

Our purpose at the University of Michigan Credit Union (UMCU) is to amaze our members, the community and our team by working together for shared success.

“This year generated an unmatched energy and inspired us to set our goals higher than ever before. UMCU is looking forward to serving and helping our members and surrounding communities achieve their financial success in 2019, and thank you for your continuous support.”

-Tiffany Ford, UMCU President and Chief Executive Officer.

## BOARD OF DIRECTORS

Paul Kirsch.....Chairman  
 Karen Parker.....Vice Chairman  
 Victoria Bennett.....Secretary  
 Earl Bell.....Treasurer  
 Frank Cianciola.....Director  
 Lukeland Gentiles.....Director  
 Jim Middlemas.....Director  
 Susan McClanahan.....Director  
 Shawn Pollack.....Director  
 Mary Krasny.....Associate Director

## FINANCIAL HIGHLIGHTS

At the end of 2018, we had a total of 94,632 member-owners. This represents a net growth of 7,581 members since the end of 2017, an increase of 8.71%.

We completed the year with a net income of \$10,118,886 and a strong net worth of 9.22%. Total assets increased by 14.32% to \$907,339,038 with a return on assets of 1.19%. UMCU was also incredibly successful in assisting our members by providing \$704,123,981 in total gross loans, which is an increase of 21.67% from the previous year.

## UMCU HIGHLIGHTS

### GROUNDBREAKINGS AND BUILDING UPDATES

- A groundbreaking ceremony celebrated UMCU's new branch on Carpenter Road.
- The UMCU Administration Office received renovations to its main floor including additional meeting spaces and an open floorplan.
- UMCU's branch inside the Michigan Union closed for the University of Michigan's "Re:Union" renovation project which is expected to be completed by Spring 2020.



## AWARDS

- UMCU was recognized as a 2018 Top Workplace by the Detroit Free Press.
- UMCU was named one of the 2018 Best and Brightest companies to Work For in the Nation by the National Association for Business Resources.
- Tiffany Ford, UMCU President and CEO, was named Professional of the Year by the Michigan Credit Union League (MCUL).

- UMCU's Brand Team was honored with two Diamond Awards in the Logo and Brand Awareness categories from CUNA's Marketing & Business Development Council for UMCU's revived branding initiative and Bicentennial Story brand awareness campaign.

- Readers of Current Magazine voted UMCU Best Bank/Credit Union of Washtenaw County.

- UMCU was voted Best Bank/Credit Union in Ann Arbor by The Michigan Daily readers.

- UMCU's Financial Wellness program finished second in CUNA's national competition and first (based on asset-size) in MCUL's statewide competition for the Alphonse Desjardins Adult Financial Education Award.

## CHARITY AND COMMUNITY INVOLVEMENT

- UMCU Arts Adventures Endowment Program at UMS provided 2,200 free tickets and more than \$5,800 in bus grants to K-12 students from 35 underserved schools in Ann Arbor, East Detroit, Southfield, Southgate and Ypsilanti. These students would not have been able to visit U-M's campus for a UMS school day performance otherwise.

- UMCU sponsored and participated in the Dance Marathon at U-M for the 18th year which benefits the pediatric rehabilitation programs at Michigan Medicine.

- Thanks to our members and team members, UMCU raised more than \$5,500 in toys and gifts for Michigan Medicine.

- UMCU sponsored the student ticket program for the 35th Annual Ann Arbor Summer Festival. This program provided discounted tickets for current college and high school students to Mainstage shows they might otherwise not be able to afford.

- With the help of 32 local businesses and our members through "Shop Local Give Local," UMCU donated \$5,000 to the Neutral Zone. The donation went towards supporting their S.C.O.R.E Education Program (School, Career, and Opportunities aRe Endless) which prepares local teens for their future education and career goals.



- UMCU was a proud sponsor of the U-M Champs for Mott, a Culinary Gala fundraiser for Michigan Medicine's C.S. Mott Children's Hospital.

- For the tenth year in-a-row, UMCU sponsored and participated in the American Heart Association of Southeast Michigan's Heart Walk/Run Event. UMCU members donated more than \$5,000 which will help provide support to stroke survivors and their families.

- EMUCU sponsored the Ypsilanti Meals on Wheels.

- EMUCU was a proud sponsor of EMU Library's Textbook Affordability Initiative which works to improve student access to free or more affordable course reading materials.

## FINANCIAL EDUCATION

- In 2018, UMCU introduced live online workshops to make attending workshops more convenient. Members now have the ability to attend a financial education workshop from anywhere using any mobile device.

- UMCU's first-ever Money Smart Week was facilitated in April and packed with educational workshops and special events.

- Credit report assistance was customized and gave members the opportunity to meet with UMCU's Financial Education Specialist to access and review their credit reports one-on-one.

- UMCU facilitated more than 175 separate financial education events that positively impacted more than 4,100 people including:

- UMCU and EMUCU members
- U-M, EMU and WCC campus community members (students, faculty, staff and alumni)
- Various community members in Ann Arbor, Ypsilanti, Flint and Dearborn (schools, private employers, civic groups)



ASSETS	2018	2017
Cash and cash equivalents	\$61,918,427	\$29,705,188
Investment securities – Available for sale	87,822,020	133,526,639
Time deposits with other financial institutions	2,640,000	4,332,000
Loans to members – net allowance for loan losses	698,244,548	573,870,467
Premises and equipment – net allowance for losses	36,979,566	33,443,353
Accrued interest receivable	2,756,526	2,341,169
FHLB stock	2,268,400	1,349,700
Corporate capital	930,700	930,700
Investment in CUSOs	463,479	425,865
NCUSIF deposit	7,273,314	6,763,992
Other Assets	6,042,058	6,979,918
<b>Total Assets</b>	<b>\$907,339,038</b>	<b>\$793,668,991</b>

LIABILITIES AND MEMBERS' EQUITY	2018	2017
<b>LIABILITIES</b>		
Members' share and savings accounts	\$762,200,258	\$711,434,133
Borrowed funds	50,406,824	-
Accrued and other liabilities	10,837,856	8,486,823
<b>Total Liabilities</b>	<b>823,444,938</b>	<b>719,920,956</b>
<b>MEMBERS' EQUITY</b>		
Regular Reserve	5,567,068	\$5,567,068
Equity Acquired in Merger	4,415,593	4,415,593
Undivided Earnings	73,663,489	63,544,603
Accumulated other comprehensive income	247,950	220,771
<b>Total Members' Equity</b>	<b>\$83,894,100</b>	<b>\$73,748,035</b>
<b>Total Liabilities and Members' Equity</b>	<b>\$907,339,038</b>	<b>\$793,668,991</b>

INTEREST INCOME	2018	2017
Loans	\$30,612,445	\$24,040,769
Investment Securities	2,143,796	2,383,886
<b>Total Interest Income</b>	<b>\$32,756,241</b>	<b>\$26,424,655</b>

INTEREST EXPENSES	2018	2017
Members' share and savings accounts	\$1,062,738	\$736,486
Borrowed funds	793,540	130,867
<b>Total Interest Expense</b>	<b>\$1,856,278</b>	<b>\$867,353</b>
Net interest income	\$30,899,963	\$25,557,302
Provision for Loan losses	4,892,925	3,578,885
<b>Total Net Interest Income after Provision for Loan Losses</b>	<b>\$26,007,038</b>	<b>\$21,978,417</b>

NONINTEREST INCOME	2018	2017
Service charges and other fees	\$11,113,328	\$9,792,173
Other	1,641,128	1,861,815
<b>Total Noninterest Income</b>	<b>\$12,754,456</b>	<b>\$11,653,988</b>

NONINTEREST EXPENSE	2018	2017
Salaries and employee benefits	\$13,374,915	\$11,908,575
Occupancy	3,703,598	3,321,075
Operations	8,214,739	7,982,244
Other	3,349,356	3,052,053
<b>Total Noninterest Expense</b>	<b>\$28,642,608</b>	<b>\$26,263,947</b>
<b>Total Net Interest Income After Provision for Losses</b>	<b>\$10,118,886</b>	<b>\$7,368,458</b>

# UNIVERSITY OF MICHIGAN CREDIT UNION

# 2018

## ANNUAL REPORT