

CUNA MUTUAL GROUP REPORT

Spring/Summer 2018

Leading in Rapidly Changing World



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Navigating the complex world of leadership in a time when the environment around us is changing at a rapid pace, can be daunting. Where do you even start? What do you need to do to be a strong leader? How can you ensure your team/company will be successful in the future?

At CUNA Mutual Group, I have discussions like this often. Many of our leaders are trying to balance traditional management models with the employee drive for more autonomy and flexibility in the workplace. The more we talked about it the more we realized we had to figure out a way to solve for both needs.

Sure top-down leadership is effective in some situations, but it's evident that employees want to have a say in what they work on, how they'll get the job done and when/where they work. Embracing this desire – or demand, depending on how you see it – is one way you can ensure you're positioned as an employer of choice.

Because we're focused on creating a diverse, inclusive and equitable organization, we're empowering our employees by providing an outlet for them to share their voice. We know they want to feel like they're making a difference and we're helping them do that through employee resource groups (ERG).

These employee-led groups promote personal and professional development. They're a great way for our employees to get involved and connect with others who have similar backgrounds, lifestyles and interests.

ERGs also support our business goals and help drive the company forward. Today, we have a dozen ERGs that are leading discussions and driving changes that our employees and customers want.

Over the past few years, we've seen first hand that tapping into your greatest resource – your people at every level – is just one way you can lean in to this rapidly changing world and leverage the knowledge you need to evolve for the future.

Joining Forces to Create New Strategic Data Platform for Credit Unions

CUNA Mutual AdvantEdge Analytics and Microsoft® are joining forces to develop the next-generation data platform for the credit union industry.

"We are excited to work with CUNA Mutual Group, combining their extensive financial services expertise with Microsoft's expertise in business applications and analytics," said James Phillips, Corporate Vice President, Microsoft Business Applications Group. "AdvantEdge Analytics provides compelling value to credit unions through their industry-focused application on top of Microsoft's Common Data Model."

Tim Peterson, President, AdvantEdge Analytics, went on to say, "With this partnership, we will exponentially expand the industry's ability to capture the full value of data analytics to help credit unions meet the evolving needs of their members."

Availability for this AdvantEdge Analytics solution is set for second quarter. For more information, please visit: advantedgeanalytics.com/DataPlatform.

"Together, our companies will significantly advance the industry's data analytics capabilities to a new level."

- Tim Peterson, President, AdvantEdge Analytics

2017 Financial Performance Highlights

\$20.6B

Assets

\$3.5B

Revenue

\$3.4B

Total Surplus

\$303M

Net Income

SEE THE 2017 [ANNUAL REPORT](#) FOR MORE

Numbers are based on U.S. Generally Accepted Accounting Principles

WHAT MATTERS NOW™: Multicultural Consumer Preferences

Multicultural consumers are emerging as one of the fastest growing and most influential consumer groups in the country. During the past five years, our research shows that multicultural consumers accounted for 61 percent of credit union membership growth.

Discover how your credit union can reach and establish valuable relationships with this core consumer group through the latest insights from purchasing trends to consumer attitudes in the TruStage® What Matters Now research.

“Our What Matters Now research revealed significant differences in what multicultural consumers want and how they use financial services,” said Eric Hansing, VP, Multicultural and Corporate Strategy, CUNA Mutual Group. “It also revealed how cultural differences impact business performance, and ways credit unions can reach and establish more meaningful relationships with multicultural consumers.”

Opal Tomashevskaya, manager, multicultural business strategy, at CUNA Mutual Group added, “When examining the research findings, it’s important to remember a person is made up of many unique cultural aspects. Be careful not to over-generalize or create stereotypes from this information and apply it to all members of a certain group. The data shows trends and significant differences, but does not attempt to speak for every individual.”

Here are a few insights from the research:

PLANNING FOR THE FUTURE

Hispanic consumers are **9X** as likely to acquire a small business loan within the next 5 years.

African American consumers are **2X** more likely to take-out a student loan than White consumers.

69% of Asian and White consumers own investment products.

CONVENIENCE & FLEXIBILITY ARE IMPORTANT

African American and Hispanic consumers are **2X** as likely to research financial products and services using mobile apps and call to ask about financial products.

Speed of lending is more important to multicultural consumers than non-Hispanic Whites.

Convenience and flexibility are **2X** more important to Hispanic and African American consumers, even if it means paying higher rates and fees.

Visit cunamutual.com/whatmattersnow for the full report.

2017 At a Glance

161,186

Submitted Claims

“A”

(Excellent)
A.M. Best Rating¹

#2

Most Reputable
Insurance
Company in
U.S.²

95%

Credit unions in
the U.S. that are
our customers

\$599K

Raised for non-profits
by staff

8,540

Paid community
support hours

\$27M

credit union system
contributions

\$2.38M

donated to support our
communities

Does Size Matter?

When it comes to supporting credit unions, all sizes matter to CUNA Mutual Group. Whether big or small, we CU. This is the focus of a new campaign recently launched that is specifically designed to reach the more than 4,000 credit unions with assets under \$100 million.

**BIG OR
SMALL
WE CU**

Through this campaign we’re reinforcing our commitment serving the unique needs of small credit unions. As CUNA Mutual Group works to develop new capabilities and enrich our customers’ experience, we are focused on developing enhancements that will benefit credit unions to all sizes.

Learn more at cunamutual.com/WeCU

Sources: 1 A.M. Best Company, March 2, 2018; 2 Reputation Institute, Aug. 10, 2017