Following a review, we can make recommendations to address issues of concern, take advantage of income opportunities, and limit risk if and when necessary. Help your credit union make **more educated, more insightful, strategic decisions** using QuantyPhi's high-tech data analysis systems.



QuantyPhi hosted its fourth Strategic ALM Conference. In 2020, QuantyPhi will be hosting several interactive ALM Workshops that dissect each component of QuantyPhi's Balance Sheet Optimization process in detail.

LAUNCHED LOAN PARTICIPATION PLATFORM

ADDED TWO NEW FINANCIAL STRATEGISTS

HOSTED FOURTH STRATEGIC ALM CONFERENCE

What are credit unions saying about QuantyPhi?

*"What helps me sleep better at night is having organizations like QuantyPhi. They're **always willing to help.**"*
-- Sabrina Boro | Guardian Credit Union | \$220M assets

*"QuantyPhi's benchmarking service **got our credit union on the right path and turned all ships sailing in the right direction.**"*
-- Colleen Woggon | Oakdale Credit Union | \$71M assets

*"QuantyPhi's total-return-approach ALM process **makes my investment decisions much easier.**"*
-- Bruce Kotarek | Fox Communities Credit Union | \$1.8B assets

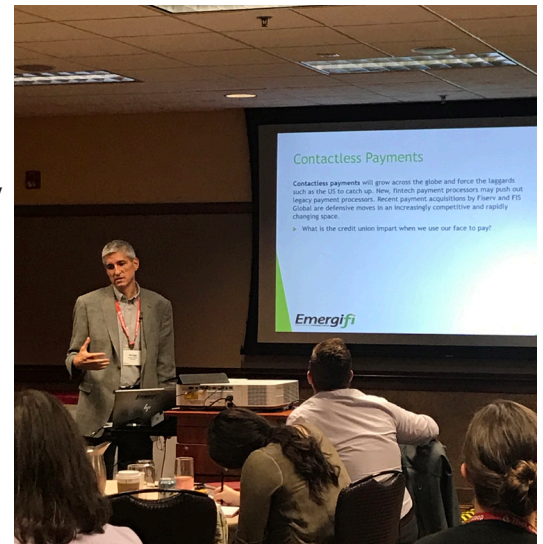


Emergifi Taught Credit Unions how to Conquer Cloud Migration and Cybersecurity in 2019

Emergifi focuses on providing credit union technology solutions that **improve productivity and security, and reduce costs and risk.**

In 2019, we partnered with Redstone Consulting Group to improve cybersecurity through an ACET Collaboration Portal. The portal helps credit unions save time and resources when preparing for an exam by organizing tasks, enabling role-based collaboration, and providing secure document storage. Emergifi **assists credit unions before, during, and after an exam with cybersecurity**, offering comprehensive managed security, endpoint security, and compliance services.

Emergifi's service offerings include business applications, email, storage, remote monitoring and management, backup, service desk, product procurement, compliance, implementation and migration services, endpoint security management and managed security, software development and virtual CIO services.



Emergifi presented at several conferences including CUNA's Operations and Member Experience Council and Technology Council Conferences.

865 DEVICES MANAGED

50 CLIENTS USING DOCUMENTATION PORTAL

832 MANAGED MAILBOXES IN OFFICE 365

What are credit unions saying about Emergifi?

*"Emergifi **listened to our business needs** and created a road map to support our situation."*

-- Michelle McClelland | Prospera Credit Union | \$291M assets

*"We **could not be happier** with the level of service, attention, and performance we have received."*

-- Mike Mehlberg | CONE Credit Union | \$28M assets

*"We receive the **expertise of highly skilled professionals** for a **fraction of the cost.**"*

-- David Murphy | Marshfield Medical Center Credit Union | \$67M assets

Networking with Our Members and Peers

1,000+ networking hours

Corporate Central employees spent over 1,000 hours networking with members at events such as “Credit Union Day at the Ballpark” – a collaborative event put on by Corporate Central and The Wisconsin Credit Union League – charitable golf outings, and credit union foundation fundraisers.



Corporate Central's Business Development team got to know each other better bonding at Bust-N-Stuff.



Corporate Central hosted the Cream City Chapter for a fun tournament including foosball, bags, and darts.



Justin Weber at the Tri-County Chapter Golf Outing.



Credit Union Day at the Ballpark – a collaborative fundraising event hosted by Corporate Central and The Wisconsin Credit Union League – brought over 1,000 credit union employees, along with family and friends, to Miller Park to watch the Brewers take on the Giants.

Staying Involved within Our Communities

400+ volunteer hours

Corporate Central employees spent over 400 hours volunteering in our communities with Habitat for Humanity, Christmas with the Vets, Special Olympics Wisconsin, National Multiple Sclerosis Society, and Children's Miracle Network. Employees were encouraged to volunteer up to 16 hours of time at 501(c)(3) organizations of their choice, helping over 30 nonprofit organizations.



Corporate Central employees assisted Educators Credit Union in a life simulation for a "Reality Check Day."



Staff collected non-perishable food items for the Muskego Food Pantry.



Troops overseas received care packages and handwritten cards from Corporate Central.



Corporate Central's team spent Martin Luther King Jr. Day volunteering at Habitat for Humanity's ReStore Center.



Corporate Central held a donation drive benefiting HAWS.



Corporate Central held a donation drive, stuffed stockings, and helped serve food at the 32nd Annual Christmas with the Vets show.

Advancing the Credit Union Movement

525+ movement hours

Corporate Central employees spent over 525 hours promoting the credit union difference alongside industry leaders such as CUNA, NAFCU, NASCUS, NCUA, Filene, CUES, and state leagues.



Mark Volz with CUNA President Jim Nussle at CUNA's GAC.



Corporate Central and our family of CUSOs collaborated with The Wisconsin Credit Union League to host town hall meetings across the state of Wisconsin.



Chris Felton, President/CEO, addressed members at our 2019 Annual Meeting.

Developing Staff to Better Serve Our Members

2,450+ employee development hours

Corporate Central employees dedicated over 2,450 hours to training and development in order to receive the necessary certifications and designations to support our members.



Mark Volz and Andy Janing at Corporate Central's Economic Outlook Conference.



Corporate Central and our innovative members who participated in the 2018-19 WILD program at The Wisconsin Credit Union League's Annual Convention.



Brittany Jordan with other crashers from CUNA's ACUC.



Ryan McMillan presented at Corporate Central's first ever Digital Marketing Forum.

In total, 4,500+ “Member and Community Engagement” hours were logged throughout 2019.

Thank You Volunteers

To our board of directors:

Thank you for your time, dedication, and commitment to Corporate Central. You continuously challenge us to provide educational programs that aid in our professional development and you advocate our efforts to live by the “people helping people” philosophy. We could not successfully serve and engage in our mission without your profound leadership. Your support, guidance, and mission to serve directly translates to our continued success.

From all of us here at Corporate Central, thank you!



Sally Dischler

Chairman

Heartland Credit Union



Jay Magulski

Vice Chairman

Landmark Credit Union



Val Mindak

Treasurer

Park City Credit Union



Peter Paulson

Secretary

Corporate America Family Credit Union



Sue Johnson

Director

Fort Community Credit Union



Eric Chrisinger

Director

Co-op Credit Union



Thomas Young

Director

Capital Credit Union



Daniel Ige

Director

“Golden Rule” Community Credit Union



Greg Hilbert

Director

Fox Communities Credit Union

Our Talented Staff



Michael Baumann
Member Services Representative
1 Month of Service
Passionate About: Hockey



Dawn Beyer
Administration Manager
22 Years of Service
Crayon Personality: Pink



Frederick L. Blask, NCRM
Vice President Risk Strategy & Execution
14 Years of Service
Favorite Movie: Star Wars



Dace Bregantini
Financial Strategist
4 Months of Service
Suggested Podcast: Naval Ravikant



Shannon Cate
Member Services Specialist
5 Years of Service
Favorite Place: Disney World



Kevin P. Chiappetta, CFA
**SVP Investment Services,
President of QuanyPhi**
10 Years of Service
Inspired by: Winston Churchill

Our Talented Staff



Karen Christie
Vice President Member Services
31 Years of Service
Inspired by: Family



Jevon Cliffgard
Systems Developer
1 Month of Service
Favorite Place: Any lake with good fishing



Wade Cooper
Financial Strategist
8 Months of Service
Fun Fact: Cooper Township, IL was settled by his great-great-great grandfather



Laurie Dellevar, NCBSO
Compliance Analyst
14 Years of Service
Favorite Place: Yellowstone National Park



Terri Drobka
Member Services Representative
9 Years of Service
Favorite Author: James Patterson



Nicholas A. Fanning, CFA
SVP/CFO
23 Years of Service
Superpower of Choice: Never needing sleep

Our Talented Staff



Chris Felton

President/CEO

25 Years of Service

Secret Talent: Woodworking and refinishing



Dawn Freiburger

Member Services Representative

2 Years of Service

Favorite Place: Hawaii



Sandy Garcia-Alvarez

Member Services Representative

9 Years of Service

Crayon Personality: Blue



Chris Geisler

Director Business Development

2 Years of Service

Favorite Movie: Pulp Fiction



Susan Grassell

Staff Accountant

12 Years of Service

Favorite Place: Anywhere with a beach



Kyle Gutierrez

Associate Systems Engineer

4 Years of Service

Superpower of Choice: Teleportation

Our Talented Staff



Ben Hawley

Lead Cloud Engineer

2 Months of Service

Fun Fact: Used to race motocross



John F. Hickey, CCUIP, CWCUL

Vice President Investments

12 Years of Service

Fun Fact: Thinks Lady Gaga is a great singer



Chris Hytinen

Business Development Executive

2 Years of Service

Crayon Personality: Magenta



Peter Iwanowski

Cash Management Accountant

12 Years of Service

Superpower of Choice: Flying



Brittany Jordan

Director Digital Marketing

2 Years of Service

Fun Fact: Is a licensed tattoo artist and piercer



Gail Kearney

Director Member Solutions

17 Years of Service

Passionate About: Helping our members

Our Talented Staff



Jesse Kohl

**SVP Corporate Development,
President of InterLutions**

17 Years of Service

Fun Fact: Knows every Beatles song on guitar



Danny McIntyre

Vice President Investment Services

3 Years of Service

Least Favorite Food: Lima Beans



Ryan McMillan

Director of Technology Solutions

2 Years of Service

Suggested Read: The Phoenix Project



Nancy Morgan

SVP/COO

28 Years of Service

Fun Fact: Raised a family of 20 koi over 15 years



Brian Nowak

**Information Technology Director
Director of Business and Service Automation**

1 Year of Service

Favorite Show: The Big Bang Theory



Jeff Phromkharanourak

Associate Systems Engineer

2 Months of Service

Crayon Personality: Blue Raspberry

Our Talented Staff



Linda Resler

Manager Accounting

10 Years of Service

Passionate About: Helping Others



Stephanie Schmidt, AAP, CWCUL

Manager Member Services

5 Years of Service

Secret Talent: Plays a mean set of finger cymbals (and carries them with her at all times!)



Mark Sowinski

Executive Account Manager

1 Year of Service

Favorite Place: "City of Lights" (Paris)



Cherie Spargur, CMA

Vice President Accounting

23 Years of Service

Fun Fact: Corporate Central's resident Excel expert



Brian Stefanski

Software Engineer

3 Years of Service

Favorite Show: Game of Thrones



Gregg Tushaus

**SVP Chief Technology and Strategy Officer,
President of Emergifi**

3 Years of Service

Least Favorite Food: Cake

Our Talented Staff



Kent Tushaus

Senior Software Engineer

1 Year of Service

Secret Talent: Can sing "Row, Row, Row Your Boat" backwards



Chad Ullenberg, CCUIP

Investment Analyst

4 Years of Service

Fun Fact: Proudly served our country - thank you for your service, Chad!



Will Valadez

Accounting and Compensation Coordinator

2 Years of Service

Suggested Podcast: Armchair Expert with Dax Shepard



Orianna Valentine

Marketing Communications Coordinator

5 Months of Service

Fun Fact: Has a deep love for extreme water sports (jet skiing, cliff diving, whitewater rafting)



Ramona Verburgt

Accounting and Office Assistant

3 Years of Service

Favorite Place: Good old, USA



Mark Volz

Relationship Development Officer

2 Years of Service

Crayon Personality: Glow in the Dark Green

Our Talented Staff



Michele Vukovic
Human Resources Manager
15 Years of Service
Favorite Movie: The Sting



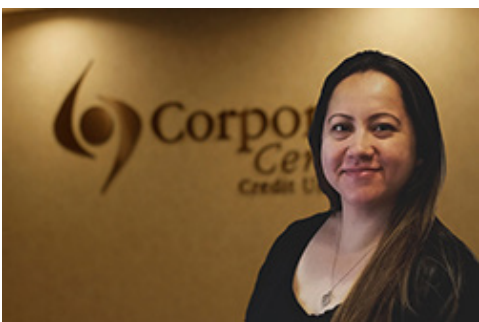
Justin Weber
Business Development Manager
2 Years of Service
Passionate About: Financial Coaching



Kathy Westphal
Product Manager & Business Analyst
2 Years of Service
Least Favorite Food: Green Peppers



Julie Woloszyn
Director Brand Awareness
10 Years of Service
Favorite Show: The Office



Malisha Yang
Member Services Representative
5 Years of Service
Secret Talent: Photography