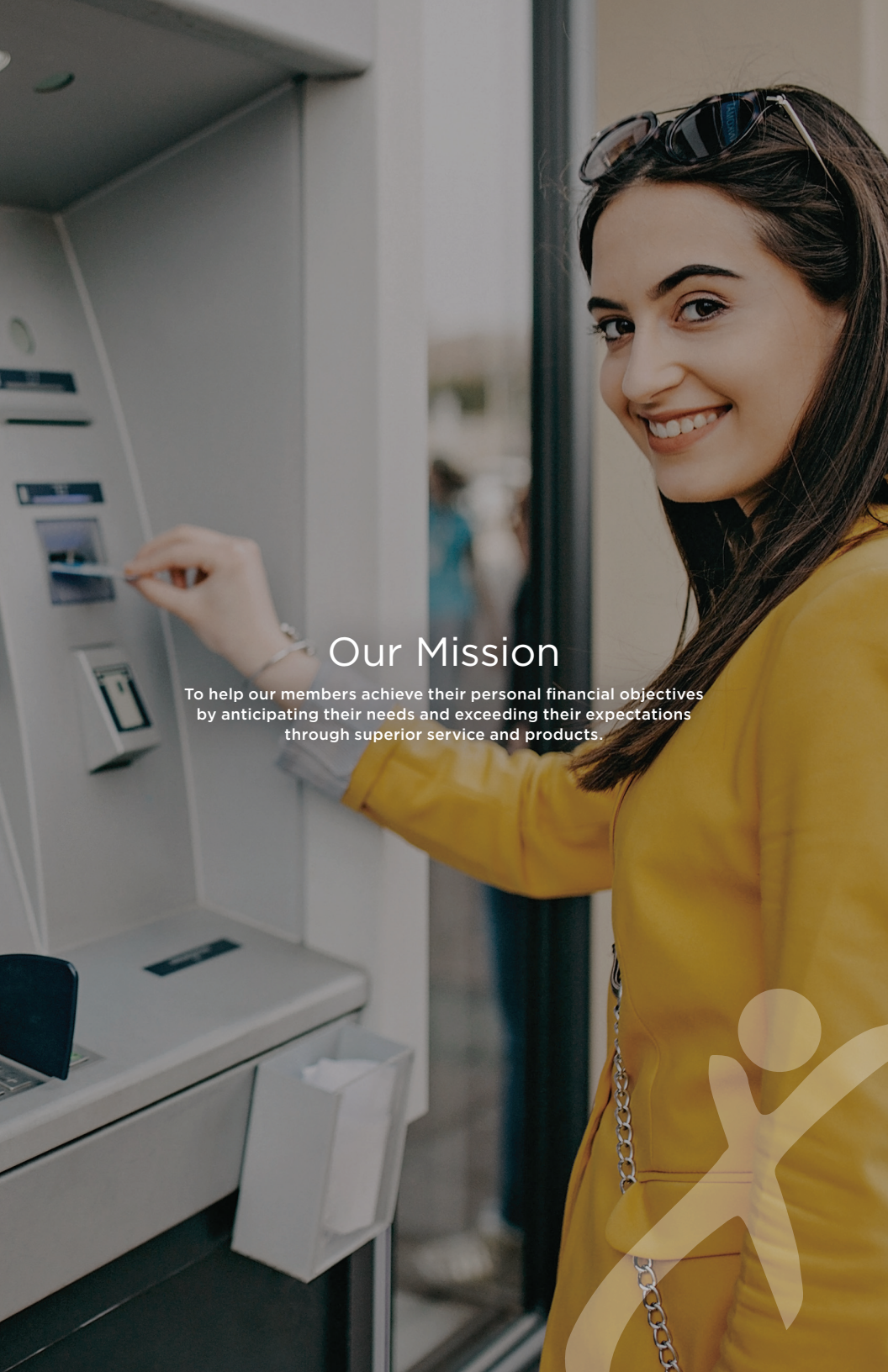


2019 Annual Report





Our Mission

To help our members achieve their personal financial objectives by anticipating their needs and exceeding their expectations through superior service and products.

Our Values



Integrity

We do what's right, demonstrating our core values and ethics to earn (and keep) the trust of our members.

Respect

We value our members, and each other, and commit to fostering a member-focused environment.



Open & Honest Communication

We uphold our members' privacy and security, while addressing their financial needs quickly and effectively.

Work Hard/Play Hard

We prioritize a healthy balance of work and life, so our employees can focus on doing their best work for our members.



Learn & Grow

We seek out opportunities to invest in our members through continuous training and education.

Synergy

We achieve together - our members' financial successes are our successes, and we want to be with them every step of the way.



A Message from Your President & Board Chair

Connexus Credit Union experienced another excellent year in 2019, with substantial accomplishments that helped improve the lives of our members, employees, and the communities in which we serve. Each achievement began as a question: "How can we make a positive impact while remaining steadfast in our commitment to deliver valuable financial products and services?" The answers to this question are highlighted in the forthcoming pages, which include high deposit yields, low loan rates, member-focused checking account enhancements, meaningful investments in our talent, thoughtful giveback to our communities, and more.

On the heels of such an exceptional year for Connexus, we'd be remiss if we didn't first acknowledge the current state of our nation in 2020, before we recognize our accomplishments from the prior year. As this report is being completed, we are experiencing adversity and uncertainty around the coronavirus pandemic, and continue to take steps to overcome the challenges we've faced as a result. Since the initial reports of COVID-19 entering the U.S., Connexus took swift action to keep our employees, members, business partners, and community residents safe. We deployed 320 employees to work remotely while ensuring operations and member-facing services continue to run safely and smoothly. Our Digital Banking platform experienced an immediate 25% increase in usage and, as always, remained available 24/7 for our more than 180,000 member-users. Throughout this period of uncertainty, we have remained available for our members while ensuring our employees have retained their employment. In addition, we remain financially strong and continue to grow. We will undoubtedly look back on this time knowing we did what was right - a feat of resilience that made us even stronger.

Now, as we look back at 2019, we have a renewed appreciation for the many things we have accomplished together. Connexus experienced superior results, ending 2019 with assets exceeding \$2.67 billion and 362,634 valued members, who received more than \$6.9 million in dividends and saved almost \$400,000 in reduced/eliminated fees. Connexus also raised and donated a record-setting \$83,263 to the American Cancer Society's Relay for Life, distinguishing us as the #1 fundraising team in Wisconsin for the third straight year, while simultaneously receiving recognition as a Best Credit Union by both NerdWallet and Kiplinger Personal Finance. Connexus remains financially strong and well positioned for a successful 2020 thanks to the efforts of our employees and support of our member-owners.

Among last year's highlights, one of the most prideful for the organization was the launch of Connexus Cares - our philanthropic program for charitable giving. The goal for its inaugural year was to donate \$1 million to organizations that help the most vulnerable

in our communities. We're thrilled to report we succeeded in doing just that, and set the bar high for years to come. Giving back was about more than just financial support; in fact, Connexus employees completed 2,694 hours of volunteer time in 2019. Whether employees organized clothing closets for United Way, built furniture for Habitat for Humanity, packaged food and stocked shelves for local pantries, or donated and wrapped gifts for those less fortunate, they made a difference in our communities, and it's a true testament to what we can do together as an organization.

Looking forward to the year ahead, we have great confidence in the direction of the organization and the strategic vision we work to achieve. With sustained growth and profitability, it's also our responsibility to continuously evaluate and enhance each pillar of our organization in order to provide the commitment to excellence that our members, employees, and communities deserve - and that's exactly what we are prepared to do.

The future has never been brighter for Connexus, and we thank our valued member-owners for both their loyalty and their trust.

Regards,



Boyd Gustke
President & Chief Executive Officer



Ron Dins
Board Chair

2019 Highlights

Nationally Recognized



Named 2019 Best Credit Union Runner Up by Kiplinger



One of 2019's Top Checking Accounts for Xtraordinary Checking by NerdWallet



Ranked #3 Financial Institution for Certificate Investors by Deposit Accounts



Ranked #1 for Best HELOC Rates by The Balance

Helping Our Members

\$6,987,006

Earned by members as interest dividends

-30%

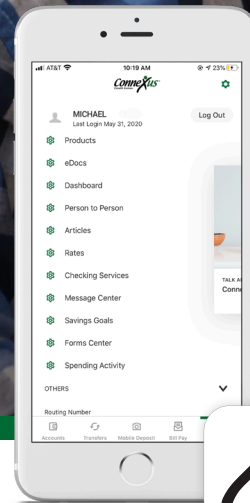
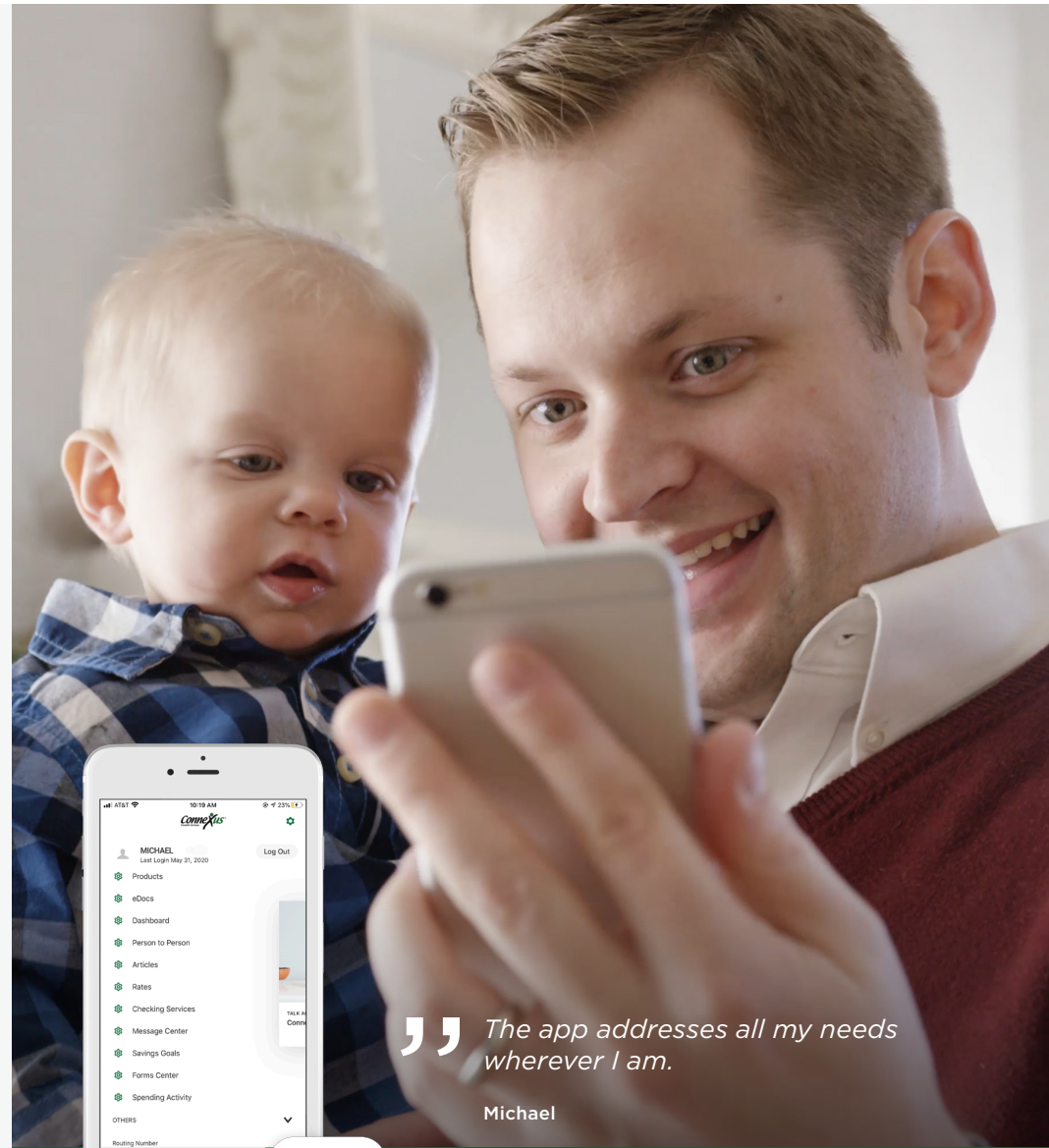
Reduced/eliminated fees saving members almost \$400,000



Added 31,941 new members, bringing total membership to over 360,000

+54%

Increase in mobile Digital Banking logins



” The app addresses all my needs wherever I am.

Michael



Connexus Cares by the Numbers

Connexus Cares surpassed **\$1 million in donations in its first year of operation.**



\$1,000,159

Total donations



Operation Bootstrap is the principle food bank for Portage County, WI.

Food donations to non-profits is a core purpose of Connexus Cares.



1,000,000+

Pounds of food provided to pantries



Connexus employee volunteering at a food pantry.

Supporting Employee Volunteerism

All full-time Connexus employees get 16 hours of paid Volunteer Time Off (VTO) to use throughout the year. The estimated national value for each volunteer hour in 2018 was \$25.43*. Using that factor, our employees accounted for \$68,508 in workforce wages saved for local non-profit organizations.

**Reference: Independent Sector*

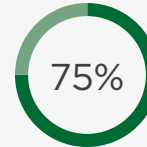


2,694

Total VTO hours invested by employees



Connexus volunteers at the Hmong American Center in Wausau, WI.



Of employees utilized some or all of their VTO hours



1,750

Care packages were sent to soldiers in partnership with Operation Gratitude



Employees creating care packages for the men and women serving overseas at the 2019 Connexus Convention.

Connexus Cares by the Numbers

Focused Giving to Meet Community Needs



\$239,314

National Charities With a Local Impact such as:

- » GiGi's Playhouse
- » Children's Minnesota Hospital
- » Ronald McDonald House
- » United Way of the Greater Seacoast



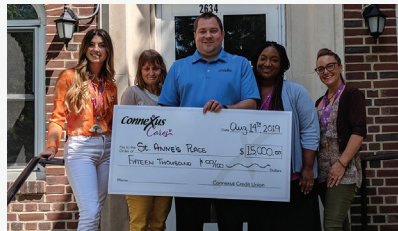
Ronald McDonald House in Marshfield, WI.



\$267,082

Shelters such as:

- » Bridge Street Mission
- » Homeless Youth
- » Shelterhouse
- » Cross Roads House



St. Anne's Place emergency shelter in Minneapolis, MN.



\$252,978

Food Pantries such as:

- » South Wood Emerging Pantry Shelf (SWEPS)
- » Food Group
- » Freestore Foodbank
- » Gather



Gather food pantry in Portsmouth, NH.

Connexus is proud to be the sole presenting sponsor for the American Cancer Society Relay for Life in Wausau, WI.



Connexus ranks high as a fundraising team.



#1

of 1,293 Wisconsin teams



#1

of 6,701 teams in the North Region



#31

of 60,036 teams across the country



2019 American Cancer Society Relay for Life in Wausau, WI.



\$44,125

Raised for Relay for Life during the annual Connexus Invitational



2019 Connexus Invitational at SentryWorld Golf Course in Stevens Point, WI.

2019 Financial Summary

Balance Sheet	2018	2019
Assets		
Cash & Investments	\$ 245,956,574	\$ 190,331,110
Member Loans	1,927,953,618	2,369,922,193
Fixed Assets, Net	12,987,434	10,856,429
NCUA Insurance Deposits	15,692,642	20,725,536
Other Assets	72,033,916	83,796,819
Total Assets	\$ 2,274,624,184	\$ 2,675,632,087
Liabilities		
Members' Share & Savings Accounts	\$ 1,992,075,174	\$ 2,351,909,150
Borrowed Funds	30,043,391	30,043,315
Accrued Expenses & Other Liabilities	15,678,997	22,123,480
Total Liabilities	2,037,797,562	2,404,075,945
Member's Equity		
Regular Reserves	11,011,690	11,011,690
Undivided Earnings	123,592,561	158,186,786
Acquired Equity	102,000,000	102,000,000
Accumulated Other Comprehensive Income (Loss)	222,371	357,666
Total Members' Equity	236,826,622	271,556,142
Total Liabilities and Members' Equity	\$ 2,274,624,184	\$ 2,675,632,087
Income Statement		
Interest Income		
Member Loans	\$ 104,288,934	\$ 154,587,699
Investments	2,432,114	5,702,304
Total Interest Income	106,721,048	160,290,003
Interest Expense		
Members' Account	24,396,561	47,014,730
Borrowed Funds	800,927	510,726
Total Interest Expense	25,197,488	47,525,456
Net Interest Income	81,523,560	112,764,547
Provision for Loan Losses	5,802,669	8,205,724
Net Interest Income After Provision for Loan Losses	75,720,891	104,558,823
Non-Interest Income		
	21,812,385	23,606,956
Non-Interest Expense		
	65,191,152	93,571,539
Net Income	\$ 32,342,124	\$ 34,594,240

Senior Leadership Team

Boyd Gustke

President & Chief Executive Officer

Chad Rogers

Executive Vice President & Chief Operating Officer

Jessica Huggenvik

Chief Human Resources Officer

Eric Huseby

Chief Lending Officer

Mary Burgoyne

Chief Financial Officer

Daryl Gessler

Chief Risk Officer

Claire Meney

Senior Vice President of Member Experience

LaMont Bonham

Senior Vice President of Enterprise Risk Management

Sheila Polak

Senior Vice President of Finance

Paul Zyla

Senior Vice President of Business Technology

2018 financials have been audited by CliftonLarsenAllen LLP.

2019 financials have been approved by the Connexus Board of Directors and are currently in the required audit process with CliftonLarsenAllen LLP. Supervisory Committee: Alita Lobner (Chair), Ron Dins, Shanna Yonke, Todd McDonald, and Tom Seuntjens. Federally Insured by NCUA.

Board of Directors



Ron Dins
Board Chair



Kim Smith
Vice Chair



Kelsi Seubert
Secretary



Alita Lobner
Treasurer



Todd McDonald
Director



Steve Zeinemann
Director



Thomas Seuntjens
Director



Shanna Yonke
Director



Steven C. Derebey
Director

Ron Dins
Board Chair

Ron has been an employee of Liberty Mutual Insurance (previously Wausau Insurance) and a Connexus member for over 40 years. In his current role as a Regional Facility Manager with the Liberty Real Estate Services Group, he is responsible for the maintenance and operation of a portfolio of Liberty buildings across the country. He has been on the Connexus Board of Directors for 9 years, serving several years as Vice Chair, and for the last two years as Board Chair.

Alita Lobner
Treasurer

Alita joined the Connexus Board of Directors in 2018. She was previously the Board Secretary for Bull's Eye Credit Union. Alita's 27 years of experience at Verso Corporation included various roles in finance, holding the position of Senior Financial Analyst at the time of her retirement.

Thomas Seuntjens
Director

Thomas joined the Connexus Board of Directors in 2014. Previously, Thomas was a Chair and Director for Endura Federal Credit Union in Minneapolis. Prior to his civilian career, he was a finance officer in the U.S. Army. Thomas is a retired executive of Honeywell International with 33 years of experience in finance, with responsibilities on a global scale for treasury, risk management, and accounting.

Kim Smith
Vice Chair

Kim currently serves as Vice Chair, and has held previous posts as Director and Board Secretary dating back to 2016. She also served as Board Chair for Cintel Federal Credit Union prior to Cintel merging with Connexus. Her 39-year career at Cincinnati Bell included many roles in Customer Service, Finance, and Human Resources, where she was the Senior Director of HR Operations and Compensation at the time of her retirement.

Todd McDonald
Director

Todd joined the Connexus Board of Directors in 2011. Professionally, he has more than 20 years of experience in design, utility coordination, and project management roles at leading civil engineering consulting firms such as Mi-Tech, Becher Hoppe, Graef, and Terra Resources.

Shanna Yonke
Director

Shanna has served as a Director on the Connexus Board of Directors since 2018, and she previously served as a Board Associate in 2017. Shanna has spent the last six years as an attorney at Ruder Ware, L.L.S.C., in Wausau, Wisconsin, where she focuses her law practice on trust, estate, and business succession planning.

Kelsi Seubert
Secretary

Kelsi has been a Connexus Board Director since 2018, previously having served as a Board Associate. She currently serves as the Marketing & Public Relations Coordinator at Northcentral Technical College (NTC), where she has spent the last four years. Prior to her time at NTC, Kelsi spent her career in media at WAOW TV-9.

Steve Zeinemann
Director

Steve currently serves as a Director, having previously served as the Board Chair during his many years with the Connexus Board of Directors. Steve has spent the last 8 years as a Financial Associate with Thrivent Financial. Prior to joining Thrivent Financial, he served in a variety of management positions at Liberty Mutual such as Service Operations Manager and Manager of Software Development.

Steven C. Derebey
Director

Steven has been a Board Director since October of 2015. Previously, Steve served as Chairman of the Board for the Air Line Pilots Association Federal Credit Union that merged with Connexus in 2015. Steve retired in 2016 as a Captain at United Airlines after a 42-year career in aviation.

