

MEMBERS SAVING ENTHUSIASTIC
POSITIVE FINANCE FUN EXPERTISE
BUSINESS LEARNING TEAMWORK SOLUTION
INTEGRITY INVEST TRUSTWORTHY
DATA CARING LOCAL GROWTH
PROJECTS LOAN COMMUNITY TOMORROW

2018 ANNUAL REPORT



MEMBERS FIRST
CREDIT UNION

The mission of Members First Credit Union is to encourage a better tomorrow.



TRUSTWORTHY

We deliver excellence through knowledge.

We can be depended upon to do the right thing.

We believe in exceeding expectations.



CARING

We are committed to encouragement and the power of positivity.

We respect all people, without judgment.

We give the best of ourselves when we join together.



ENTHUSIASTIC

We are hardworking, passionate people.

We encourage maximizing happiness and fun.

We thrive by finding new ways to help.

BOARD OF DIRECTORS

Robert Cooper	Chairman
Kevin Brott	Vice Chairman
George Yost	Secretary
Robert Lancaster	Treasurer
Clare (Tom) Taylor Jr.	Director
Dave Thompson	Director
Doug Todd	Director
Elizabeth Christiansen	Director
Gary P. Schenk	Director
Joseph Ashcroft	Director
Sara Eklove	Director

SUPERVISORY COMMITTEE

Don Boyer	Chairman
Joseph Kreuzsch	Secretary
Greg Crawford	Committee Member
Robert Clarke	Committee Member

CEO & SENIOR MANAGEMENT TEAM

Eric Brubaker	President/CEO
Anna Marie Zielinski	Executive Vice President
Carrie Iafrate	Executive Vice President
Amy Garver	Vice President of Member Services
Chuck Otto	Vice President of Finance
Kelly Kammer	Vice President of Risk Management
Pamela Ayers	Vice President of Lending
Trish Ross	Vice President of Marketing

MESSAGE FROM THE CHAIRMAN

Robert G. Cooper | Chairman, Board of Directors

2018 Highlights

We launched our online lending platform during the year to provide a more convenient and streamlined process for you to borrow money at your credit union. We have heard positive feedback from you about how easy and fast this process is. We are excited to share that we funded loans totaling over \$4.8 million through the online channel during 2018.

Michigan Trusted Title Agency opened its doors in September 2018. Members First Credit Union is a co-owner of the title company, along with ten other credit unions. The agency was started to help our members obtain title insurance policies and facilitate real estate closings throughout Michigan. We are excited to serve you in this capacity.

Encouraging a Better Tomorrow in 2019

As you may have heard, Members First Credit Union is one of seven prominent, Michigan-based credit unions organizing a new limited purpose bank and credit union service organization named Credit Union Trust. We currently provide a range of wealth management services for you, and soon you will be able to obtain trust services while remaining in the credit union family. Credit Union Trust is the first such entity in the state. We look forward to the opening of Credit Union Trust and working with you and local professionals to meet your needs.

On April 1st, we launched our online membership opening platform. Similar to our online lending platform launched last year, the goal is to provide a more convenient and simple process for you. This service will provide the capability for you to open an account with us anywhere and anytime.

Our Commercial team has grown over the past year as well and are serving many new members. We now have three experienced lenders and a deposit and services team. They really have a passion for learning about your business or business dreams and crunching numbers to see what is possible.

Serving our communities is a vital component of our mission. We do so primarily through our Community Difference Project which was created to impact peoples' lives via staff volunteerism, performing good deeds, or providing support for people in need. We work closely with many charitable organizations throughout Michigan to make a difference in the communities we serve. Thank you for allowing us to help build stronger communities.

As always, on behalf of our Board of Directors, our Supervisory Committee, and our employees; we thank you for your trust and loyalty. We truly appreciate you giving us the opportunity to Encourage a Better Tomorrow for you and for our communities.

STATEMENT OF FINANCIAL CONDITION

As of December 31, 2018 & 2017

	2018	2017
	Unaudited	
Assets		
Consumer Loans	\$ 209,827,983	\$ 175,057,380
Real Estate Loans	87,594,738	83,659,328
Business Loans	<u>32,256,803</u>	<u>36,435,394</u>
Total Loans To Members	329,679,524	295,152,102
Allowance For Loan Loss	<u>(3,423,485)</u>	<u>(2,871,085)</u>
Net Loans To Members	326,256,039	292,281,017
Cash & Cash Equivalents	19,227,043	24,828,036
US Govt. Agencies	64,604,556	64,893,767
Alloya Corporate Credit Union	2,603,216	2,001,189
Bank & Credit Union CDs	40,995,000	58,130,616
Other Investments	<u>5,577,714</u>	<u>5,054,828</u>
Total Cash & Investments	133,007,529	154,908,436
Land & Building Net	12,873,436	12,860,553
Other Fixed Assets	3,161,486	3,311,923
All Other Assets	<u>13,432,249</u>	<u>12,330,955</u>
Total Other Assets	29,467,171	28,503,431
Total Assets	<u>\$488,730,739</u>	<u>\$475,692,884</u>
Liabilities		
Accounts Payable &		
Other Accrued Expenses	<u>14,152,925</u>	<u>5,672,440</u>
Total Liabilities	<u>14,152,925</u>	<u>5,672,440</u>
Equity		
Share Savings	92,743,975	91,511,001
Share Drafts	75,404,034	71,832,250
High Yield Savings	27,163,130	26,808,804
Super High Yield Savings	139,264,658	142,201,250
IRA Accounts	21,734,504	23,704,629
Certificates Of Deposit	<u>61,873,777</u>	<u>61,335,653</u>
Total Member Shares	418,184,078	417,393,587
Reserves	3,196,853	3,196,853
Undivided Earnings	50,104,267	45,354,455
Unrealized Gain/(Loss)	(1,430,094)	(674,263)
YTD Earnings	<u>4,522,710</u>	<u>4,749,812</u>
Total Member Capital	56,393,736	52,626,857
Total Shares & Equity	<u>474,577,814</u>	<u>470,020,444</u>
Total Liabilities & Equity	<u>\$488,730,739</u>	<u>\$475,692,884</u>

STATEMENT OF INCOME AND EXPENSES

For the Years ended December 31, 2018 & 2017

	2018	2017
	Unaudited	
Interest Income		
Interest - Consumer Loans	\$ 14,363,594	\$ 12,324,729
Interest - Real Estate Loans	4,375,305	3,854,682
Interest - Business Loans	<u>1,622,703</u>	<u>1,572,309</u>
Total Income From Loans	20,361,602	17,751,720
Income From Investments	<u>2,756,881</u>	<u>2,096,179</u>
Total Interest Income	<u>23,118,483</u>	<u>19,847,899</u>
Interest Expense		
Dividends - Regular Shares	139,180	118,131
Dividends - Share Drafts	52,727	45,424
Dividends - High Yield Savings	89,312	48,586
Dividends - Super High Yield Savings	614,221	426,294
Dividends - IRA Accounts	223,878	185,414
Dividends - Certificates	<u>890,199</u>	<u>720,175</u>
Total Dividends	<u>2,009,517</u>	<u>1,544,024</u>
Interest On Borrowed Funds	<u>30,385</u>	8
Total Interest Expense	<u>2,039,902</u>	<u>1,544,032</u>
Net Interest Income	21,078,581	18,303,867
Loan Loss Provision	<u>3,361,519</u>	<u>2,225,370</u>
Net After Loss Provision	<u>17,717,062</u>	<u>16,078,497</u>
Operating Expenses		
Salaries & Benefits	13,563,398	11,078,206
Training, Travel & Conference	837,973	652,616
Association Dues	27,603	29,840
Office Occupancy & Operations	8,425,631	7,623,260
Education & Promotion	1,131,887	820,667
Loan Servicing Expense	1,543,267	1,144,925
Professional/Outside	358,440	674,507
Misc Operating Expense	<u>38,688</u>	<u>73,677</u>
Total Operating Expense	<u>25,926,887</u>	<u>22,097,698</u>
Other Operating Income	<u>12,345,750</u>	<u>10,508,014</u>
Net Before Non Operating Exp/Inc	<u>4,135,925</u>	<u>4,488,813</u>
Non Operating Expense/Income	386,785	261,000
Net Income	<u>\$4,522,710</u>	<u>\$4,749,813</u>

Statistics

	2018	2017
Members	66,235	61,246
Loans	51,410	49,212
Loans Closed	21,869	20,898
Loans Closed Dollars	\$162,069,405	\$141,029,830
Delinquent Loans	637	775
Delinquent Dollars	\$2,576,516	\$3,206,590



Members First Credit Union created the Community Difference Project to impact peoples' lives in positive ways. Whether it's to volunteer, perform a good deed, or provide support to people in need, we're here to encourage a better tomorrow for everyone in our community.

We are proud to share with you some of the statistics from the 2018 Members First Credit Union Community Difference Project including volunteer hours, monetary donations, sponsorships, and organizations impacted in Michigan.

\$102,358.22 donated in 2018	1,436 staff volunteer hours in 2018	119 organizations staff volunteered with in 2018	262 organizations we donated to in 2018
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COUNTIES IMPACTED BY VOLUNTEERING IN 2018:

Allegan, Bay, Clare, Evart, Gladwin, Grand Rapids, Gratiot, Harrison, Isabella, Kent, Midland, Mt. Pleasant, Osceola, Ottawa, Saginaw

WHAT DID THESE DONATIONS SUPPORT?

Education, Economic Development, and Community Involvement



July, 2018 - Grand Rapids staff volunteering and dropping off donations to the Kids Food Basket



August, 2018 - staff volunteering at WGVU Kids Day at the John Ball Zoo in Grand Rapids



February, 2018 - Gladwin staff showing support for the American Heart Association



August, 2018 - Harrison staff dropping off donations to the NEMSCA Headstart in Marion



April, 2018 - some of the Jeeps from the Kids Jeep Giveaway at each of the branches



January, 2018 - donation for Isabella County Restoration House from the Auto Group Sale in Mt. Pleasant



November, 2018 - Mt. Pleasant Staff dropping off the donation to Isabella County Child Advocacy Center



April, 2018 - Mt. Pleasant staff working the booth at the CFX Salute to Working Women event

2018 ACCOMPLISHMENTS



Increased our total number of employees from 206 to 221



In-house debit EMV chip cards



Gained almost 5,000 members in Michigan



Hosted two Family Day events in Michigan



Announced the Credit Union Trust to the public



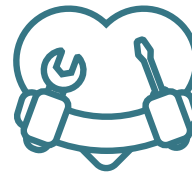
CUAC (Credit Union Advocacy Committee) was rebranded



Introduced online lending for our members



Awarded \$10,000 in scholarships to local students



Donated \$50,000 to United Way



Held our 20th Annual Golf Outing for the scholarship fund

LOOKING TO 2019



Online Membership Opening



Recipient of a CUNA Diamond Award



24/7 Contact Center and Live Chat through Online Banking



Consistent branch hours for all locations



Credit Union Trust Services

BRANCH LOCATIONS

Main Office
Wackerly Branch
600 W Wackerly St
Midland, MI 48640

Broadway Branch
4976 E Broadway Rd
Mt. Pleasant, MI 48858

Ann St Branch
150 Ann St NW
Grand Rapids, MI 49505

Dartmouth Branch
400 Dartmouth Dr
Midland, MI 48640

Harrison Branch
3641 N Clare Ave
Harrison, MI 48625

Kentwood Branch
4429 Breton Rd SE
Grand Rapids, MI 49508

Clare Branch
650 W 5th St
Clare, MI 48617

Gladwin Branch
1291 W Cedar Ave
Gladwin, MI 48624

Jenison Branch
7565 Cottonwood Dr
Jenison, MI 49428

Blue Grass Branch
4490 E Blue Grass Rd
Mt. Pleasant, MI 48858

Ewart Branch
201 E 7th St
Ewart, MI 49631



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