



DUPAGE
Credit Union

| Annual Report



MAKING AN IMPACT

MAKING AN IMPACT



BACKPACKS DISTRIBUTED TO DUPAGE REGIONAL OFFICE OF EDUCATION (ROE) FAMILIES IN NEED AT THE 2014 CATHOLIC CHARITIES BACK-TO-SCHOOL FAIR

Table of Contents

| | |
|--|----|
| Value of Membership and Core Values | 3 |
| Making an Impact for 58 Years | 4 |
| 12 Months of Impactful Prizes | 5 |
| 500 Students Impacted Through Advocacy Efforts | 6 |
| Positively Impacting 33,820 Members | 7 |
| Message From the President | 8 |
| Message From the Board Chair | 11 |
| Supervisory Committee Report | 13 |
| 2014 Financial Statements | 15 |
| Board of Directors | 17 |
| Member Resources | 18 |



NAPERVILLE BRANCH OFFICE TEAM MEMBERS

Value of Membership

Member-Driven Philosophy

Most general beliefs, concepts and attitude of the DuPage Credit Union Team.

Value Proposition

We the Credit Union, as a financial cooperative, will earn your trust and confidence by establishing and expanding relationships to deliver mutually beneficial solutions now and into the future.



OPERATIONS CENTER TEAM MEMBERS

Core Values

Service – We believe in exceeding Members' expectations through Team Member excellence and quality standards.

Integrity – We believe that integrity is one of the basic foundations of the Credit Union. Above all, Team Members are expected to be honest, reliable and loyal in their business relationships with Members.

Image – We believe the image of the Credit Union must be the highest level. Our enthusiasm and pride in the Credit Union reflects on the total organization.

Care – We believe that genuine care and concern for our Members' needs are essential to building relationships. This care and concern is primary to all decision making.



Making an Impact for 58 Years

For **58 years**, the Credit Union Team has strived to impact the lives of Members by delivering exceptional service with every interaction. It is this personal touch and trustworthiness that Members mention when talking about Credit Union Membership.



12 Months of Impactful Prizes

Throughout our year-long **12 Months, 12 Prizes** celebration, **12** lucky Members won amazing prizes just for using their Visa® Debit Card. Prizes included an HDTV, tickets to professional sporting events, a spa day and an iPad Air™ – just to name a few. We enjoyed seeing the excitement it brought to Members so much so we've decided to continue the celebration in 2015.



500 Students Impacted Through Advocacy Efforts

Five hundred DuPage County high school students in need received backpacks stuffed with the necessary school supplies through the Credit Union's *We've Got Your Back* fundraiser. Collaborating with the DuPage Regional Office of Education, the Credit Union held multiple fundraisers and raised **\$9,800** to purchase the supplies, which were then hand delivered during a local Back-to-School Fair.



Positively Impacting 33,820 Members

| | |
|------|--------|
| 2014 | 33,820 |
| 2013 | 33,201 |
| 2012 | 33,164 |
| 2011 | 31,806 |
| 2010 | 30,754 |

2010-2014 Total Members

Positively impacting our Members lives has always been the inspiration for future enhancements. Energized by growing technology and industry trends, Members can look forward to a more intuitive and personal banking experience. Be on the lookout in 2015 as we began paving the way for these plans in 2014.

MESSAGE FROM THE PRESIDENT

Making an Impact in 2014



Diane Shelton
President & CEO

In 2014, DuPage Credit Union continued to build on an already strong financial foundation, while still managing to make a positive impact in the community and beyond. We also committed to focusing more attention and resources to employing new technologies to improve the overall Member experience and to create a more memorable banking experience.

The improvements to our financial position included an increase in our net equity ratio from 6.32% to 6.88%. This expansion was driven by strong net earnings totaling more than \$2.4 million for the year. This type of financial success builds a great foundation that provides us with the resources necessary to reinvest in the Member experience.

One of the ways our business continues to evolve rapidly and profoundly is through the digital channel. This channel includes the internet, online and mobile banking platforms. DuPage Credit Union's vision is to provide Members with a rich and seamless digital experience. This will become very evident when we introduce our new and drastically improved website in 2015 along with many more enhancements to our digital channels.

Making an Impact in Our Communities

Our new charitable program, *DuPage CUgives*, was launched in 2014 and was a great success. This program made a very positive impact in a number of areas and provided support to the following causes:

We've Got Your Back Backpack Campaign – Almost **\$10,000** was raised which was then used to purchase backpacks filled with school supplies that were given to local high school students in need.

Relay for Life – Over **\$5,000** was raised for the American Cancer Society's Relay for Life, earning the Credit Union the Silver Fundraising designation.

Breast Cancer Charities – Our Team once again participated in the Lee National Denim Day, and donated **\$580** to help support breast cancer research.

Loaves & Fishes – Over **400** pounds of non-perishable food items and over **\$800** was collected to feed needy families.

Adopt-A-Platoon – Team Members donated

more than **\$600** to fill holiday stockings which were then delivered to members of our military who were serving overseas during the holiday season.

Holiday Cards for the Troops - Team Members and their families wrote and then mailed more than **150** holiday cards to members of the U.S. armed forces to provide them with a little holiday cheer.

Adopt-A-Family – More than **\$400** was collected to purchase Christmas gifts for two local families in need.

We invite you to visit our website at **dupagecu.com** for updates on all of our current fundraising efforts.

Minimizing the Impact of Data Breaches

The phenomenon of the data breach has become an all-too-common occurrence in the twenty-first century. While DuPage Credit Union has gone to great lengths to assure the safety of our Member information, many merchants did not extend the same courtesy to their customers. As a result, we have found it necessary to reissue literally thousands of

credit and debit cards that were compromised in these merchant breaches. Whenever we receive notification of a breach, our Card Services Team works diligently to determine what action needs to be taken to notify our Members and replace any compromised cards. We do all this while maintaining a focus on providing quality service while minimizing any negative impact.

In continuing our focus on Member data security, we will begin issuing credit cards with the latest microchip technology in 2015. These cards will improve information security by employing a microchip which is physically embedded within the card itself. The vital card data is stored on this encrypted chip, making the theft of confidential card information much more difficult when compared to magnetic stripe cards.

Making an Impact in the Home Loan Industry

There is no question that real estate markets were severely impacted during this most recent economic recession. However, this area has shown significant signs of improvement over the last few years, and is being further bolstered by historically low interest rates. These

improvements mean that homeowners are once again able to take advantage of the outstanding products available in residential lending. To respond to these market improvements, DuPage Credit Union created new products, and improved some old ones to meet our Members' home financing needs:

Mortgage Care-N-Tee – The satisfaction of our Members has always been of the highest priority. To further prove our resolve in these efforts, we have created a program we call our Mortgage Care-N-Tee. Through this program we guarantee that the Member's loan will close no later than the originally agreed upon date.

Mortgage TERM-inator – We created these loans to provide our Members with a way to shorten the term on their mortgage, and in some cases, even lower their payment.

Single-Family Investment Property Financing In response to the needs of our Membership, we have begun providing financing for properties in Illinois that were purchased as an investment or as a source of rental income.

During 2014 we also expanded our mortgage lending capabilities, updated our very successful home equity loan program and hosted our first

Home Design Open House where Members learned how to plan and budget for future home improvement projects.

Other 2014 Highlights

12 Months, 12 Prizes – During each month of 2014, one of our DuPage Credit Union Visa® Debit Card users received an amazing prize just for using their card when making purchases. This program made it possible for us to further reward our Members, while encouraging use of the debit card.

Seminars – As in years past, we hosted a number of educational seminars designed to help our Members make smarter buying decisions when purchasing homes or automobiles.

Webinars – In 2014, we initiated educational webinars that our Members could participate in from the comfort of their home or office, or anywhere they have an internet connection.

Online Account Opening – A new online account opening system was launched to provide a quicker and more convenient way to apply for Membership. By transforming the account opening process to an online experience, we have significantly reduced our processing time

and dramatically improved efficiency.

IdentitySecure® – In keeping with our focus on the security of our Members' personal information, we began offering identity theft protection services as an additional Member benefit.

Making an Impact in the Future

As we look ahead to 2015, the building of the Member experience will continue to be our primary focus. This includes creating new products and services that will reflect the most recent technological advances, while continuing to make every effort to assure the safety and security of our Members' confidential information. The trust that you have shown in our organization creates great motivation to continue to serve our Members' financial needs and to create a memorable banking experience.

Thank You

I would like to personally acknowledge William Shields who served on the Board in 2014 and David Morlock who served on the Supervisory Committee since March of 2011 and was a Board Member from March of 2011 through March of 2014. Both Bill and Dave have decided not

to return for another term. We would like to thank them for years of Membership but more importantly for their support of the Credit Union. We wish you luck in any future endeavor.

I would also like to take this opportunity to extend a very sincere thank you to our Board of Directors and to the Supervisory Committee for their willingness to serve and for the many hours they devote to their duties. The success of this organization begins with their leadership and is further bolstered by the dedication they demonstrate on a continuing basis to our Team and our Members.

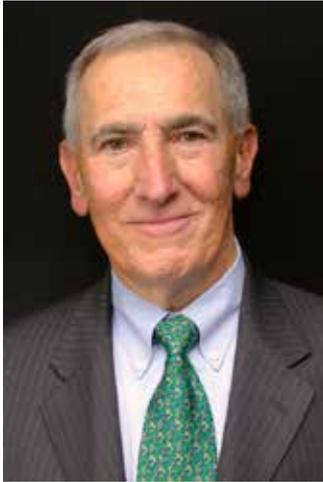
Best wishes,



Diane M. Shelton
President/CEO

MESSAGE FROM THE BOARD CHAIR

Your Credit Union Enjoyed Great Success In 2014



Larry Kammes
Chairman

During the year, we continued to strengthen our capital foundation, despite continuing asset growth and escalating regulatory requirements. We also posted a healthy net gain for the year despite the continuation of the low interest rate environment. Our continued success is due, in no small part, to the tremendous effort and determination put forth by our Team. Their hard work and dedication have made, and will no doubt continue to make, this Credit Union a strong and viable financial institution for generations to come. Of course, all of this would mean nothing if not for the confidence and trust extended to us by our very loyal Membership. We look forward to continuing and even expanding this most valuable relationship as the financial services industry evolves in the coming years.

Risk-Based Capital

The National Credit Union Administration (NCUA) released a proposal in 2014 that would significantly alter the way a credit union calculates and measures its capital position. The proposal, referred to as Risk-Based Capital, requires credit unions to classify their different assets according to the risk inherent in each asset and then measure them against the dollars in the capital account. The original proposal was quite burdensome and was not well received in the industry. The NCUA has agreed to issue an updated proposal in 2015 that would be more reflective of the true risks present in the credit union industry. Ultimately the Credit Union will be in a good position as we have been preparing our operation to meet the new standards as they are set forth.

Industry Evolution

The financial services industry is always evolving. But now, with all of the technology available, that evolution occurs in a much more rapid fashion than it ever has before. The way in which consumers pay for goods and services took a rather dramatic turn in 2014 with the introduction of a new payment option called Apple Pay™. This service allows Apple® mobile device users to make payments at designated retailers. Mobile banking is also going through its own evolution with the addition of mobile bill payment amongst other enhancements, and many believe it will become the option of choice for most consumers. During 2014, we made plans and preparations so that in 2015 we are ready to respond to this evolution. Future plans for 2015 include the unveiling of a new website, online loan application acceptance and the ability for Members to make payments via their DuPage Credit Union Credit Card through Apple Pay. This list is not all inclusive as we continuously search for additional ways to make banking at the Credit Union effortless.

Training and Development

Over the past several years we have chosen to recommit ourselves to providing our Volunteers

and Team Members with opportunities to expand their knowledge and prepare themselves to better serve our Members. This will continue into 2015 with regularly scheduled training opportunities for our Board of Directors and Committee Members and brand and service training for our Team. All of this is on top of our already extensive planning process. Careful and comprehensive planning has been the cornerstone in creating the success and stability this Credit Union has enjoyed.

Member Commitment

The Board of Directors and its Committees continue to meet on a regular basis in an effort to fulfill their fiduciary responsibilities. The 57th Annual Meeting of Members was held in March 2014. The Organizational Meeting of the Board of Directors was held immediately following that meeting and the Board met on a monthly basis throughout the year. The Executive Committee met on a monthly basis while the Asset Liability Management Committee met at least twice each month. The Supervisory Committee met quarterly, which included meetings with our Certified Public Accountants and Regulatory Examiners.

Conclusion

The Credit Union's Board of Directors is comprised entirely of volunteers who dedicate their time, energy and talents in helping the Credit Union continue to achieve success. I consider it a great honor to have served the Members of this Credit Union as Chairman of the Board and I look forward to serving in the coming year. On behalf of the Board of Directors, I thank you for supporting DuPage Credit Union and continuing to share in its success.

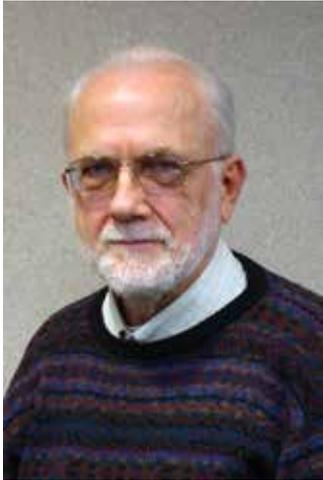
Sincerely,



Lawrence Kammes, Chairman
On behalf of the Board of Directors

2014 SUPERVISORY COMMITTEE REPORT

Earning Member Trust and Confidence For Fifty-Eight Years



Keith Olson
Supervisory Committee

The Supervisory Committee consists of three Members of the Credit Union who are appointed annually by the Board of Directors. The Committee has oversight responsibility for monitoring the business affairs of the Credit Union. In that capacity, the Committee met quarterly during the 2014 term year with Credit Union Team Members and attended various board and strategic planning meetings. The Committee also met with independent auditors, regulatory and share insurance examiners to review reports of operations and internal control.

DuPage Credit Union is an Illinois state-chartered credit union, governed by the Illinois Credit Union Act with regulatory oversight by the Illinois Department of Financial and Professional Regulation's Division of Financial Institutions (IDFPR), Credit Union Section. By law, the Credit Union is required to have an

annual internal audit and external audit of its books and business affairs. An independent public accountant, engaged by the Supervisory Committee, performed these two audits of the Credit Union's operations.

Annual Internal Audit: An internal audit was performed as of October 31, 2014 by the public accounting firm of Selden Fox, LTD. of Oak Brook, Illinois.

Annual External Audit: Selden Fox, Ltd. also performed the external audit. The auditors prepared an independent auditor's unqualified report after auditing the statements of financial condition of the Credit Union as of September 30, 2014 and related statements of income, Members' equity and cash flows for the year. Both reports were submitted in December of 2014 to the IDFPR's Credit Union Section and American Share Insurance (ASI) of Ohio. ASI is the Credit Union's share savings insurer.

The reports were also reviewed in depth with DuPage Credit Union's Board of Directors and Management Team. The firm's audit personnel highly commended the Credit Union's Team for its exceptional cooperation and continued conscientiousness in maintaining the books and records of the Credit Union and related operations. As in the past several years, there were no financial or accounting audit adjustments.

DuPage Credit Union is also required by law to undergo a regulatory examination. The IDFP's Credit Union Section and ASI conducted a joint full examination and one follow-up during the year. A review examination was conducted in May and the results were discussed with the Credit Union's Board of Directors, Management and Supervisory Committee Members. The full examination conducted in December 2014 was based on September 30, 2014 operational and financial results. The examination report was reviewed and discussed with the Board of Directors, Management and Supervisory Committee Members at the January 2015 meeting.

In addition to the annual audit and regulatory examination, the internal and quality control specialists on staff at the Credit Union conducted various compliance, internal and quality control reviews of operations. Their reports and findings were reviewed quarterly by the Committee. Internal audit and compliance reviews of the numerous lending and savings regulations and data security were performed monthly. The independent auditors continually commend the effectiveness of the reviews and corrective action taken. Security reviews were also conducted throughout the year at each Credit Union location by the Internal Control Specialist.

Internal and external intrusion detection audits were performed in 2014 by an independent firm specializing in technology security. These included automated processes that scanned the financial institution's systems and network for commonly exploited vulnerabilities; simulated attacks on the computer systems with the intention of finding security weaknesses and manual reviews of information handling processes and user practices.

The Credit Union again received an excellent report for its technology security systems and processes. Members can be assured that their data and information are well protected from outside sources. I would like to express my appreciation to fellow Committee Members, David Morlock and Michael Dzigan, for their time and commitment throughout the term year. On behalf of the Committee, I would also like to commend the Board of Directors, Management and the entire DuPage Credit Union Team for continuing to provide extraordinary value to our Members.

Sincerely,



Keith Olson
Supervisory Committee

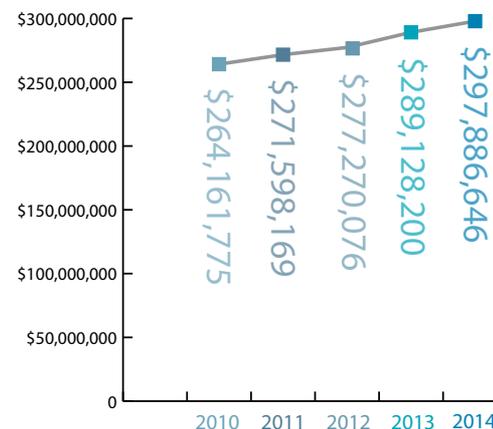
2014 FINANCIAL STATEMENTS

Balance Sheet

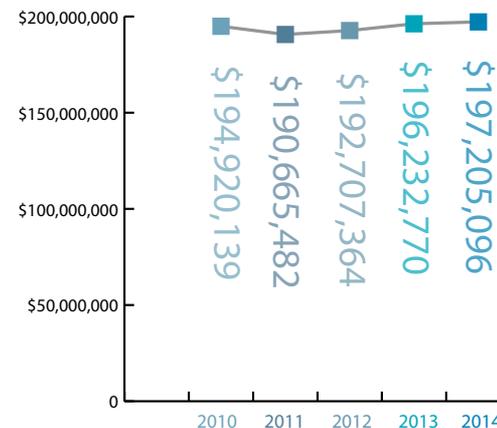
| Assets | 2014 | 2013 |
|---------------------------|----------------------|----------------------|
| Cash and Cash Equivalents | \$56,030,172 | \$63,892,803 |
| Investments | \$27,599,731 | \$11,947,714 |
| Loans to Members | \$197,205,096 | \$196,232,770 |
| Allowance For Loan Loss | -\$3,266,319 | -\$4,694,832 |
| Building & Land | \$8,059,644 | \$8,264,282 |
| Other Fixed Assets | \$733,093 | \$724,488 |
| Accrued Interest on Loans | \$669,068 | \$690,356 |
| Other Assets | \$10,856,161 | \$12,070,619 |
| Total Assets | \$297,886,646 | \$289,128,200 |

| Liabilities & Member Equity | 2014 | 2013 |
|---------------------------------------|----------------------|----------------------|
| Accounts Payable | \$1,276,483 | \$1,976,968 |
| Other Liabilities | \$1,595,906 | \$1,039,105 |
| Member Savings | \$274,507,757 | \$268,034,545 |
| Reserves & Undivided Earnings | \$20,506,500 | \$18,077,583 |
| Total Liabilities & Equity | \$297,886,646 | \$289,128,200 |

2010-2014 Total Assets



2010-2014 Total Loans to Members

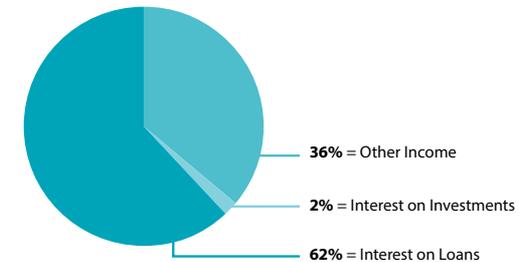


Income and Expenses

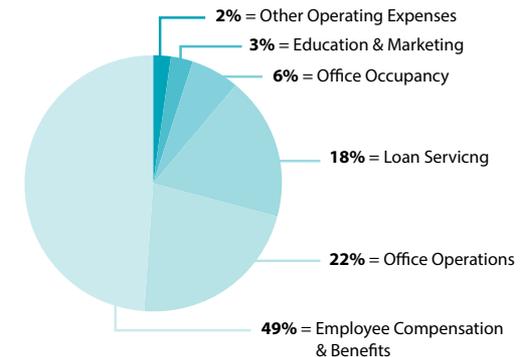
| Income | 2014 | 2013 |
|-------------------------------|---------------------|---------------------|
| Interest on Loans | 9,766,856 | 10,285,283 |
| Interest on Investments | 340,932 | 213,143 |
| Operating Fees & Other Income | 5,602,173 | 7,258,784 |
| Total Income | \$15,709,960 | \$17,757,210 |

| Expense | 2014 | 2013 |
|----------------------------------|-------------------|-------------------|
| Dividends on Member Savings | 135,557 | 231,654 |
| Provision for Loan Loss | -673,097 | 393,292 |
| Employee Compensation & Benefits | 6,802,187 | 6,998,874 |
| Travel & Conference | 8,150 | 13,281 |
| Office Occupancy | 823,352 | 861,453 |
| Office Operations | 3,090,347 | 2,948,532 |
| Education & Marketing | 455,641 | 367,976 |
| Loan Servicing | 2,446,239 | 2,494,339 |
| Professional & Outside Services | 140,616 | 102,587 |
| Regulatory Fees | 53,561 | 68,060 |
| Misc. Operating | -1,511 | 294,603 |
| Total Expense | 13,281,043 | 14,774,652 |
| Net Income | 2,428,917 | 2,982,559 |

Sources of Income



Distribution of Operating Expenses



BOARD OF DIRECTORS & COMMITTEE MEMBERS

Board Members

Lawrence C. Kammes, Chairman
Debra Ragusa, Vice Chairman
William S. Hicks, Secretary
Gretchen Lewis, Treasurer
Mark Dwyer
Michael G. Dzugan
Dr. William Shields

Executive Committee

Lawrence C. Kammes, Chairman
Debra Ragusa, Vice Chairman
William S. Hicks, Secretary
Gretchen Lewis, Alternate
and Treasurer

Supervisory Committee

Keith Olson, Chairman
Michael G. Dzugan
David Morlock

Asset Liability Management Committee (ALCO)

Frank Sposito, Chairman
Amy Brandt
John Dumas
Roberta Kozlowicz
Jennifer Stauber
Gail Mosher, First Alternate
Diane Shelton, Second Alternate

MEMBER RESOURCES

Branch Offices

Bloomingtondale

202 S. Gary Ave., Bloomingtondale, IL 60108

ATM Available

Downers Grove

725 Ogden Ave., Downers Grove, IL 60515

Drive-Thru & ATM Available

Naperville

790 Royal St. George Dr., Naperville, IL 60563

Drive-Thru & ATM Available

Wheaton

625 E. Roosevelt Rd., Wheaton, IL 60187

Drive-Thru & ATM Available

Website / Online Banking

dupagecu.com

Mobile Banking App



Main Number & Automated Phone Banking

630.428.3440 / 800.323.2611

DuPage Mortgage

630.428.3440 / 800.323.2611 and press 2

NMLS Number

445096

Email

emailus@dupagecu.com

Connect With Us



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gplus.to/dupagecu



youtube.com/dupagecu



pinterest.com/dupagecu

Mail

P.O. Box 3930

Naperville, IL 60567-3930

