



# PURPOSEFUL

OUR 2017 ANNUAL REPORT



Federally Insured by NCUA

# we're purposeful about **people.**

It's no secret that banking is a highly regulated and competitive industry. That translates to constant evaluation and evolution of our processes and products so we can stay in compliance, but also a leader in the market. At Elements, our business is strong and growing, and we owe this more than anything to our purposeful work that keeps the member as first priority. With every decision we make, we ask the question: **"How will this impact the member?"**

This key question prompts many others we ask ourselves daily:

## **How can we provide better value?**

That's a simple equation at Elements: higher deposit rates, lower loan rates, and fewer fees.

## **How can we offer the knowledge and tools members are craving?**

Financial wellness education is another way we stand out in the crowd, by providing programs and resources onsite at partner organizations and online.

## **How can we empower members in a digital world?**

We are fast exploiters of new technology to bring value to our member experience. Technology guides much of what we do and how we do it – check out the all-new [elements.org](http://elements.org) as just one example.

Meanwhile, internally we keep a keen focus on our employees, always asking how we can improve our workplace. Our Elements of Success represent our shared values. A healthy culture leads to better service and the best possible overall experience for members.


This report tells our unique story from 2017 and explains why we're like a bank, only better. Thank you for supporting our credit union as we head into our 88th year of building relationships!



Mark Saltsgaver  
Chair of the Board



Lisa A. Schlehober  
Chief Executive Officer



I have been most satisfied with the service I have received from Elements Financial. I would recommend them to anyone and often do! The service is excellent, their employees are knowledgeable and helpful in every way. I'm never left hanging on hold to receive that service either!

- Pamela, Elements Member



**OUR PURPOSE**

BUILDING LIFELONG  
**RELATIONSHIPS**  
TO IMPACT OUR  
**MEMBERS' FINANCIAL  
SUCCESS.**

**At Elements,**

we've crafted a strategic environment driven by our Elements of Success, produced by dynamic employees working relentlessly to make our purpose a reality.

Purpose

Culture

Trust

Integrity

Community

Feedback

Accountability

Growth

Collaboration

Leadership

# we're dedicated to **financial wellness.**

**850+**

"At Work" Financial Wellness Events, including Onsite Educational Workshops, Personalized Credit Reviews, and more events

**12,000+**

participants in our educational programs

An electronic platform featuring  
**20 financial wellness modules**  
for employees to earn wellness program points  
at both IU Health and the State of Indiana

## **AT WORK FOCUS**

I first heard about Elements through my job. They partnered with my company to provide financial services for their employees... They would provide classes about anything and everything about your personal finances... I had just graduated from college with a real "adult" job and needed to know how to save my money, apply for a car loan, invest some money and eventually get a loan for a house.

- **Connie**, Elements Member



OUR FIRST EVER  
**PURPOSE DAY**  
ON MONDAY, OCTOBER 09, 2017

## we're involved in **our community.**

In one day, our 175 employees completed projects and took four busses across Indianapolis to deliver...

**03** **ADA-COMPLIANT PICNIC TABLES**  
for Camp Riley

---

**07** **SLEEPING MATS**  
for Outreach, Inc.

---

**60** **HAND TIED BLANKETS**  
for Little Red Door Cancer Agency

---

**100** **CRAFT KITS**  
for Wheeler Mission children

---

**200** **CANCER CARE BAGS**  
for Little Red Door Cancer Agency

---

*and on top of that...*

checks totaling **\$5,000**  
distributed to the 4 partner charities.

**Overall, more than \$500,000 in community support!**

## Major Charitable Gifts

Riley Children's Foundation .....\$55,000

*7th Annual Cars 4 Kids Auto Campaign, Super Hero Night at Victory Field, and the Riley Children's Foundation VISA Credit Card*

Cancer Support Network.....\$15,000

School on Wheels.....\$15,000

United Way of Central Indiana .....\$78,817

*Funds given by our employees with a 1:1 Elements match; exceeded goal of \$70,000 by 17%*

## Significant Community Partnerships

Butler University

Indiana State Fairgrounds

Indianapolis Indians

Indy Chamber

Little Red Door Cancer Agency

Outreach, Inc.

Wellness Council of Indiana

Wheeler Mission

## Featured Company Awards

Best Places to Work in Indiana/8th Place in Medium Companies

CU Members Top Correspondent Mortgage Lending Partner

Indiana Credit Union League's Dora Maxwell Award for Social Responsibility: Outreach Partnership

Q2 Client Partner of the Year

Wealth Management: LPL Financial's 2017 Program of the Year for peer group

CUNA Diamond Award for Outstanding Marketing

Telly Award for Outstanding Television Commercial

Advisory HQ - Best Credit Unions in Indianapolis

Innovation in Financial Wellness Award - EverFi

**1,400+ TOTAL HOURS**

of paid Volunteer Time Off Available...

all employees receive time to donate  
to local favorite causes.



we're innovative  
with **our offering.**

---

## Digital Excellence

### “OUR DIGITAL BRANCH”

The new elements.org launched to members, designed based on member feedback and to allow for self-support.

### NEW MORTGAGE APP

9.2/10 net promoter score indicating high member satisfaction with our progressive approach to the mortgage process.

### SECURITY & FRAUD PREVENTION

Enhanced member fraud protection services including Card Control and EZShield, and a partnership with law enforcement agencies to report details of various online scams and schemes.

---

## Business Lending

88% increase in total commercial loan balances.

---

## Wealth Management

\$13.1 million in New Client Assets

\$610.2 million Total Program Assets Under Management; 16% increase

\$380.5 million Total Advised Assets; 21% increase

\$4.2 million Total Program Revenue; 11% increase

Our financial advisors represent one of the strongest credit union investment teams in the nation.

Elements Financial Federal Credit Union is not a registered broker/dealer and is not affiliated with LPL Financial. Securities offered through LPL Financial, member FINRA/SIPC. Insurance products offered through LPL Financial or its licensed affiliates.

Not NCUA Insured

No Credit Union Guarantee

May Lose Value

we're strong.

17

NEW PARTNER ORGANIZATIONS

**NEW PARTNERS**

- BSA Life Structures
- C-Spring/Critical Skills
- Central Restaurant Products
- Fineline Printing Group
- Flexware Innovation
- Fusion Alliance
- Helmer Scientific
- Indiana Farmers Insurance
- Indy Chamber
- Koorsen Facilities Management
- National Office Furniture
- Orchard Software
- ProTrans
- Regenstrief Institute
- RQAW
- Sharpen Technologies
- TriMedX

# facts & figures

20

new employees joined the Elements team

6<sup>TH</sup>

in local mortgage market share

24%

brand recognition among local consumers, up from 11% in 2016

90%

member satisfaction based on services delivered through branches



## membership

**96,460** total membership

up by 4.3%

representing all 50 states and 50 countries

## deposits

**\$1.20** billion in overall deposit balances

up by \$99 million

## loans

**\$1.17** billion in overall loan balances

up by \$52 million

Elements is a great place to go to for all of your financial needs! I have saved so much money by doing my banking with Elements. I would suggest them to my friends and family!

- Kyle, Elements Member

Thank you to those who served Elements in 2017!

### Board of Directors

**Mark Saltsgaver**  
Chair of the Board

**Nathan Lewis**  
Vice Chair

**Don Zakrowski**  
Secretary

**John Huesing**  
Treasurer

Kathleen DeLaney  
Julie Dunlap  
Jeremy Fitch  
Kay Jackson  
Michael F. Johnson  
Dennis Trinkle

### Supervisory Committee

**Andrew Laux**  
Committee Chair

Kecia Baker  
Benjamin Denlinger  
Jeff Draper  
Beth Goines  
Amy Treida



# our financials

## Consolidated Statement of Financial Condition

Selected Data in Millions (unaudited)

<b>Assets</b>	<b>2017</b>	<b>2016</b>
Cash and Investments	\$218.1	\$171.5
Loans to Members	1,168.9	1,117.1
Allowance for loan losses	(9.6)	(11.5)
Other Assets	57.0	53.7
<b>Total Assets</b>	<b>\$1,434.4</b>	<b>\$1,330.7</b>
<b>Liabilities and Members' Equity</b>		
Share Savings, Drafts and Certificates	\$1,197.1	\$1,097.9
Other Liabilities	113.9	117.0
Members' Equity	123.4	115.9
<b>Total Liabilities and Members' Equity</b>	<b>\$1,434.4</b>	<b>\$1,330.7</b>
<b>Net Worth Ratio</b>	<b>8.71%</b>	<b>8.80%</b>

In management's opinion, the selected financial data presented herein is free of material error and accurately reflects the financial position and/or results of operations of Elements Financial for the periods presented. Members may request a complete copy of our audited financial statements by calling (800) 621-2105. A credit union must have a Net Worth to Assets ratio of at least 7.00% to be considered "Well Capitalized" by the National Credit Union Administration (NCUA).

## Consolidated Statement of Income

Selected Data in Millions (unaudited)

	2017	2016
Interest Income from Loans and Investments	\$45.6	\$42.7
Interest Expense for Member Accounts and Borrowed Funds	(11.2)	(9.4)
Loan Loss Provision	(0.9)	(2.1)
Net Interest Income	33.5	31.3
Other Income	14.5	13.3
Operating Expense	(41.4)	(41.2)
Non-Operating Expense	1.2	(1.6)
<b>Net Income</b>	<b>\$7.7</b>	<b>\$1.7</b>
<b>Return on Average Assets</b>	<b>0.55%</b>	<b>0.13%</b>

In management's opinion, the selected financial data presented herein is free of material error and accurately reflects the financial position and/or results of operations of Elements Financial for the periods presented. Members may request a complete copy of our audited financial statements by calling (800) 621-2105.

I've been a member for nearly 30 years and the reason I remain loyal is based on the consistent, quality service and the efficiency in how they handle the products they have...

- Vince, Elements Member

# YOU CAN SHARE YOUR STORY WITH US!

Please take a moment and leave a review...

[elements.org/GoogleReview](https://elements.org/GoogleReview)

[elements.org/YelpReview](https://elements.org/YelpReview)

[elements.org/FacebookReview](https://elements.org/FacebookReview)



I have been a member 20+ years - we have always had great service with all the products we have. Would not bank anywhere else.

- Steve, Elements Member

# LIKE A BANK, ONLY BETTER.



## 78,000+

surcharge-free  
ATMs globally

## 24/7

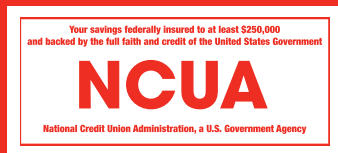
Online Banking  
Mobile Banking  
Contact Center  
with live agents



## 5,000+

Shared Branches  
nationwide

Federally Insured by NCUA



We Do Business In  
Accordance with the Federal  
Fair Housing Law and the  
Equal Credit Opportunity Act

Elements Financial Federal Credit Union is not a registered broker/dealer and is not affiliated with LPL Financial. Securities offered through LPL Financial, member FINRA/SIPC. Insurance products offered through LPL Financial or its licensed affiliates.

Not NCUA Insured

No Credit Union Guarantee

May Lose Value

 **elements**  
FINANCIAL

[elements.org](https://elements.org)

225 South East Street; Suite 300  
Indianapolis, IN 46202  
(800) 621-2105  
[customerservice@elements.org](mailto:customerservice@elements.org)