When looking back at 2016, it quickly becomes evident that Connexus had another outstanding year. Despite historic changes in consumer behavior, advancements in technology, shifts in political views, and swings in the economy, Connexus prospered on all levels. Year over year our continued growth, and consistently strong balance sheet, allow us to give more back to our members in the form of lower loan rates, higher deposit yields, and leading edge service products.

We are proud of who we are and proud of who we serve. Each day, we remain member-focused and value-driven. We strive to be essential, to be the financial institution of choice demanded by current and future members. At the same time, we know that in order to be essential, we need to be easily accessible.

As a result, we invested significant resources in 2016 to ensure our members could get what they needed when they needed it. Just as important, we were conscientious to create new processes and technology infrastructures that could be updated and enhanced for years to come.

We started by identifying “guideposts” to keep us focused during our pursuit to enhance our overall accessibility:

- Uphold our commitment to provide a safe and secure environment for our members’ funds and their data
- Utilize technology, processes, services, and people to create easy, accessible, and “friction-free” interactions
- Aspire to meet the needs of over 250,000 members in all 50 states and around the globe

A Message from Your President

"We are proud of who we are and proud of who we serve."

J. DAVID CHRISTENSON
We will continue to remain member-focused and keep pace with your needs in the ever-changing financial services marketplace.

J. DAVID CHRISTENSON

President / CEO
Connexus Credit Union

To end the year on a high note, TopTenReviews.com, a popular review website, awarded Connexus their Gold Award for Best Online-Only Bank of 2016. TopTenReviews.com said it spent “20 hours comparing the rates and terms of 10 different online banks” nationwide. The review site took three areas into account: interest rates, services, and security & support. After tallying the scores for each financial institution within those three areas, TopTenReviews was able to declare Connexus their sole Gold Award recipient.

While we accomplished many more enhancements to both our product and service offerings than what I’m able to list in this message, please know that we worked hard in 2016 to earn your trust and retain your loyalty… thank you for both. We will continue to remain member-focused and keep pace with your needs in the ever-changing financial services marketplace.

In the end, our greatest reward is knowing that we are successful in helping you achieve your personal financial objectives. We are honored to be your credit union and we look forward to always serving you and your family.

Sincerely,

J. DAVID CHRISTENSON
President / CEO
Connexus Credit Union

The Connexus mobile app is accessible via a compatible Apple Watch or Android Wear device.
#1 Ranked Wisconsin Credit Union in Terms of Earnings Growth Rate in 2016

Source: NCUA ranking of 10 largest credit unions based in Wisconsin

Financial Statements

### Balance Sheet

<table>
<thead>
<tr>
<th>Assets</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$178,920,693</td>
<td>$116,676,335</td>
</tr>
<tr>
<td>Investments</td>
<td>29,103,064</td>
<td>14,726,813</td>
</tr>
<tr>
<td>Member Loans</td>
<td>1,041,611,677</td>
<td>1,293,424,754</td>
</tr>
<tr>
<td>Fixed Assets, Net</td>
<td>11,426,426</td>
<td>6,842,163</td>
</tr>
<tr>
<td>NCUA Insurance Deposits</td>
<td>10,552,695</td>
<td>10,479,018</td>
</tr>
<tr>
<td>Other Assets</td>
<td>48,373,474</td>
<td>51,072,938</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$1,319,488,029</td>
<td>$1,493,922,019</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Member’s Share &amp; Savings Accounts</td>
<td>$1,122,400,162</td>
<td>$1,277,662,284</td>
</tr>
<tr>
<td>Borrowed Funds</td>
<td>43,718,588</td>
<td>46,455,347</td>
</tr>
<tr>
<td>Accrued Expenses &amp; Other Liabilities</td>
<td>15,138,136</td>
<td>13,950,983</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$1,181,256,886</td>
<td>$1,338,068,614</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Member’s Equity</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Reserves</td>
<td>$11,011,690</td>
<td>$11,011,690</td>
</tr>
<tr>
<td>Undivided Earnings</td>
<td>48,149,926</td>
<td>65,843,447</td>
</tr>
<tr>
<td>Acquired Equity</td>
<td>79,000,000</td>
<td>79,000,000</td>
</tr>
<tr>
<td>Accumulated Other Comprehensive Income (Loss)</td>
<td>49,527</td>
<td>1,732</td>
</tr>
<tr>
<td>Total Member’s Equity</td>
<td>138,231,143</td>
<td>155,853,405</td>
</tr>
</tbody>
</table>

| Total Liabilities and Members’ Equity | $1,319,488,029 | $1,493,922,019 |

### Income Statement

<table>
<thead>
<tr>
<th>Income Statement</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Income</td>
<td>$41,911,003</td>
<td>$52,973,351</td>
</tr>
<tr>
<td>Investments</td>
<td>1,272,662</td>
<td>2,565,450</td>
</tr>
<tr>
<td>Total Interest Income</td>
<td>$43,183,665</td>
<td>$55,538,801</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interest Expense</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Member’s Account</td>
<td>$8,202,411</td>
<td>$11,635,075</td>
</tr>
<tr>
<td>Borrowed Funds</td>
<td>6,367,970</td>
<td>7,512,327</td>
</tr>
<tr>
<td>Total Interest Expense</td>
<td>$8,810,381</td>
<td>$12,386,402</td>
</tr>
<tr>
<td>Net Interest Income</td>
<td>$34,373,284</td>
<td>$43,152,399</td>
</tr>
</tbody>
</table>

| Provision for Loan Losses    | 3,633,849        | 3,152,542        |
| Net Interest Income After Provision for Loan Losses | $30,739,435 | $39,999,857 |

| Non-Interest Income          | $10,942,103      | $12,518,718      |
| Non-Interest Expense         | 32,535,579       | 34,825,054       |

| Net Income                   | $9,145,959       | $17,693,521      |

A certified audit was completed by CliftonLarsonAllen LLP for the twelve month period ending December 31, 2016. The financial statements for the credit union are in order and were reported in accordance with generally accepted accounting principles (GAAP).

Audit Committee: Todd McDonald, Chair of Audit Committee, and Lyle Beck, Ron Dins, Tom Seuntjens.

Federally Insured by NCUA.

Net Income Growth vs. 2015

More Registered Users of Online & Mobile Banking vs. 2015

Net Income Growth vs. 2015

More Registered Users of Online & Mobile Banking vs. 2015

2016

286,016 Total Members

138,231,143 Total Members’ Equity

$1,493,922,019 Total Assets

$1,319,488,029 Total Liabilities

$1,319,488,029 Total Assets

$1,181,256,886 Total Liabilities

$1,122,400,162 Members’ Share & Savings Accounts

$11,011,690 Regular Reserves

$52,973,351 Interest Income

$34,373,284 Net Interest Income

$55,538,801 Total Interest Income

$3,152,542 Provision for Loan Losses

$39,999,857 Net Interest Income After Provision for Loan Losses

$2,565,450 Investments

$43,152,399 Net Interest Income

$52,973,351 Interest Income

$34,825,054 Non-Interest Expense

$12,386,402 Total Interest Expense

$17,693,521 Net Income

$34,825,054 Non-Interest Expense

$3,633,849 Provision for Loan Losses

$12,386,402 Total Interest Expense

$17,693,521 Net Income

$11,635,075 Member’s Account

$11,011,690 Regular Reserves

$116,676,335 Cash

$34,373,284 Net Interest Income

$55,538,801 Total Interest Income

$11,635,075 Member’s Account
One of our main goals in 2016 was making it easier for people to not only become members, but to access and manage their accounts. Now, our membership concentration has spread farther across the country, and we offer more account access than ever before.

Making Access as Simple and Convenient as Possible

- **51%**: 51% of Connexus Online Banking users transact business on their smartphones.
- **86%**: Our Member Contact Center reduced on hold call wait time by 86% through increased staffing and enhanced training.

**Year in Review**

- **800**: Approximately 800 members register for Connexus Online & Mobile Banking each month.
- **3X**: On average, Connexus Online & Mobile Banking users access their accounts three times per week.
- **33%**: One in three Connexus Mobile Banking users utilize Mobile Deposit monthly to deposit their checks remotely.
- **5 Minutes**: Approximately 5 minutes.
- **55,000+**: There are 55,000+ surcharge-free ATMs in the Connexus ATM network.

One of our main goals in 2016 was making it easier for people to not only become members, but to access and manage their accounts. Now, our membership concentration has spread farther across the country, and we offer more account access than ever before.
Continuously Enhancing Member Access and Ease of Use

With over 250,000 members across the nation and around the globe, it is essential that we continuously provide innovative ways for members to manage their funds. Expanded Member Contact Center hours, integration with two of the largest ATM networks in the country, and offering the most advanced, user-friendly features in Online & Mobile Banking technologies, helps to ensure our members have access to what they want, when they need it.
A Message from the Board

On behalf of the Connexus Board of Directors, I take great pride in bringing forward another year-end message of success and accomplishment. With a company-best 41% annual increase in membership, a year-ending total of 220 employees, and an impressive $1.49 billion in assets, our credit union’s results are very rewarding.

Our strong results stem from a carefully crafted strategy that is well-executed by dedicated and exceptionally talented employees. The construction of our strategy was designed to be straightforward to ensure it is both easy to understand, as well as easy to communicate.

Who We Are
The foundation of our strategy has everything to do with “who we are”. We are a Values-based organization. Our Values represent who we are and what means most to us. These Values define our brand and the employees that helped create it. They support our vision and shape our culture. They establish our identity through principles, beliefs, and philosophies. They guide us in our decision making. They inform our members and employees about what we stand for. They are a barometer to ensure we have the correct people in our Connexus family and that we always aspire to do what is right.

What We Do
While there are many ways to describe “what we do”, our single most important mission is to help members achieve their personal financial objectives by anticipating their needs, and exceeding their expectations, with superior service and products. To fulfill that mission, we must remain essential to our members. Said differently, we strive to be the financial institution of choice demanded by current and future members.

How We Do It
Not only do we need to remain essential, we must remain viable. We continuously strive to secure the scale, infrastructure, and resources necessary to consistently deliver the value our current and future members expect. To help ensure sustainable profitability, we simultaneously manage and execute multiple, distinct business models. By doing so, we create more options for controlled financial and membership growth, making it possible to exercise greater due diligence when taking advantage of new market opportunities. This approach has afforded us great success for which our member-owners are the beneficiaries.

Finally, we take great pride in our brand, we are proud of our employees, we value our business partner relationships, and we appreciate the patronage and loyalty of our members. There has never been a better time to be a part of Connexus Credit Union. We thank you and your family for your membership and we greatly appreciate your continued loyalty.

Sincerely,

Ron Dins
Board Chair

THE BOARD OF DIRECTORS
Ron Dins, Chair; Mark Steinberg, Vice Chair; Kim Smith, Secretary
Lyle Beck, Steve Derebey, Gary Klingbeil, Thomas Seuntjens, Steve Zeinemann

Connexus
Family Values

INTEGRITY
Do what’s right.
No matter the situation, big or small, internal or external, we handle situations ethically.

RESPECT
Value each other.
Every employee is part of the Connexus family, and as a family, we treat each other and our members with warmth and kindness.

OPEN & HONEST COMMUNICATION
Avoid surprises.
Whether we’re communicating with each other or with members, we are always building loyalty through trust and transparency.

WORK HARD/PLAY HARD
Seek balance.
Though we’re 100% dedicated to our mission, we don’t take ourselves too seriously—creating a culture of passion and fun.

LEARN & GROW
Invest in you.
We take time to develop our skills and challenge the status quo because it pushes us to always be better.

SYNERGY
Achieve together.
As individuals, we’re incredibly talented, but as a family, much more is possible — we work together and succeed together.

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