

ENHANCING MEMBERS' FINANCIAL LIVES



2013 Annual Report

GENISYS
CREDIT UNION

Where you come first.

Mission Statement

Meeting Financial Needs –
“Your Way”

Values:

- Trustworthy
- People Focused
- Quality Service

2013 Reports

Report from the Chairman

Genisys Credit Union continued to grow in 2013. This continued growth was evidenced not only by year-end assets, but also through the accomplishments of a dedicated staff and management team who embrace the philosophy of putting the member first. Quality service remains a focus, along with providing a full range of competitive products. Our members have given us a 95.65% satisfaction rating, while our Net Promoter Index score continues to be a record high 84%. NPI is a customer loyalty metric with a score of 50% or more considered acceptable among the best companies.

Among the service enhancements for our members, during 2013 we introduced mobile bill pay to our award-winning iPhone and Android mobile banking applications and implemented several mobile enhancements our members requested throughout the year. In addition, our members now enjoy a much more robust online banking experience complete with budgeting tools, dashboards, enhanced search capabilities and the ability to customize screens. We introduced a local merchant debit MasterCard® reward program and now members can earn up to five times the points if they shop locally. During 2013 Genisys paid out 34% more in automobile, recreational vehicle and other types of consumer loans than in 2012. We were also able to help numerous local small businesses through the small business loan products we now offer.

Our commitment to our communities has never been stronger and in 2013 our team and their families volunteered over 3,500 hours of their time supporting over 275 events in the communities we serve. Some of these events included the AIDS Walk, Oakland Livingston Human Services Agency's Annual Walk for Warmth, Lighthouse of Oakland County's Annual Hunger Walk, packaging holiday food boxes for the Baldwin Center, as well as numerous parades, community park events and health fairs. For more information about Genisys' community involvement initiatives, be sure to check the Making a Difference page on the Genisys Credit Union website.

Genisys also received several noteworthy awards in 2013. For the fifth consecutive year, Genisys employees voted the Credit Union as one of the Detroit Free Press' Top Places to work in Michigan. We were also honored to receive the Community Builder Award from the Auburn Hills Chamber of Commerce and the DiSciTech Award from Corp! Magazine. In addition, we were given the Economic Bright Spot award by Corp! Magazine, as well as multiple Best of the Best awards received from various local newspaper publications.

Genisys continues to evaluate opportunities to enhance our members' experience through new products and services and improving our current offerings. Your Board of Directors, Management Team and Staff at Genisys are committed to providing our members with unsurpassed financial services. I am pleased to report that your credit union continues to be financially strong and totally committed to serving its members. The employees and volunteers of Genisys appreciate your business and look forward to continuing to serve you.



Thomas Healy
Chairman of the Board

Report from the Supervisory Committee

The Supervisory Committee, as appointed by the Board of Directors, shares the Board's responsibilities in determining that management practices are protecting the members' assets, in properly administering the Board's policies and procedures, and in safeguarding against fraud and conflict of interest.

In fulfilling its responsibilities, the Supervisory Committee retained the accounting firm of Plante & Moran, PLLC to perform an annual audit of the financial statements and to conduct a verification of member accounts for the year, which ended December 31, 2013. Their complete audit report is available upon request.

Based on the result of audits, examinations, and on-going internal control reviews, the Supervisory Committee can assure members that Management and the Board of Directors have acted in their best interest to ensure continuance of a sound financial institution.



Barbara Pasciolla
Chairperson

Report from the President & CEO

In 2013, Genisys Credit Union continued to focus on serving our members' and our communities' needs. We remain committed to providing the best personal service, bringing convenience through technology and offering the best rates on loans and deposits. Genisys ended the year with \$1.5 billion in assets and a very strong capital to asset ratio of 13.59%. We are proud to report that once again, Genisys grew in assets, deposits, loans and members during 2013. Genisys continued to receive a 5-star rating from the independent rating firm Bauer Financial, which is the best possible rating for a financial institution. Fewer than 10% of all financial institutions in the country have received the 5-star rating for as many consecutive quarters in a row as Genisys.

During 2013, we continued to invest in our employees, our communities and most importantly in our members. Your credit union continued to see strong membership growth and once again we paid out a record number of loans to our members and businesses in our communities and helped members with a multitude of financial needs. In 2013 we continued to offer the lowest rates in our history and by refinancing their loans with Genisys, our members saved hundreds of thousands of dollars. As always, our members' history and unique circumstances are taken into consideration, as we understand the needs of each individual member. Our Investment Advisors with Genisys Investment Services also helped more members than ever invest wisely for their future and retirement.

Genisys continued to be involved in the communities we serve by supporting not just people in need of food, clothing, utility assistance and the like, but by partnering with schools and other organizations to help students learn about savings and investments and by supporting several youth related programs such as robotics teams, Young Professionals' mixers and youth health screenings. Our generous staff also donated many hours of their personal time to help the less fortunate prepare their tax returns.

Our remote delivery channels saw more enhancements and we had record growth in our mobile application usage, as members continued to move from accessing their accounts from their PCs to accessing accounts using mobile devices. Genisys members now enjoy the convenience of paying bills using their mobile device and with all the functionality available through mobile there is little reason for our members to log into online banking or walk into a branch.

The Financial Statement for 2013 consolidates Genisys Credit Union and its Subsidiaries. The year-end totals for December 31, 2013 are:

Assets	\$1,535,999,713
Deposits	\$1,303,509,544
Net Loans and Mortgages	\$ 882,056,080

Genisys Credit Union continues to be well positioned to serve its more than 143,000 members in meaningful ways through challenging economic times and through good times. With the strong leadership provided by the Board of Directors, as well as the dedication and hard work of the Genisys staff, Genisys will continue to focus on meeting the financial needs of our membership through outstanding quality service, convenient service delivery channels, and competitive rates.



Jacqueline Buchanan
President & CEO

Consolidated Statement of FINANCIAL CONDITION

December 31, 2013

ASSETS

Cash and cash equivalents	\$57,304,640
Investment securities:	
Available for sale	513,158,827
Held to maturity	303,911
Loans to members	882,056,080
Accrued interest receivable	3,914,225
Premises and equipment	28,376,972
NCUSIF deposit	12,576,788
Federal Home Loan Bank stock	5,515,700
Other assets	32,792,570
Total Assets	<u>\$ 1,535,999,713</u>

LIABILITIES AND MEMBERS' EQUITY

Liabilities	
Members' shares and savings accounts	\$ 1,303,509,544
Borrowed funds	10,000,000
Accrued interest payable	424,601
Accrued and other current liabilities	13,577,019
Total Liabilities	<u>1,327,511,164</u>
Members' Equity	<u>208,488,549</u>
Total Liabilities & Member Equity	<u>\$ 1,535,999,713</u>

Consolidated Statement of INCOME

December 31, 2013

INTEREST INCOME

Loans	\$ 44,879,089
Investment securities	8,098,831
Total Interest Income	<u>52,977,920</u>

INTEREST EXPENSE

Members' shares and savings accounts	5,444,272
Borrowed funds	402,241
Total Interest Expense	<u>5,846,513</u>

Net Interest Income

Provision for Loan Losses	6,222,237
Net Interest Income - After provision for loan losses	<u>40,909,170</u>

Noninterest Income

Fees and charges	9,602,154
Other	12,199,992
Total Noninterest Income	<u>21,802,146</u>

Noninterest Expenses

Compensation and benefits	20,701,099
Operating expenses	14,384,838
Occupancy	2,947,874
Loss on sale of assets	147,405
Temporary corporate credit union stabilization	1,006,143
Total Noninterest Expense	<u>39,187,359</u>

Net Income

\$ 23,523,957

Board of Directors

Thomas Healy – Chairman

Patrick Shaffer – Vice Chairman

Gregory Melega – Secretary

David Stolk – Treasurer

Steve Branch

Mark Churay

Peter DeVita

John A. Schulte

Brian Zabowski

Supervisory Committee

Barbara Pasciolla – Chairperson

James Campbell

Debra Ehrmann

Adela Piper

Glenn Voorhess

Michigan Branches

Auburn Hills

2100 Executive Hills Blvd., Auburn Hills 48326
248-322-9800 x3205

Chesterfield Township

49692 Gratiot Ave., Chesterfield Twp. 48051
586-598-1786

Clarkston

7357 Deer Lake Rd., Clarkston 48346
248-620-3278

Commerce Township

2445 Union Lake Rd., Commerce Twp. 48382
248-363-3539

Marysville

207 Huron Blvd., Marysville 48040
810-364-9290

Orion

4055 S. Lapeer Rd., Orion 48359
248-370-0530

Ortonville

250 N. Ortonville Rd., Suite B, Ortonville 48462
248-627-8600

Oxford

168 S. Washington, Oxford 48371
248-236-8135

Plymouth

13000 Haggerty Rd., Plymouth 48170
734-453-5440

Pontiac

44400 Woodward Ave., Pontiac 48341
248-858-2323

Rochester Hills - Crooks

2881 Crooks Rd., Rochester Hills 48309
248-299-5400

Rochester Hills - Avon

55 W. Avon Rd., Rochester Hills 48307
248-608-2789

Shelby Township

49675 Van Dyke, Shelby Twp., 48317
586-323-7060

Troy

1960 E. Big Beaver, Troy 48083
248-528-0302

Waterford - M-59

7372 Highland Rd., Waterford 48327
248-666-9742

Waterford - Dixie

4416 Dixie Hwy., Waterford 48329
248-618-8065

Waterford - Walton

2960 W. Walton Blvd., Waterford 48329
248-618-0914

White Lake

3671 Highland Rd., White Lake 48383
248-887-1211

Wixom

160 Wixom Rd., Wixom 48393
248-926-0648

Ypsilanti

2820 Tyler Rd., Ypsilanti 48198
734-485-8000

Minnesota Branches

Eagan

1519 Central Parkway, Suite 110, Eagan 55121
651-994-4898

Roseville

1490 County Road B West, Suite B, Roseville
55113
651-633-8443

Pennsylvania Branch

Blue Bell

1510 DeKalb Pike, Suite A-9, Blue Bell, PA 19422
610-272-4900

Your savings federally insured to at least \$250,000
and backed by the full faith and credit of the United States Government

NCUA

National Credit Union Administration, a U.S. Government Agency


GENISYS
CREDIT UNION

Where you come first.

www.genisyscu.org