

PRESIDENT'S REPORT

PCM Credit Union has succeeded as a cooperative, a financial institution, and as a social organization. Despite that success, we face disruption on all sides, from banking competitors with deeper pockets to digital upstarts with better programmers. In this new era of banking, we must continue to increase the visibility of our offerings while seizing opportunities for innovation.

We can demonstrate we are doing just that with our new benefits like our mobile friendly responsive website, online auto buying resource serviced by GrooveCar, Credit Sense credit score monitoring, Financial Guard investment guidance, and tax planning services through Focused Tax Solutions. All are innovative examples of services that make you a better consumer. Local decision making focused on your financial well-being results in tangible improvements in the finances of our members.

Without a doubt, your credit union completed its busiest and most successful year ever. With all the exciting improvements and a new facility in Marinette underway, we expect 2017 to be just as busy and successful. I want to thank our staff and volunteers for their commitment to make PCM the best, and together we thank you for all your support and the opportunity to serve you.

We are "exceeding the vision" of investing in you and growing together. Please make sure you check out our website, Facebook page, emails and newsletters for new promotions and product offerings that are all designed to enhance your life. When it comes to your financial health, we have your back.

Best wishes for a happy and healthy 2017!

Sincerely,

Dan Wollin, President



CHairman's Report

Fellow members, it is my privilege to present to you our 59th Annual Report. 2016 was another great year to be a part of PCM Credit union. The advantages of being a member created the following financial highlights:

- A record asset increase of \$20,840,747 to \$215,765,195
- A record 421 net increase in membership to 11,975
- A record increase in loans of \$18,747,385
- A record increase in deposits of \$18,615,220
- A record 3,302 loans were disbursed, totaling \$72,011,733
- A record low loan loss ratio of .07%
- A record low loan delinquency average of .39%
- A record total rebate of \$683,380 was distributed, a great example of the uniqueness of our cooperative business model that puts you at the top in order of importance. Since 2004, the total given back is \$4,268,658.

One of the principles of a financial cooperative is to return excess income back to its membership. It is one of the main differences between a credit union and a for-profit bank. PCMCU is honored to be one of the few credit unions able to do this.

Callahan and Associates of Washington D.C. again ranked us number one in the country for returning value to its members. This designation, along with the records listed, demonstrates that we are "Exceeding The Vision" of members gaining personal financial success. It also affirms that PCM borrowers and savers are treated equally.

We look forward to the opportunities and challenges ahead of us. The partnership with each of you, our owners, will enable PCM to continue our mission of meeting and exceeding your financial needs in 2017 and beyond.

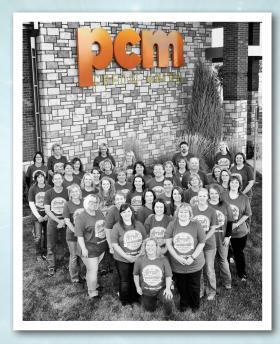
Sincerely,

Jim Zittlow, Chairperson

statement of Financial condition

As of December 31, 2016

ASSETS - What We Own	(\$) 2016		(\$) 2015	
Personal Loans	33,992,260	15.75%	25,805,835	13.27%
Real Estate Loans	127,586,908	59.13%	116,460,656	59.87%
Home Equity Loans	10,761,070	4.99%	11,894,115	6.11%
MasterCard Credit Cards	4,585,495	2.13%	4,017,742	2.07%
Total Loans to Members	176,925,733	82.00%	158,178,348	81.32%
Less Allowance For Loan Loss	(614,355)	(0.28%)	(798,772)	(-0.41%)
Cash and Investments	34,397,876	15.94%	32,061,959	16.48%
Building and Equipment	4,387,832	2.03%	4,475,674	2.30%
Other Assets	668,109	0.31%	<u>597,575</u>	0.31%
TOTAL ASSETS	215,765,195	100.00%	194,514,784	100.00%
LIABILITIES - What We Owe	(\$) 2016		(\$) 2015	
Regular Shares	43,046,640	19.95%	39,016,117	20.06%
Super Shares	26,506,185	12.28%	17,267,196	8.88%
"Top Ten" Shares	34,608,870	16.04%	30,152,184	15.50%
Share Drafts	18,911,149	8.77%	18,474,429	9.50%
Share Certificates of Deposit	31,084,916	14.41%	31,779,795	16.34%
Individual Retirement Accounts	27,989,914	12.97%	26,834,229	13.79%
Christmas Club	199,872	0.09%	208,377	0.11%
Other Liabilities	<u>2,042,915</u>	<u>0.95%</u>	<u>1,503,316</u>	0.77%
Total Liabilities	184,390,461	85.46%	165,235,643	84.95%
Reserves—Members Equity	31,374,734	<u>14.54%</u>	<u>29,279,141</u>	<u>15.05%</u>
TOTAL LIABILITIES AND RESERVES	215,765,195	100.00%	194,514,784	100.00%
INCOME	(\$) 2016		(\$) 2015	
Loan Income	7,323,740	80.07%	6,955,719	79.77%
Investment Income	670,358	7.33%	659,519	7.56%
Other Income	1,152,347	12.60%	<u>1,105,166</u>	12.67%
		100.00%	8,720,404	
TOTAL INCOME	9,146,445			100.00%
DISTRIBUTION OF INCOME	(\$) 2016		(\$) 2015	
DISTRIBUTION OF INCOME Salaries and Related Expenses	(\$) 2016 2,757,704	30.15%	(\$) 2015 2,612,637	29.96%
DISTRIBUTION OF INCOME Salaries and Related Expenses Education and Promotions	(\$) 2016 2,757,704 307,373	30.15% 3.36%	(\$) 2015 2,612,637 347,709	29.96% 3.99%
DISTRIBUTION OF INCOME Salaries and Related Expenses Education and Promotions Office Occupancy	(\$) 2016 2,757,704 307,373 276,446	30.15% 3.36% 3.02%	(\$) 2015 2,612,637 347,709 266,124	29.96% 3.99% 3.05%
DISTRIBUTION OF INCOME Salaries and Related Expenses Education and Promotions Office Occupancy Office Operations	(\$) 2016 2,757,704 307,373 276,446 1,058,207	30.15% 3.36% 3.02% 11.57%	(\$) 2015 2,612,637 347,709 266,124 969,409	29.96% 3.99% 3.05% 11.11%
Salaries and Related Expenses Education and Promotions Office Occupancy Office Operations Professional and Outside Services	(\$) 2016 2,757,704 307,373 276,446 1,058,207 633,072	30.15% 3.36% 3.02% 11.57% 6.92%	(\$) 2015 2,612,637 347,709 266,124 969,409 577,200	29.96% 3.99% 3.05% 11.11% 6.62%
Salaries and Related Expenses Education and Promotions Office Occupancy Office Operations Professional and Outside Services Provision for Loan Losses	(\$) 2016 2,757,704 307,373 276,446 1,058,207 633,072 (63,100)	30.15% 3.36% 3.02% 11.57% 6.92% (0.69%)	(\$) 2015 2,612,637 347,709 266,124 969,409 577,200 (123,700)	29.96% 3.99% 3.05% 11.11% 6.62% (1.42%)
Salaries and Related Expenses Education and Promotions Office Occupancy Office Operations Professional and Outside Services Provision for Loan Losses Other Expenses	(\$) 2016 2,757,704 307,373 276,446 1,058,207 633,072 (63,100) 34,247	30.15% 3.36% 3.02% 11.57% 6.92% (0.69%) 0.38%	(\$) 2015 2,612,637 347,709 266,124 969,409 577,200 (123,700) 59,961	29.96% 3.99% 3.05% 11.11% 6.62% (1.42%) 0.69%
Salaries and Related Expenses Education and Promotions Office Occupancy Office Operations Professional and Outside Services Provision for Loan Losses Other Expenses TOTAL OPERATING EXPENSES	(\$) 2016 2,757,704 307,373 276,446 1,058,207 633,072 (63,100) 34,247 5,003,949	30.15% 3.36% 3.02% 11.57% 6.92% (0.69%) 0.38% 54.71%	(\$) 2015 2,612,637 347,709 266,124 969,409 577,200 (123,700) 59,961 4,709,340	29.96% 3.99% 3.05% 11.11% 6.62% (1.42%) 0.69% 54.00 %
Salaries and Related Expenses Education and Promotions Office Occupancy Office Operations Professional and Outside Services Provision for Loan Losses Other Expenses TOTAL OPERATING EXPENSES DIVIDENDS PAID TO MEMBERS	(\$) 2016 2,757,704 307,373 276,446 1,058,207 633,072 (63,100) 34,247 5,003,949 1,392,328	30.15% 3.36% 3.02% 11.57% 6.92% (0.69%) 0.38% 54.71% 15.22%	(\$) 2015 2,612,637 347,709 266,124 969,409 577,200 (123,700) 59,961 4,709,340 1,068,737	29.96% 3.99% 3.05% 11.11% 6.62% (1.42%) 0.69% 54.00% 12.26%
Salaries and Related Expenses Education and Promotions Office Occupancy Office Operations Professional and Outside Services Provision for Loan Losses Other Expenses TOTAL OPERATING EXPENSES DIVIDENDS PAID TO MEMBERS NET INCOME BEFORE REBATE	(\$) 2016 2,757,704 307,373 276,446 1,058,207 633,072 (63,100) 34,247 5,003,949 1,392,328 2,750,168	30.15% 3.36% 3.02% 11.57% 6.92% (0.69%) 0.38% 54.71% 15.22% 30.07%	(\$) 2015 2,612,637 347,709 266,124 969,409 577,200 (123,700) 59,961 4,709,340 1,068,737 2,942,327	29.96% 3.99% 3.05% 11.11% 6.62% (1.42%) 0.69% 54.00% 12.26% 33.74%
Salaries and Related Expenses Education and Promotions Office Occupancy Office Operations Professional and Outside Services Provision for Loan Losses Other Expenses TOTAL OPERATING EXPENSES DIVIDENDS PAID TO MEMBERS NET INCOME BEFORE REBATE MEMBER REBATE	(\$) 2016 2,757,704 307,373 276,446 1,058,207 633,072 (63,100) 34,247 5,003,949 1,392,328 2,750,168 (378,672)	30.15% 3.36% 3.02% 11.57% 6.92% (0.69%) 0.38% 54.71% 15.22% 30.07% (4.14%)	(\$) 2015 2,612,637 347,709 266,124 969,409 577,200 (123,700) 59,961 4,709,340 1,068,737 2,942,327 (383,350)	29.96% 3.99% 3.05% 11.11% 6.62% (1.42%) 0.69% 54.00% 12.26% 33.74% (4.40%)
Salaries and Related Expenses Education and Promotions Office Occupancy Office Operations Professional and Outside Services Provision for Loan Losses Other Expenses TOTAL OPERATING EXPENSES DIVIDENDS PAID TO MEMBERS NET INCOME BEFORE REBATE MEMBER REBATE REWARDS CREDIT CARD REBATE	(\$) 2016 2,757,704 307,373 276,446 1,058,207 633,072 (63,100) 34,247 5,003,949 1,392,328 2,750,168 (378,672) (304,708)	30.15% 3.36% 3.02% 11.57% 6.92% (0.69%) 0.38% 54.71% 15.22% 30.07% (4.14%) (3.33%)	(\$) 2015 2,612,637 347,709 266,124 969,409 577,200 (123,700) 59,961 4,709,340 1,068,737 2,942,327 (383,350) (263,113)	29.96% 3.99% 3.05% 11.11% 6.62% (1.42%) 0.69% 54.00% 12.26% 33.74% (4.40%) (3.02%)
Salaries and Related Expenses Education and Promotions Office Occupancy Office Operations Professional and Outside Services Provision for Loan Losses Other Expenses TOTAL OPERATING EXPENSES DIVIDENDS PAID TO MEMBERS NET INCOME BEFORE REBATE REWARDS CREDIT CARD REBATE NET INCOME TO RESERVES	(\$) 2016 2,757,704 307,373 276,446 1,058,207 633,072 (63,100) 34,247 5,003,949 1,392,328 2,750,168 (378,672) (304,708) 2,066,788	30.15% 3.36% 3.02% 11.57% 6.92% (0.69%) 0.38% 54.71% 15.22% 30.07% (4.14%)	(\$) 2015 2,612,637 347,709 266,124 969,409 577,200 (123,700) 59,961 4,709,340 1,068,737 2,942,327 (383,350) (263,113) 2,295,864	29.96% 3.99% 3.05% 11.11% 6.62% (1.42%) 0.69% 54.00% 12.26% 33.74% (4.40%)
Salaries and Related Expenses Education and Promotions Office Occupancy Office Operations Professional and Outside Services Provision for Loan Losses Other Expenses TOTAL OPERATING EXPENSES DIVIDENDS PAID TO MEMBERS NET INCOME BEFORE REBATE MEMBER REBATE REWARDS CREDIT CARD REBATE	(\$) 2016 2,757,704 307,373 276,446 1,058,207 633,072 (63,100) 34,247 5,003,949 1,392,328 2,750,168 (378,672) (304,708)	30.15% 3.36% 3.02% 11.57% 6.92% (0.69%) 0.38% 54.71% 15.22% 30.07% (4.14%) (3.33%) 22.60%	(\$) 2015 2,612,637 347,709 266,124 969,409 577,200 (123,700) 59,961 4,709,340 1,068,737 2,942,327 (383,350) (263,113)	29.96% 3.99% 3.05% 11.11% 6.62% (1.42%) 0.69% 54.00% 12.26% 33.74% (4.40%) (3.02%) 26.33%
Salaries and Related Expenses Education and Promotions Office Occupancy Office Operations Professional and Outside Services Provision for Loan Losses Other Expenses TOTAL OPERATING EXPENSES DIVIDENDS PAID TO MEMBERS NET INCOME BEFORE REBATE MEMBER REBATE REWARDS CREDIT CARD REBATE NET INCOME TO RESERVES MEMBERSHIP	(\$) 2016 2,757,704 307,373 276,446 1,058,207 633,072 (63,100) 34,247 5,003,949 1,392,328 2,750,168 (378,672) (304,708) 2,066,788	30.15% 3.36% 3.02% 11.57% 6.92% (0.69%) 0.38% 54.71% 15.22% 30.07% (4.14%) (3.33%) 22.60%	(\$) 2015 2,612,637 347,709 266,124 969,409 577,200 (123,700) 59,961 4,709,340 1,068,737 2,942,327 (383,350) (263,113) 2,295,864 11,554	29.96% 3.99% 3.05% 11.11% 6.62% (1.42%) 0.69% 54.00% 12.26% 33.74% (4.40%) (3.02%) 26.33%



mission

PCM Credit Union is a strong financial cooperative that goes above and beyond by providing member-owners benefits and advantages over other financial institutions.

vision

Our "People Caring More" philosophy ensures member-owners gain personal financial success. We're Investing in You... Growing Together!

Board of **Directors**

Jim Zittlow, *Chair* Craig Kosbab, *Director*Marlis Klimek, *Vice Chair* Joan Kelly, *Director*Karen Sylvester, *Secretary* Al Jamir, *Director*Jerry Kuschel, *Treasurer*

Management

Dan Wollin, President
Cathy Becks, Executive Vice President
Mike McMullen, Vice President of Lending
Kay Nackers, Vice President of Operations
Kim Runge, Vice President of Member Services
Lesley Enz, Assistant Vice President
Sue Richardson, Marketing Director

Main Office Staff

Nicole Shipley, Member Service Supervisor Jordan Barnum, Member Service Rep. Amanda Jacquart, Asst. Member Service Supvr. Beth Krueger, Member Service Rep. Hope McMullen, Member Service Rep. Terri Sot, Member Service Rep. Sarah Yancey, Member Service Rep. Patti Pasono. Branch Member Service Rep. Denise Burns, Member Service Specialist Brittney Dessart, SEG & Social Media Coordinator Laura Rosendaul, Imaging Specialist Jackie Brooks, Financial Officer Chelsea Godin. Loan Officer Cheri Kimps, Loan Officer Ginger Kohlbeck, Loan Officer Kelly Schumacher, Loan Officer Joe Wollin, Loan Officer Shelly Mellenberger, Processing Supervisor Victoria Tiegs, Loan Servicing Specialist Annette VanLangendon, Loan Servicing Specialist Kelley Gereau, Loan Servicing Specialist Sarah Counard, Accounting Supervisor Lisa Blemke, Senior Accounting Specialist Sara Jo Hicks, Accounting Specialist Tina Klapatch, Accounting Specialist Samantha Terrien, Financial Analyst Julie Jennerjohn, Compliance Officer Tony Rosendaul, IT Director

Marinette Office Staff

Candice Thiry, *Branch Manager*Michelle Christianson, *Loan Officer*Shelly Majewski, *Member Service Rep.*Lorrie Mikulsky, *Member Service Rep.*Tiffany Parrett, *Member Service Supvr.*

Main Office

601 Willard Drive Green Bay, WI 54304 (920) 499-2831

Marinette Branch Office

1740 Stephenson Street Marinette, WI 54143 (715) 732-4051

Branch Office

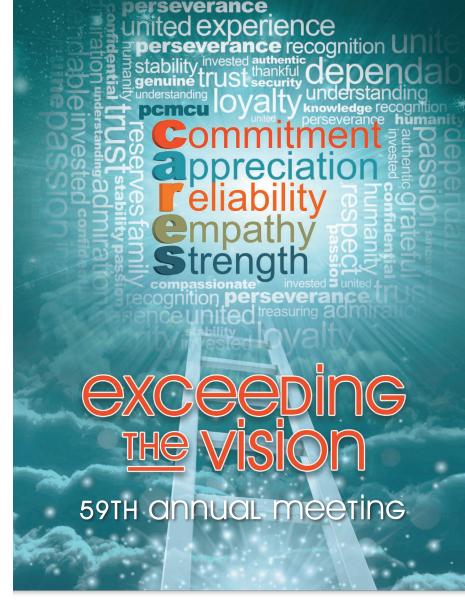
3500 Packerland Drive De Pere, WI 54115 (Exclusive to Ameriprise Auto & Home Employees)



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2016 annual Report





Member NCUA.

Membership Eligibility

Required.