

2009 Annual Report

Statement of Condition
Statement of Operations

December 31, 2009

The logo for Genisys Credit Union features a green swoosh above the word "GENISYS" in a dark red, serif font. Below "GENISYS" are the words "CREDIT UNION" in a green, sans-serif font.

GENISYS
CREDIT UNION

Where you come first.

Mission Statement

Meeting Financial Needs – “Your Way”

Values:

- Trustworthy
- People Focused
- Quality Service

2009 Reports Report from the Chairman

How do you determine and measure success? In the economic world of 2009, most would see little evidence of success. A glimmer was visible each day, each week and each month for those watching Genisys Credit Union. In its first post-merger year, your credit union exceeded the expectations of most in the financial world.

The merger that brought two fine credit unions together in late 2008 was promoted as a merger of equals. Many in the financial world suspected it would be anything but equal. They were wrong on every count! Genisys Credit Union functions today with a unified team. Efficiencies and improvements continue as ongoing good business practice, but the structure is firmly established. Dianne Addington's President/CEO report describes the financial progress, but here are a few examples of other 2009 excellence:

- 1) Completion of the most successful core data processing conversion in credit union history
- 2) Member satisfaction survey rating of 96.29% with excellence in quality service
- 3) Achievement of 155.45% of planned internal goals
- 4) Employee Opinion Survey rating over 90%
- 5) Net Promoter Index of 87.19 – NPI is a customer loyalty metric with 50 or more considered acceptable amongst the best companies. In 2009, financial institutions typically ran at ratings of 35 and below. Genisys results = SUPERIOR!

How was Genisys Credit Union able to perform at such high levels in its first operational year? The answer is easy because there would be no success to report without the focus, dedication and performance of the people of Genisys.

The management staff under Dianne Addington's leadership achieved so much. They were truly amazing. Policies and procedures were reviewed and rewritten; departments were consolidated and in some cases moved; countless hours were spent evaluating, testing and implementing a successful core system conversion. There was a never-ending list of projects and each one of them was met head on and worked to conclusion.

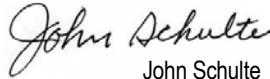
The remarkable frontline staff at 25 proprietary branches and all of those behind the scenes accepted and tackled every challenge and did their utmost to satisfy every member on every

occasion. Their dedication to their jobs, support of the merger, and willingness to embrace extraordinary change made Genisys stronger and the transition easier. They are wonderful people and dedicated beyond belief to satisfying all Genisys members.

With all that was done, there is one other tribute to this management and staff team that every member should know about: Genisys management and staff volunteered over 4,000 hours of their own time to community projects in 2009.

Finally, there are the volunteers that make up your Board of Directors and Supervisory Committee. All of them deserve real credit for truly working together and helping to build Genisys into this great credit union they envisioned.

I am pleased to report that your credit union continues to be financially strong and totally committed to serving our members. The staff and volunteers of Genisys appreciate your business and congratulate you for having chosen to be a member of an outstanding financial institution.



John Schulte
Chairman of the Board

Supervisory Committee Report

The Supervisory Committee, as appointed by the Board of Directors, shares the Board's responsibility: for determining that management practices are protecting the member's assets; for properly administering the Board's policies and procedures; and for 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, 2009. 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.



Glenn E. Voorhess
Chairperson

Report of the President, CEO

2009 was the first full year of operations for Genisys Credit Union. Throughout the year, there were many changes as the operations of each legacy credit union were combined. The climax of these changes occurred on July 31, 2009 when all credit union operations were successfully merged onto one core operating system.

Even in a year of change, the credit union maintained an outstanding level of quality member service measured through surveys, professional shops, and tracking net promoter index scores. Credit union staff never lost focus in providing members with the best possible service as was evident in an average 96.29% satisfaction rating.

In 2009, the Genisys branching strategy continued forward momentum with two new locations opening. A branch was opened in Commerce Township on Union Lake Road near Willow, and a branch in Shelby Township on Van Dyke north of 22 Mile Road. Genisys Credit Union Members now have 25 proprietary branches, 3,700 Co-op Shared Branches, and approximately 28,000 no surcharge ATMs. Genisys is accessible 7 days a week, 24 hours a day through Online Banking and our loan call center. Additionally, Genisys expanded its charter in 2009 in order to serve members in Genesee County, Michigan and Montgomery County, Pennsylvania.

Genisys ended 2009 with approximately \$1.3 billion in Assets and a very strong capital to asset ratio of 11.72%. 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.

The Financial Statement for 2009 consolidates Genisys Credit Union and its Subsidiaries. The year-end totals for December 31, 2009 are:

Assets	\$1,288,456,000
Deposits	\$1,099,763,000
Net Loans and Mortgages	\$ 747,398,000

Genisys Credit Union is well positioned to serve its more than 117,000 members in a meaningful way 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.



Dianne Addington
President/CEO

Where you come first.

Consolidated Statement of FINANCIAL CONDITION

ASSETS:	12/31/2009	12/31/2008
Cash and cash equivalents	\$70,706,090	\$ 92,178,798
Investment securities:		
Trading	-	3,463,570
Available for sale	349,414,312	284,927,463
Held to maturity	691,912	824,306
Time deposits with other financial institutions	42,051,866	78,000,000
Loans to members	747,397,058	692,703,835
Accrued interest receivable	2,340,727	4,523,629
Premises and equipment - Net	28,656,755	26,890,095
NCUSIF deposit	10,686,289	2,709,192
Federal Home Loan Bank stock	5,606,500	4,006,900
CenCorp member capital share deposit	534,244	1,400,000
Other assets	30,369,861	23,694,977
TOTAL ASSETS	<u>\$ 1,288,455,614</u>	<u>\$ 1,215,322,765</u>
LIABILITIES AND MEMBERS' EQUITY		
Liabilities:		
Members' shares and savings accounts	\$ 1,099,762,663	\$ 1,015,505,740
Borrowed funds	24,500,000	43,500,000
Accrued interest payable	1,398,254	1,051,575
Accrued and other current liabilities	11,178,093	16,100,853
Total liabilities	1,136,839,010	1,076,158,168
Members' Equity	151,616,604	139,164,597
TOTAL LIABILITIES & EQUITY	<u>\$ 1,288,455,614</u>	<u>\$ 1,215,322,765</u>

Consolidated Statement of OPERATIONS

INTEREST INCOME:	12/31/2009	12/31/2008
Loans	\$ 44,770,417	\$ 43,110,939
Investment securities	15,525,125	20,738,274
Total interest income	60,295,542	63,849,213
INTEREST EXPENSE		
Members' shares and savings accounts	17,984,984	25,611,938
Borrowed funds	1,445,992	2,048,203
Total interest expense	19,430,976	27,660,141
Net Interest Income	40,864,566	36,189,072
Provision for Loan Losses	15,929,210	6,289,713
Net Interest Income - After provision for loan losses	24,935,356	29,899,359
Noninterest Income		
Fees and charges	6,795,225	7,908,384
NCUSIF recapitalization	6,305,620	-
Other	7,841,994	5,590,450
Total noninterest income	20,942,839	13,498,834
NONINTEREST EXPENSES		
Compensation and benefits	22,728,297	21,881,501
Operating expenses	12,753,673	14,923,160
Occupancy	3,287,241	3,093,397
Loss on sale of assets	247,128	218,978
NCUA premium assessment	-	2,741,574
Loss on write-down of available-for-sale investments	971,566	-
NCUSIF impairment	-	6,305,620
Corporate credit union capital impairment	165,756	4,097,160
Costs related to pension plan termination	4,093,087	-
Total noninterest expenses	44,246,748	53,261,390
NET INCOME (LOSS)	<u>\$ 1,631,447</u>	<u>\$ (9,863,197)</u>

Board of Directors

John A. Schulte – Chairman

Mark Churay – Vice Chair

Gary Wallen – Secretary

Patrick Shaffer – Treasurer

Peter DeVita

Robert Gracely

Thomas Healy

Kathleen Kalis

Gregory Melega

David Stolk

Brian Zabowski

Supervisory Committee

Glenn Voorhess – Chairman

Steve Branch

Debra Ehrmann

Barbara Pasciolla

David Taylor

Senior Management Listing

President/CEO

Dianne Addington

EVP/Chief Operations Officer

Thomas Alter

EVP/Chief Information Officer

Jacqueline Buchanan

SVP/Member Services

Christine DeWitt

SVP/Chief Investment Officer

Gerald Strausbaugh

SVP/Chief Financial Officer

Wilma Wells

VP of Public Relations

Lonnie Bone

VP of Marketing

Darren Cameron

VP of Human Resources

Andria George

VP of Facilities

James Kucinski

VP of Information Technology

Alan Smith

VP of Sales and Service

Jerry McIlrath

VP of Lending

James Reinhart

VP of Branch Operations

Glenda West

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

Where you come first.

Michigan Branches

Auburn Hills

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

Chesterfield Township

52947 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

Macomb Township

50786 Romeo Plank Rd., Macomb Twp. 48044
586-412-5758

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 - Big Beaver

363 W. Big Beaver, Suite 150, Troy 48084
248-528-0302

Troy - John R

4972 John R Rd., Troy 48085
248-740-5932

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



www.genisyscu.org