



2017 ANNUAL REPORT



A MESSAGE FROM THE CHAIRMAN

In 2017, Marine Credit Union grew to serve more members than ever before! On behalf of your Board of Directors, I'm honored to help lead an organization so dedicated to its mission. We granted loans to people to improve their financial situations, many of whom would not have been approved at any other financial institution. We also created jobs inside our infrastructure with a purpose: to improve efficiency within our company and help our employees achieve their goals. Our MCU Foundation progressed to meet even more people's needs than ever before. We remain focused on our mission, to serve the underserved, by producing consistent financial results.

Highlights of our accomplishments include:

- By granting loans in the communities we serve, we increased our loan portfolio to over \$610 million.
- We continued our focus on supporting homeownership in our local communities by helping nearly 1,000 people secure non-conforming home loans who may otherwise not have been able to qualify for financing.
- We welcomed the former customers of Bank Mutual in Kenosha, Racine and Sheboygan following a transaction with five of its branches.
- Our charitable foundation raised over \$380,000 and distributed more than \$158,000 to worthy causes; its endowment fund now exceeds \$500,000.

Thank you all for your continued support and guidance as we continue to grow and make a difference in the lives of thousands of members every year.



Tom Knothe
Chairman of the Board



“ We remain committed to doing the right thing for our members, our employees and our communities. ”

A MESSAGE FROM THE CEO

I'd like to begin by expressing my gratitude to the people who move our mission forward: to our members, who continue to trust and believe that Marine Credit Union can help them reach their goals and create a better future for themselves and their families; to our Board of Directors, who serve our employees and members with an ever-increasing level of commitment to our mission and provide effective leadership as we continue to grow; and finally to our employees, who come to work every day with excitement, passion and the determination to serve our members. I am honored to work with and serve you all.

This report includes many examples from 2017 of our employees' commitment to our mission of serving the underserved. You will read about our team member who helped a mother of three into a newer, safer vehicle for her family. You will read about how our collaboration with two other financial institutions has expanded our Marine team and helped us advance our mission to serve more members in new markets. And you will read about advances in the MCU Foundation. This is why we are here, to serve those who have struggled and need help.

We have grown our leadership team to help support our employees, who can serve more members and families in our communities. Our loan and deposit products have helped those we serve reach their goals. We remain committed to doing the right thing for our members, our employees and our communities.

I have high expectations for our success in 2018 as we continue to grow our teams, improve our business and serve more people in our communities every day.



Shawn L. Hanson
CEO

BOARD OF DIRECTORS

QUALITIES, RESPONSIBILITIES & BENEFITS

Qualities | We expect our Board members to possess:

1. Proven leadership capabilities with investor-owned companies or successful businesses of a significant scale.
2. Recognized experience holding self and others accountable while supporting individuals and ideas.
3. Demonstrated sales and networking skills, with an ability to professionally influence groups while maintaining relationships.
4. Demonstrated commitment to learning and continued improvement of self and others (e.g., advanced degrees, licenses, or certifications).

Responsibilities | We expect our Board members to:

1. Embody leadership competencies and govern through broad policies and objectives that align with the mission and vision of the organization as established by the Board.
2. Evaluate the performance of executives, directors and committee members, and hold them accountable to organizational goals.
3. Have strategic alliances and maintain appropriate government, professional and organizational relationships.
4. Possess knowledge of and act in compliance with the laws of the State of Wisconsin, National Credit Union Association and other regulatory bodies.
5. Demonstrate literacy in finance, accounting, audit, enterprise risk and compliance. Have the ability to analyze financial statements, and contribute to budget, risk, and strategic discussions. Understand the fiduciary responsibilities of a Board member.

Benefits

The size and complexity of this organization continues to grow and requires a knowledgeable, skilled Board of Directors. As a result, Marine Credit Union compensates its Board of Directors. Annual compensation for 2018 is: Board Chair, \$24,000; Vice Chairs, Secretary and Treasurer, \$18,000.

ROBERT CARNEY:

INSPIRED BY THE DREAM, DEDICATED TO THE MISSION

Robert Carney joined the Marine Credit Union Board of Directors in 2003 because he was inspired by a dream. A big dream of what a small credit union could become and the good it could do.

"I firmly believe Marine Credit Union's business model is one that every credit union should have, but only a few do," Robert says. "Credit unions were started to provide credit to those individuals who were ignored by the larger financial institutions. Today, we find individuals being rejected based on an easily obtained and easily applied credit score, which could or could not truly capture a person's credit worthiness."

Inspired by the dream and dedicated to the mission, Robert got engaged quickly as a Board member – and deeply. He has gone on to serve on every committee the Board has had to offer, including many of them as Chair.

"Serving for me is a way of returning to the roots of my pre-professor professional life," says Robert, a former finance professor at the University of Wisconsin – La Crosse. Previous to his tenure at UW-La Crosse, Robert worked for the U.S. Air Force System Command and Martin Marietta Aerospace Corporation (now part of Lockheed Martin), where he was part of a team producing some of the most notable missiles and aircraft at the time.

"At Marine, we have plans to grow significantly over the next decade and spread our mission to serve the underserved within the communities we serve today – and many, many more communities that need our help," Robert says. "To realize our ambitious growth and performance goals, we must have a Board that can contribute deep expertise in specialized skillsets and can also make a significant investment of themselves into shaping the future of the credit union."

As Robert looks to the horizon for the next chapter in the Marine story, he can't help but reflect on how far the Marine dream has come since he joined the Board. Fifteen years, hundreds of employees, and tens of thousands of members later, Robert feels more dedicated than ever to that dream and the mission of Marine.

It's the kind of dream that he and his fellow Board Members remain in perpetual pursuit of: more employee growth, more members served, and more good done in the world.



Robert Carney
Treasurer,
Marine Credit Union



Amelia Dittman
Director,
MCU Foundation



Tom Knothe
Chair,
Marine Credit Union



Michael Linse
Director,
MCU Foundation



William Maas
Director,
Marine Credit Union



Mark Reed
Secretary,
Marine Credit Union



Tonia Rogers
Advisory Director,
Marine Credit Union



William Sacia
Vice Chair,
Marine Credit Union



Anne Snow
Advisory Director,
Marine Credit Union and
Director, MCU Foundation



Richard Swantz
Director,
Marine Credit Union

OUR MISSION BY THE NUMBERS

The Marine Team Mission: Make A Positive Difference in People's Lives!

17,284 people who've received access to funds in 2017 

WHOSE PAST LOOKED LIKE...

 turned away by other banks and credit unions

 only option was to pay 3x the interest on average

THESE ARE PEOPLE WHO...

7% had no previous credit history

43% have credit considered "bad"

WHOSE FUTURE IS NOW...

 **14,176** into cars

 **969** into homes

THE MEANING BEHIND OUR MISSION

In 2017, Marine Credit Union granted \$303 million in loans. We are proud to make loans to borrowers who may be turned away by other lenders. Our goal is to engage people, giving them hope that there is a financial institution where they are more than a credit score. We want to help them succeed. We want to understand who they are and what challenges they face, rather than basing our relationship on a number. The stories on these pages are examples of what we do every single day.

Vanessa Partida | CADOTT, WISCONSIN

Having a reliable vehicle can be life-changing. Sound dramatic? Not to Vanessa Partida, a single mom of three children, including twin fourteen-year-old sons with special needs. "It's not always easy to make the bus on time. If I don't have a vehicle, trying to get them to school is almost impossible," says Vanessa. In fact, she says it's her main connection to the outside world for just about everything: "Activities for the kids, their doctor's appointments – you name it. I have no family or anyone else to take us around. Without a vehicle, we're stuck."

That's exactly why Vanessa had been searching relentlessly for better transportation. For years, she dealt with an unpredictable van that had "problem after problem," she says. But when it came to a vehicle loan, Vanessa says, "I would always get turned down. Always." To make matters worse, she says she often felt like the banks she went to looked down on her and her children.

That all changed when an auto dealership referred Vanessa to Sandra Erickson at Marine Credit Union. Vanessa says Sandra treated her and her kids "like family" and did so much more than help her secure a loan. "She actually helped me find the kind of vehicle I needed," says Vanessa. "She even picked me up to sign the final loan paperwork at Marine and then drove me to the dealership to pick up my new vehicle. What kind of bank does that?"



Vanessa and her children pictured with their Loan Representative, Sandra Erickson (right)

Today, Vanessa says she's able to leave her house to have fun and do more family-oriented activities with her kids – without the stress of an unreliable vehicle. "A huge weight has been lifted off my shoulders. The kids are happier. My credit score has even gone up. Working with Marine has been an amazing experience."



Kim and Mike pictured with their Loan Representative, Cindy McGill (right)

Kim and Mike Ciofani | MILWAUKEE, WISCONSIN

In 2009, Kim and Mike Ciofani's world was turned upside down. As the Great Recession took hold, Mike lost his architecture job, and it quickly became difficult for the couple to make ends meet. Meanwhile, outstanding medical bills loomed. In short, it was a perfect financial storm that forced them to file bankruptcy.

As a cost-saving strategy, Kim and Mike started renting a condo, which eventually led to their landlord offering them a land contract. "It gave us a chance to get back on track and work toward owning the condo ourselves," says Kim. Unfortunately, the amicable arrangement was disrupted when their landlord, due to health problems, turned control of the property over to his son.

And that's when things turned dire. Their new landlord demanded the land contract be paid off in full—no extensions or renegotiations. The couple only had a month-and-a-half to find a solution, or else, as Mike puts it, "All the money and sweat

equity we put into the condo would be for nothing. Worse yet, we were all going to be out on the street, including my 93-year-old father."

Kim says Marine Credit Union was "the only lending institution willing to work with us." More specifically, she says Cindy McGill, their loan representative, "worked day and night to help us in a short amount of time. She was also my calming force." Mike adds, "It felt like a roller coaster, but every time a challenge would come up, Cindy would find a way to overcome it."

Ultimately, the couple secured an adjustable-rate mortgage to pay off the land contract. But that's not the end of the story. Kim and Mike say Cindy has helped them see exactly what they need to do to continue improving their credit. They hope to secure a conventional mortgage with Marine in 2018.



Viri and Carlos pictured with their Loan Representative, Monica Reyes Rodriguez (right)

Viri and Carlos Ramirez | DES MOINES, IOWA

For a better future, Carlos and Viri Ramirez took a chance. Carlos' tile installation business was doing well, so well in fact that he desperately needed help running it. So Viri left a good-paying position at a bank to help.

Soon enough, with Carlos overseeing projects and Viri handling the day-to-day company responsibilities, the business was functioning better than ever. However, without Viri's income, the couple looked a lot less attractive to lenders, and that was a problem when it came to fulfilling a long-held dream – owning a home in the country.

Viri and Carlos wanted a place with enough space to have a garage for company vans and equipment. But more important, Viri says they imagined a setting where their two-year-old son, Lucas, could have lots of room to play and run free outside.

"Every time I went somewhere for a home loan, they took our basic information, and it was just 'no' right away," recalls Viri. The situation eventually seemed so hopeless that Viri felt her only option was to return to a regular job, which she did not want to do. "We felt stuck," she says.

That was until the couple sat down with Marine Credit Union's Monica Reyes Rodriguez. Viri says, "Monica wanted to understand our vision for buying a home and growing our business." More specifically, Viri says that Monica took the time to pore over their business's financial history and revenue projections, which ultimately led to the couple being approved for a mortgage.

The Ramirez family moved into their home at the end of 2017. "The neighborhood is amazing, and our son has a great environment to grow up in," says Viri. "We're just in love with the house!"

People Helping People: Hurricane Relief Efforts

The credo of credit unions is “people helping people.” Our CEO Shawn Hanson recently made a trip to Port Arthur Teachers Federal Credit Union (PATFCU) to meet CEO Cindy Drummond and offer Marine’s support.

PATFCU was welcomed in by a nearby credit union, Golden Triangle Federal Credit Union, after its branch was destroyed in Hurricane Harvey in August. The #MarineTeam is behind you, PATFCU!



Juntos Avanzamos

In October 2017, Marine Credit Union became the first credit union in Wisconsin to receive the Juntos Avanzamos (Together We Advance) designation.

Juntos Avanzamos recognizes commitments from credit unions seeking to empower the Hispanic consumer and serve the Hispanic market more effectively. To qualify, credit unions must demonstrate that they have flexible loan underwriting and Customer Identification Program policies, offer affordable credit, savings and transaction services, and make their products, services and financial education accessible to Spanish-speakers.

In 2016, Marine introduced ITIN Lending, a program designed for individuals who have an Individual Tax Identification Number but lack a social security number. The program enables them to apply for and potentially receive a loan at Marine Credit Union. Since the program began, Marine has served more than 600 individuals and families, granting more than 400 auto and consumer loans and more than 100 home loans.



ADVANCING OUR MISSION

Acquisition of Five Bank Mutual Branches Opens Door to Serve More Members

In 2017, Marine was presented with the opportunity to acquire multiple branches of Bank Mutual, a financial institution based in Milwaukee, Wisconsin. "We saw a great opportunity to serve more members in new markets," says Katie Tolokken, Marine Credit Union's Senior Vice President of Corporate Operations.

Credit unions purchasing bank branches is a recent and still uncommon phenomenon in the financial sector. However, as Katie explains, Marine's extensive experience with mergers and acquisitions allowed its dedicated, cross-functional merger team to lead the process.

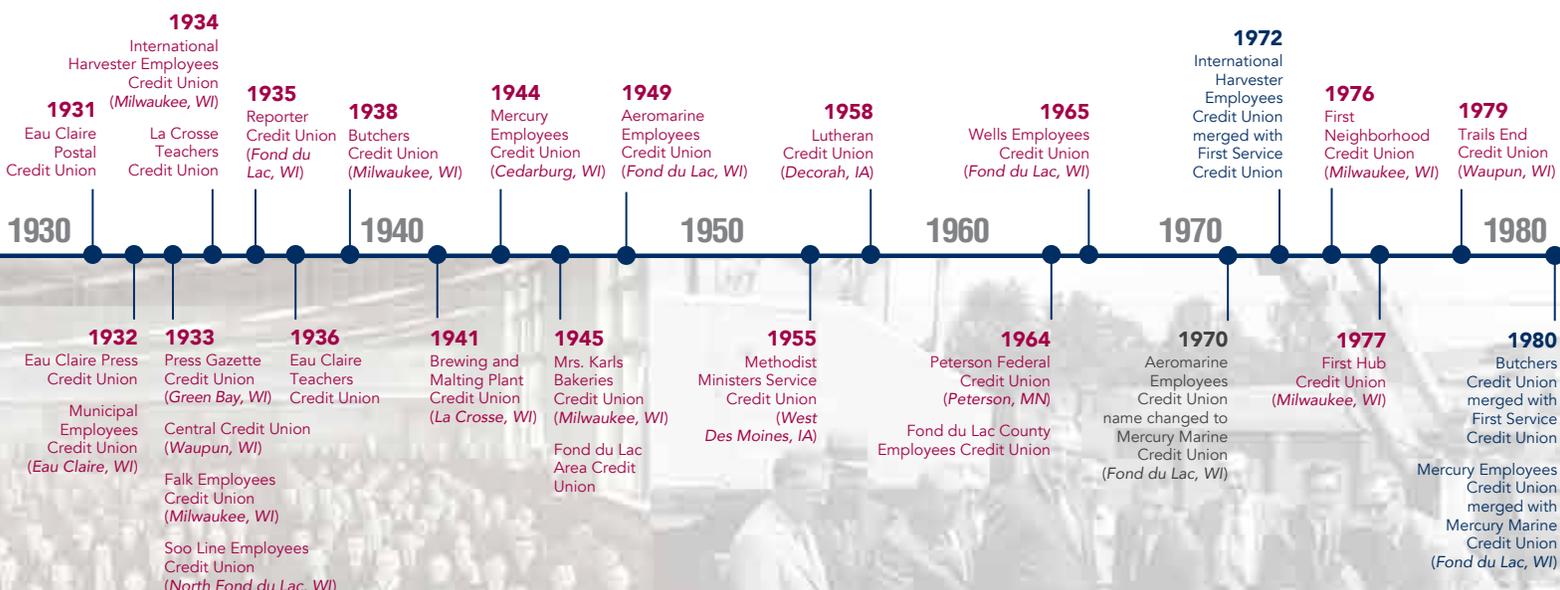
Ultimately, Marine acquired five Bank Mutual branches, one in Kenosha, two in Racine, and a branch and a drive-thru location in Sheboygan.

The implications for the purchases are far-reaching. Marine hired the 20 staff members who previously worked at the Bank Mutual branches, not only securing continued employment for them but also creating opportunities for their career growth. And because

Marine anticipates membership growth at these branches, more staff positions will likely be added in the future.

With the acquisition of the five branches, approximately 3,000 Bank Mutual customers can continue to enjoy the benefits of a financial institution within their communities. Moreover, the acquisitions enable Marine to grow wisely and expand its reach to people in need in those communities. According to Katie, based on Marine's research, "We felt strongly that the Racine, Kenosha, and Sheboygan markets were being underserved."

Doug Newman, formerly a Branch Manager at Bank Mutual, is now a Marine Branch Manager for the Douglas Avenue location in Racine. From his perspective, Marine's process of integrating both employees and customers has not only been smooth – it's been invigorating. "I'm learning new things all the time. Serving the underserved is truly a daily action at Marine, and it's exciting to play a role in such an important mission for the community," says Doug.



OUR HISTORY

■ Charter Date ■ Name Change ■ Merger



Kenosha

Anthony Hubli, Clair Foster, Mary Boris, Rebecca Cohen and Jackully Lollis.



Racine Regency

Joe Zuniga, Kristina Salas, John Bordak and David Lopez.



Racine Douglas

Bruce Lussier, Rhianna Durfee, Angelia Jackson, Zamiria Cosey, Allison Guerrero and Douglas Newman.



Sheboygan

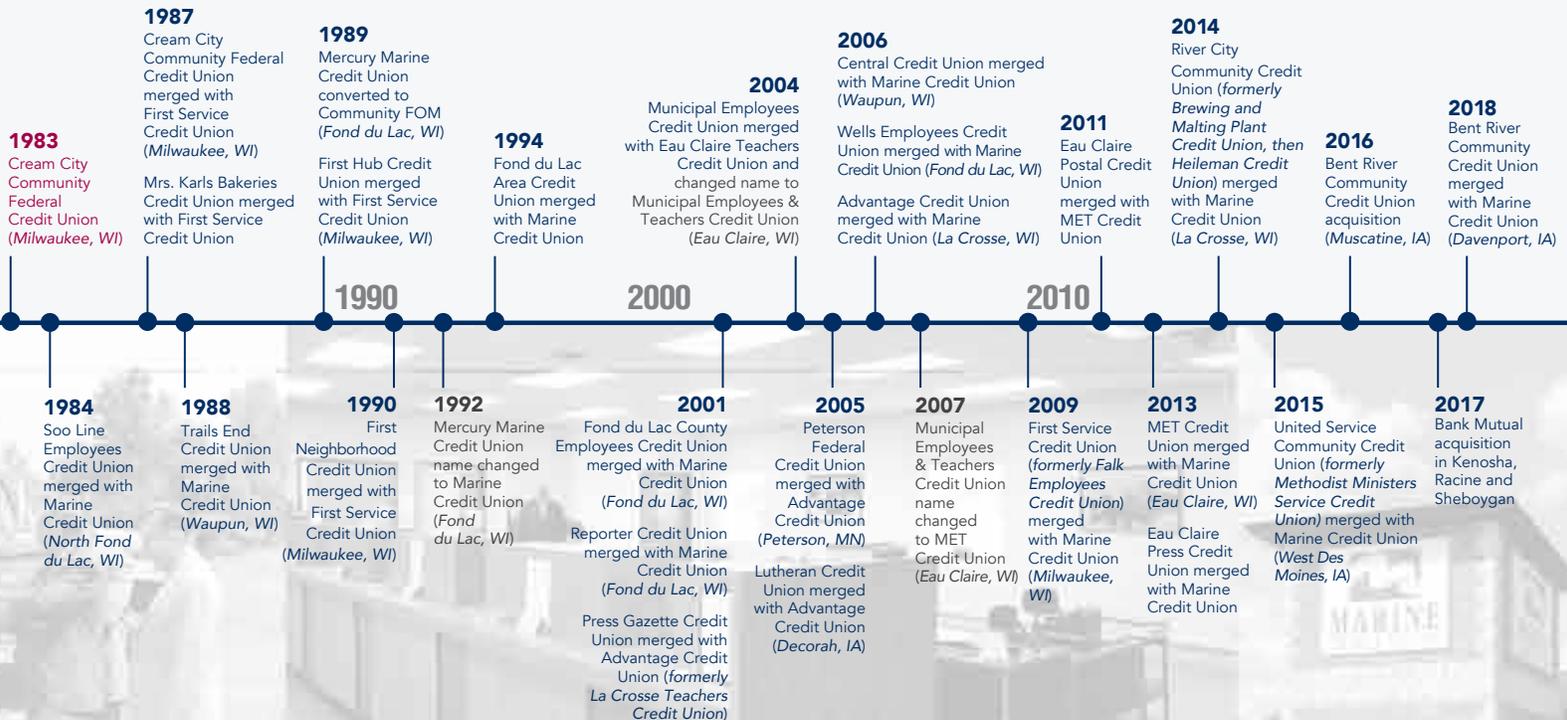
Malissa Trossen, Chris Buboltz, Patricia Ubbelohde, Storme Cooper.
Not pictured: Caleb Eberhart.

Bent River Community Credit Union Merges with Marine

In 2016, Bent River Community Credit Union (BRCCU) partnered with Marine Credit Union in a transaction known as a spin-off, an arrangement in which BRCCU completely transferred its Muscatine, Iowa, branch to Marine. Based largely on the success of that spin-off, BRCCU entered into a full merger agreement with Marine in 2017. The merger involved Marine acquiring BRCCU's remaining branch in Davenport, Iowa, in February 2018.

Randy Hass, former President and Chief Executive Officer of BRCCU, and now SVP of Business Development at Marine, said that both credit unions "share a passion for providing members with the products and services to meet their needs and help them succeed financially. We're both focused on our local communities." Randy will join Marine's leadership team, and the same friendly faces will continue to serve our members at Marine's branch in Davenport.

Marine now has 33 offices serving more than 60,000 members across Wisconsin, Minnesota, Iowa and Illinois.



LIVING OUR MISSION

Sonia McCabe | MEMBER SERVICE SUPERVISOR

Sonia McCabe says that over her 17 years at Marine Credit Union, she's become much more confident. "I've learned to have the courage to put myself out there and take on roles I may have once shied away from," she says. A big reason for that has been the support she's received from her leaders at Marine. "They've encouraged me to push myself and learn new things. I've always felt like someone has been looking out for my best interests," says Sonia.

For example, within her first few years at Marine, Sonia's rigorous attention to detail prompted her supervisor to suggest she interview for an opening with Consumer Loan Services in La Crosse, a Marine subsidiary. Though the position was a significant departure from her previous branch duties, Sonia says she ultimately spent "six awesome years" there, learning a tremendous amount about finance and mortgages in the process.

In fact, Sonia says she might still be there if she hadn't decided to settle down and start a family in Iowa. That meant leaving Consumer Loan Services – but not Marine. Sonia was able to fill an opening for Member Service Supervisor in the Decorah branch. After seven years there, Sonia explains that each day still provides her an opportunity to grow and learn, both professionally and personally.

And for that, she has the members to thank. "Working face-to-face with them every day has not only helped me become more attentive to their needs; it's made me a more humble and compassionate person," says Sonia. "I put my heart and soul into my career here because our members are what make my job. There's nothing more gratifying than being there for them."





Ed Zamarron | MORTGAGE LOAN REPRESENTATIVE

Six years ago, Ed Zamarron left his extended family, his sizable account list at a major bank, and the warm weather of Los Angeles to come to Milwaukee. The reason was simple: to be near his then-three-year-old daughter.

Ed spent his first few years in Milwaukee at another large, well-known bank before joining Marine Credit Union. Although he briefly left Marine around the two-year mark to work elsewhere, Ed says he quickly began to miss the company and its philosophy of helping the underserved. It didn't take long for him to realize, as he puts it, "It was a mistake to leave."

Over his 23 years in the financial sector, Ed has worked for some of the most prominent names in the industry, and that gives him a unique perspective. "Of all the companies I've worked for," says Ed, "I'm the proudest of Marine. I've always loved helping people, but here I've experienced on a deeper level

how much helping others is a two-way street: When you help change people's lives for the better, that changes you too."

Ed devotes much of his time to helping members from the Hispanic community. Many within this population distrust financial institutions, Ed explains. He says that being able to take the time to educate them on basic financial literacy is a big reason why he loves Marine. "This company is truly invested in serving the Hispanic community," says Ed.

Meanwhile, Ed says he's finding his "Wisconsin rhythm" – for example, adapting to the winters, appreciating the Friday night fish-fries, and even adding the Packers to the teams he tracks on his smartphone. "And I just bought my daughter a Packers jersey," says Ed. "I'll always love Southern California, but this is home now. I feel I'm here for a purpose."



The value of data has never been more important in today's business world. Many companies, including Marine Credit Union, are inundated every day with large sets of data. The potential benefit of all that information lies in how it can improve a company's performance. Welcome to Heidi Dearman's world as Director of Data and Digital Delivery at Marine.

Although she began as an entry-level programmer, in under two years Heidi rose to Business Intelligence Manager, a position created to help Marine's data tracking and reporting. She eventually grew into her latest role as Director, where she oversees all corporate reporting and data analytics. She's also in charge of Marine's web-based member services and leads a team that supports deposit products and debit card services.

Heidi points to her career progression as a testament to Marine's commitment to employee development. "Marine wants employees to be engaged and excited in what they're doing," says Heidi. "Keeping employee growth a priority makes that happen." To continue her own professional development, Heidi is currently pursuing an MBA.

One might think Heidi's focus on data and technology removes her from the human side of Marine. But that couldn't be further from the truth. In fact, when Heidi left Marine for a stint in another industry, she eventually was drawn back not just because she missed the financial world, but, as she puts it, "I missed the opportunity to really make a difference in people's lives."

Heidi explains that making valuable data accessible to staff and ensuring online services perform well ultimately help members have a great experience with Marine. And for Heidi, it's all about the members. "I'm so supportive of our cause in the community. We help people who other lenders can't or won't help. I'm 1000% into Marine," she says.

OUR CORE VALUES



MAKING AN IMPACT THROUGH EDUCATION



We are proud to continue the tradition we started more than 20 years ago of helping hardworking, deserving students achieve their education goals. To date, Marine has given more than \$100,000 in scholarships to students who are members, to employees, and to family members of employees and members. Marine is committed to serving our members and investing in our communities and our people.

Marine provides the following scholarships annually:

1. Five \$1,000 Membership Scholarships to Marine members, or children of members, who are full-time students.
2. One \$1,000 Ranger Credit Union Scholarship to a Ranger Credit Union (Marine) member and current student at La Crosse Logan High School.
3. One \$1,000 Employee Scholarship to a current Marine employee, or child/spouse of a current employee, who is enrolled in a collegiate program.

“ The scholarship that I received from Marine Credit Union was given to me in honor of my hard work in high school, which gives me hope for further awards if I continue to work hard and do well in school. The scholarship has given me the opportunity to pursue a degree in biology, and it has helped me become one step closer to becoming an orthodontist. ”

2017 Ranger Scholarship Winner:
Tyanna Washa

The 2017 scholarship winners are:

Halle Bradley
Member, UW-Whitewater

Anna Gardner
Member, UW-Madison

Adriana Last
Member, Marian University

Jessica Pautsch
Member, Moraine Park Technical College

Cassandra Schmidt
Member, Viterbo University

Tyanna Washa
Logan High School Student,
Mankato State University

Emily Greenya
Employee, UW-La Crosse

GIVING BACK TO OUR COMMUNITIES

Partnership Aims to Move Participants Out of Poverty, Toward Financial Stability

Since it began in 2014, the Marine Credit Union Foundation has partnered with Couleecap, a nonprofit organization in La Crosse that fights poverty and promotes self-sufficiency, economic development and social justice. In November 2016, the MCU Foundation and Couleecap announced the launch of a new Individual Development Account (IDA) program in the La Crosse and surrounding communities.

An IDA is an asset-building tool designed to enable low-income families save towards a targeted financial goal.

Through the program, 10 qualifying participants worked closely with Couleecap staff to develop goals that helped them build financial literacy skills and a savings plan. The program taught participants how to budget and reduce their debt, and provided credit counseling. The IDA helps participants save to pay for transportation costs necessary for employment, such as auto loan payments and fees.

“We believe that financial literacy is a key element to moving people out of poverty and towards self-sufficiency, and IDAs play a vital role in alleviating poverty by helping to build assets for low-income households,” said Kim Cable, Housing & Community Services Director for Couleecap.

Now that the individuals in this program have graduated and gained access to reliable transportation options, they have more, and better, opportunities for employment. Their earning capacity has improved. They have more time in their day for educational opportunities.

One year later, all 10 participants have graduated from the program and all but one have made a down payment on a vehicle.

Couleecap is interested in expanding the program to help families save for home ownership or business development services.

“The MCU Foundation supports critical needs and financial literacy initiatives through nonprofit organizations in the communities we serve,” said Liz Popp, Executive Director of the MCU Foundation. “Our partnership with Couleecap is one example of the Foundation’s commitment to educating our communities.”



Courtney lives in La Crosse and, like many, works two jobs – at a local pizza restaurant and as a crossing guard during the school year. She was driving a vehicle that was not safe, reliable or worth repairing. However, she could not rely solely on public transit when balancing two jobs and two schedules. Courtney needed affordable, dependable transportation to make her schedule work. She went to Couleecap to learn more about personal finances and vehicle ownership.

Through her participation in IDA financial literacy classes and the Work-N-Wheels vehicle education course, she was motivated to seek out the professional services of a Marine Credit Union Member Service Representative. Courtney also developed financial goals for herself using the knowledge she had acquired from the financial literacy classes she attended. As a result of the support she received from Couleecap and Marine, Courtney was able to purchase a safe, reliable and affordable vehicle. This has allowed her to increase her availability of working hours and continue building her financial stability.

MCU Foundation Golf Outing Raises Over \$80,000

The third annual Marine Credit Union Foundation Golf Outing raised more than \$80,000 for charitable causes and financial literacy initiatives in our community. Thank you to the almost 40 sponsoring companies who supported the event and the more than 30 employees who volunteered their time to the event.

Operation Kandy Kane Brings Joy to Veterans During the Holidays

Marine Credit Union serves the underserved: men, women and families who have few other options for financial help. Another population often underserved are veterans who have served in our United States military. These individuals deserve respect and gratitude for their service to our nation.

In 2017, team members from Marine's two Minnesota branches in Rushford and Winona chose to use their MCU Foundation dollars to support Operation Kandy Kane. The program provides holiday meal care packages and gift cards to veterans.



Other branches who donated holiday gifts to those in need include Onalaska, North Fond du Lac, Pioneer Road – Fond du Lac, Rees Street – Fond du Lac, Wisconsin American Drive – Fond du Lac, 35th Street – Milwaukee, Waupun, Eau Claire, Chippewa Falls, West Des Moines, Muscatine, Racine – Regency, Racine – Douglas Ave, and La Crosse's corporate office.

Since the Foundation was created in January 2014:



FINANCIAL

REPORT | 2017

Treasurer's Report | ROBERT CARNEY, TREASURER

Marine Credit Union had another successful year in 2017. Loan growth of \$71,207,522 fueled asset growth of 10%.

The Wisconsin Department of Financial Institutions and the National Credit Union Administration receive detailed financial information from Marine Credit Union on a quarterly basis. The net worth to asset ratio is used to measure strength and stability.

Your credit union's net worth to asset ratio is 10.76% for the year ended December 31, 2017 and is deemed "Well Capitalized."

The enclosed financial statements are summarized from the complete financial statements of Marine Credit Union.

Robert Carney
Treasurer

Audit Report | ROBERT CARNEY, TREASURER & AUDIT COMMITTEE CHAIR

The Audit Committee acts independently of management and the Board of Directors and is responsible for maintaining oversight of the credit union's management and financial records.

To meet these responsibilities, the committee contracted with CliftonLarsonAllen to conduct an independent audit of the consolidated financial statements of Marine Credit Union for the year ended December 31, 2016. The opinion from this audit revealed that the consolidated financial statements were presented fairly with no material findings.

Additional audits, reviews and risk assessments are conducted to monitor operational practices and procedures for effectiveness in safeguarding members' assets. Any material findings are reported to the Board of Directors.

It is the opinion of this committee that the financial condition of Marine Credit Union remains strong, and internal controls, policies and operations are in compliance with all governmental regulations.

Robert Carney
Treasurer
Audit Committee Chair

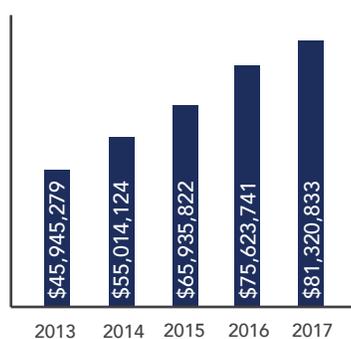
Balance Sheet

Assets	2013	2014	2015	2016	2017
Cash	\$72,300,764	\$79,268,272	\$84,474,035	\$85,459,242	\$75,066,024
Investments	10,318,604	12,531,630	29,742,543	22,110,378	17,603,555
Consumer Loans	148,529,218	169,196,595	196,657,241	220,461,662	245,472,486
Real Estate Loans	209,388,404	236,290,002	271,135,109	318,744,692	364,941,390
Total Loans	357,917,622	405,486,597	467,792,350	539,206,354	610,413,876
Allowance for Loan Loss	(6,625,808)	(6,530,733)	(5,844,080)	(6,301,977)	(9,729,605)
Other Assets	40,474,318	44,141,837	49,216,837	49,311,897	62,191,269
Total Assets	\$474,385,500	\$534,897,603	\$625,381,685	\$689,785,894	\$755,545,119
Liability & Equity					
Savings	\$351,852,847	\$350,461,815	\$412,734,599	\$430,658,627	\$495,995,668
Borrowings	69,704,586	124,327,601	138,644,851	176,964,000	170,764,000
Other Liabilities	6,882,788	5,094,063	8,066,413	6,539,526	7,464,618
Member Equity	45,945,279	55,014,124	65,935,822	75,623,741	81,320,833
Total Liabilities & Equity	\$474,385,500	\$534,897,603	\$625,381,685	\$689,785,894	\$755,545,119

Income Statement

	2013	2014	2015	2016	2017
Loan Income	\$22,700,831	\$25,699,680	\$31,311,612	\$38,051,211	\$44,769,277
Investment Income	164,956	220,243	278,479	768,984	755,261
Total Interest Income	\$22,865,787	\$25,919,923	\$31,590,091	\$38,820,195	\$45,524,538
Dividend Expense	\$1,390,069	\$1,209,005	\$1,169,691	\$1,378,875	\$1,966,996
Interest Paid on Borrowed Money	355,058	426,582	458,300	554,076	1,346,926
Net Interest Margin	21,120,660	24,284,336	29,962,100	36,887,244	42,210,616
Provision for Loan Loss	2,435,396	2,692,803	2,403,108	3,627,230	10,010,371
Net Interest Margin after PLL	\$18,685,264	\$21,591,533	\$27,558,992	\$33,260,014	\$32,200,245
Operating Expense	\$28,852,217	\$29,689,407	\$34,430,540	\$40,726,061	\$42,389,461
Fee & Other Operating Income	15,631,752	16,344,664	16,253,007	16,662,910	16,022,136
Non Operating Income	0	0	0	0	0
Gain (Loss) on Sale of Assets	(56,375)	(227,158)	(26,700)	446,133	(111,970)
NCUA Stabilization Expense	288,378	0	0	0	0
Net Income	\$5,120,046	\$8,019,632	\$9,354,759	\$9,642,996	\$5,720,950

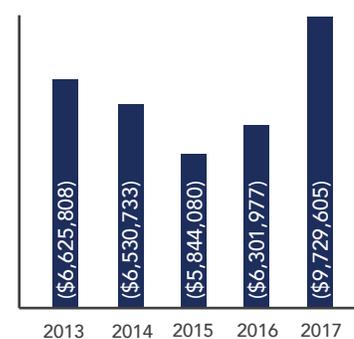
CAPITAL DOLLARS (in millions)



LOANS GRANTED (in millions)



LOAN LOSS RESERVES (in millions)



MINNESOTA

218 S Mill Street
Rushford, MN 55971
507.864.2999

940 Frontenac Drive Suite 105
Winona, MN 55987
507.474.4600

IOWA

709 E 46th St.
Davenport, Iowa 52807
563.391.2850

915 Short Street, Suite 105
Decorah, IA 52101
563.382.8900

3701 E 14th Street Suite 109
Des Moines, IA 50313
515.266.3030

5128 SE 14th Street
Des Moines, IA 50320
515.287.7380

404 Cleveland Street
Muscatine, IA 52761
563.263.2221

909 9th Street
West Des Moines, IA 50265
515.867.2200

WISCONSIN

333 E Prairie View Road
Chippewa Falls, WI 54729
715.723.0000

402 Graham Avenue Suite 100
Eau Claire, WI 54701
715.834.3275

80 W Rees Street
Fond du Lac, WI 54935
920.923.7280

201 Wisconsin American Drive
Fond du Lac, WI 54937
920.923.7280

661 W Pioneer Road
Fond du Lac, WI 54935
920.923.7280

1981 E Mason Street, Suite 102
Green Bay, WI 54302
920.489.8322

1779 School Lane
Green Bay, WI 54313
920.661.9027

6310 Green Bay Road
Kenosha, WI 53142
262.657.5020

★ Headquarters
811 Monitor Street
La Crosse, WI 54601
800.923.7280

WISCONSIN (cont.)

127 West Avenue N
La Crosse, WI 54601
608.784.7329

N81W15014 Appleton Avenue
Menomonee Falls, WI 53051
262.946.2999

1320 Broadway Street N, Suite 8
Menomonie, WI 54751
715.309.4750

333 North 35th Street
Milwaukee, WI 53208
414.342.7660

3333 S 27th Street
Milwaukee, WI 53215
414.831.2090

854 Fox Point Plaza
Neenah, WI 54956
920.486.1648

815 Wisconsin Avenue
North Fond du Lac, WI 54937
920.923.7280

1848 East Main Street
Onalaska, WI 54650
608.783.4000

2110 Silvernail Road
Pewaukee, WI 53072
262.522.3990

1415 South Marquette Road
Prairie du Chien, WI 53821
608.326.1901

5133 Douglas Avenue
Racine, WI 53402
262.639.1975

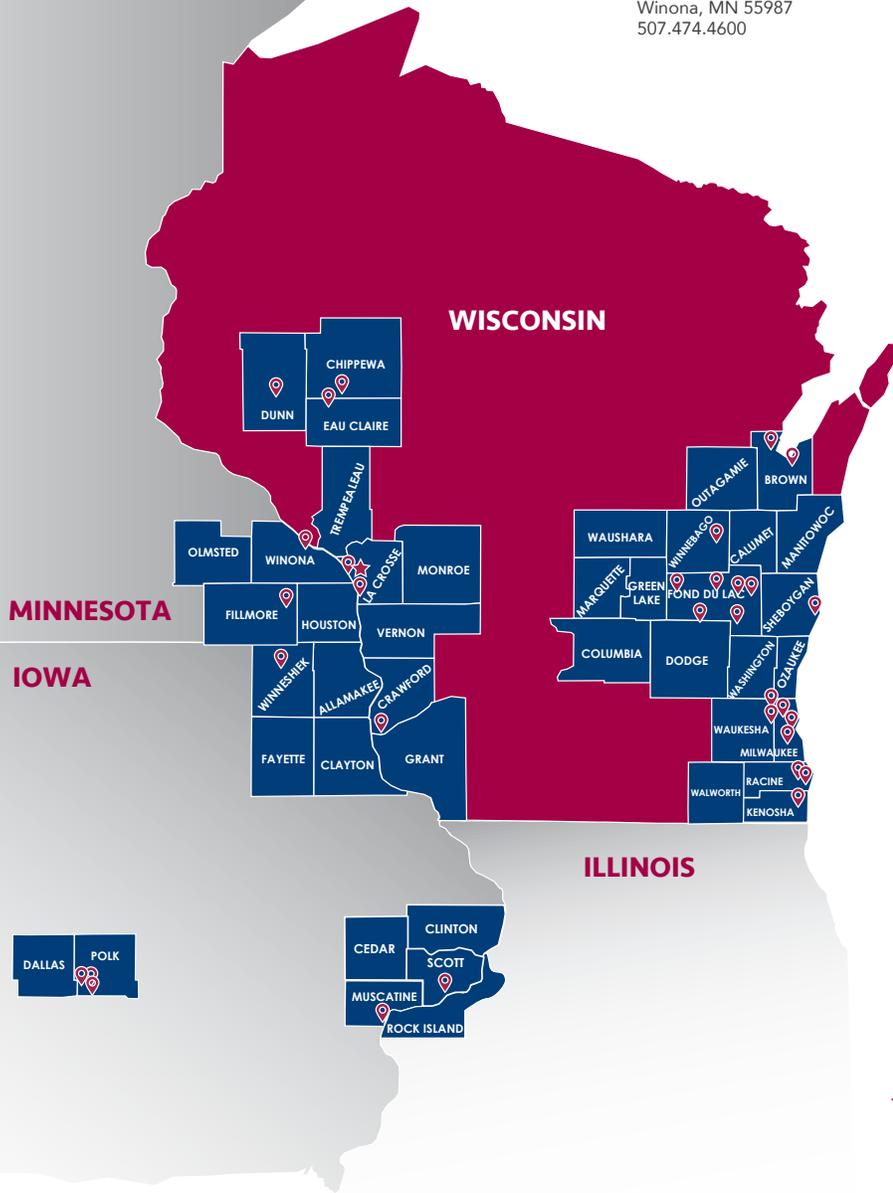
3039 S. Green Bay Road
Racine, WI 53403
262.554.7440

1074 W Fond du Lac Street
Ripon, WI 54971
920.748.2870

801 N. 8th Street
730 N. 9th Street (drive thru location)
Sheboygan, WI 53081
920.458.4678

1 Gateway Drive
Waupun, WI 53963
920.324.3101

7600 W Bluemound Road
Wauwatosa, WI 53213
414.476.4151



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