



2014

Annual Report

2014 was the first year of a five-year strategic plan which focuses on relevance and growth. We define relevance as offering products and services members desire, maintaining an engaged workforce, and supporting the communities we serve. Growth is defined as sustainable profitability through greater member participation.

We are pleased to report that during 2014 Credit Union ONE (CUONE) made significant progress towards its goals of relevance and growth. Highlights of this progress are set forth below.

Remarkable Member Experience

Because we are owned by members, we seek to deliver a remarkable member experience. Each year, members are independently surveyed about their relationship with CUONE. The 2014 results indicate high levels of satisfaction and loyalty that exceed our peer group, and continue to improve every year.

Tangible improvements to the member experience include a new mobile banking platform, introducing a unique one-stop financial planning program, and launching e-signature technology for closing loans. A brand new branch in Traverse City was opened and our Grand Rapids branch received a total makeover. During the year, we paid out over \$1 million in cash back checking rewards, closed over \$451 million in loans, and gained almost \$40 million in deposits. This year, membership hit an all-time high, exceeding 120,000 members.

We welcomed St. Joseph Mercy Hospital Pontiac FCU members into CUONE as our organizations completed a merger in October. CUONE operates under the assumed named St. Joseph Mercy Financial, and is planning to open a new and updated location within the hospital in 2015.

Corporate Responsibility

CUONE engaged in various activities that support our members and the communities in which they live and work. We made a difference through scholarships, financial literacy seminars, and community events. CUONE and our employees supported organizations including Karmanos Cancer Institute, Forgotten Harvest, Toys for Tots, Spectrum Health, Pine Rest Foundation, FernCare Free Clinic, National Minority Organ and Tissue Transplant Education Program, and Beaumont Children's Hospital throughout the year. We firmly believe that contributing to the strength of the communities we serve contributes to the strength of our balance sheet.

Financial Results

The Credit Union experienced another strong year of earnings with net income of \$8.9 million. This is the second most successful year in our history. Assets grew by \$28.7 million during the year to end at \$850.3 million. Member equity hit an all-time high at just under \$82.0 million, which resulted in a capital to assets ratio of 9.6%. This is well above the federally defined level of "well capitalized." These strong results earned the Credit Union a coveted five-star rating from Bauer Financial.

Technology Upgrade

We continued investing in technology to enhance the member experience. In 2013, we began preparation for a complete overhaul of our transaction processing and loan technology systems. These upgraded systems launched early in 2015. Planning an undertaking of this magnitude was a significant priority and focus throughout 2014. Although the effort was behind the scenes and not visible to the membership, we believe that once implemented and operational these systems will have an immediate positive impact.

Future Efforts

Beyond our new technology systems, 2015 will be another busy year at CUONE. We will continue to focus on realizing our five-year strategic plan of relevance and growth through various initiatives designed to deliver a remarkable member experience.

On behalf of our talented and dedicated Board of Directors and staff we thank you for your membership and ongoing patronage. This report is respectfully made to the membership of Credit Union ONE.

Paul Stuart
Chairman of the Board

Gary A. Moody
President and Chief Executive Officer



Federally insured by NCUA



MISSION STATEMENT

Credit Union ONE is committed to providing exceptional value to its members by delivering outstanding products and services anytime, anywhere.

CORE PURPOSE

To meet our members' financial service needs throughout their lifetime.

BOARD OF DIRECTORS

Paul W. Stuart, Chairman
 Guadalupe G. Lara, Vice Chairwoman
 Joan Stefanski, Secretary/Treasurer
 Jan Gillespie, Director
 Rudolph R. Montano, Jr., Director
 Nick Nickolopoulos, Director
 David C. Prybys, Director
 Ray Redmond, Director
 Juanita M. Reid, Director
 Gail Westover, Director
 Charlene P. Augustyn, Director Emeritus

The certified public accounting firm of Doeren Mayhew audited, in accordance with auditing standards generally accepted in the United States of America, the statements of the financial condition of Credit Union ONE and Subsidiaries as of December 31, 2014, and the related statements of earnings, members' equity and cash flows for the years then ended (not presented herein). Complete audited financial statements and footnotes are available for review upon request at our corporate office.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

	2014	2013
Assets		
Cash and cash equivalents	\$ 60,640,364	\$ 89,434,572
Investment securities		
Available-for-sale	\$ 3,640,530	\$ 17,571,875
Hold-to-maturity	\$ 7,647,666	\$ 8,391,000
FHLB Stock	\$ 2,302,700	\$ 2,741,900
Loans to members, net of allowance for loan losses	\$ 715,085,855	\$ 652,543,183
Accrued interest receivable	\$ 1,634,560	\$ 1,486,011
Property and equipment	\$ 30,564,786	\$ 29,202,588
NCUSIF deposit	\$ 7,480,023	\$ 7,226,938
Alloya perpetual contributed capital deposit	\$ 677,200	\$ 600,000
Other real estate owned	\$ 1,324,857	\$ 591,106
Investment in CUSO	\$ 2,500,000	\$ 2,500,000
Investment in annuities	\$ 1,901,799	\$ 4,743,883
Servicing Rights	\$ 1,307,012	\$ 978,934
Credit Union owned life insurance	\$ 7,706,280	\$ -
Other Assets	\$ 5,888,925	\$ 3,624,183
Total Assets	\$ 850,302,557	\$ 821,636,173
Liabilities and Equity		
Members' shares and savings accounts	\$ 758,015,389	\$ 718,296,707
Notes payable	\$ -	\$ 25,000,000
Accounts payable	\$ 8,368,084	\$ 4,002,359
Accrued interest and dividends payable	\$ 37,474	\$ 95,166
Other accrued liabilities	\$ 1,900,382	\$ 1,093,493
Total Liabilities	\$ 768,321,329	\$ 748,487,725
Commitments and Contingent Liabilities		
	-	-
Members' Equity-Substantially Restricted	\$ 81,981,228	\$ 73,148,448
Total Liabilities and Members' Equity	\$ 850,302,557	\$ 821,636,173

CONSOLIDATED STATEMENT OF EARNINGS

	2014	2013
Interest Income		
Loans Receivable	\$ 24,876,277	\$ 24,554,786
Investment Securities	\$ 1,164,698	\$ 923,686
Total Interest Income	\$ 26,040,975	\$ 25,478,472
Interest Expense		
Interest and dividends on members' shares and savings accounts	\$ 1,166,496	\$ 1,250,087
Interest on Borrowed Funds	\$ 222,272	\$ 202,350
Total Interest Expense	\$ 1,388,768	\$ 1,452,437
Net Interest Income	\$ 24,652,207	\$ 24,026,035
Provision for Loan Losses	\$ 2,266,186	\$ 350,127
Net Interest Income after Provision for Loan Losses	\$ 22,386,021	\$ 23,675,908
Total Non-Interest Income	\$ 19,444,764	\$ 17,847,924
Total Non-Interest Expense	\$ 32,964,845	\$ 30,844,474
Net Earnings	\$ 8,865,940	\$ 10,679,358