

2019 Annual Report



Executive Summary

Letter from the President/CEO

I want to personally thank the Board of Directors, management team, and employees for their dedication to the membership in 2019. It was an exciting year, as the partnership between Oakland County Credit Union and Vibe Credit Union was finalized. We enhanced the member experience by combining two great cultures, both dedicated to extraordinary member service. Vibe Credit Union now has 16 branches throughout Oakland, Macomb, and Wayne counties, serving nearly 66,000 members.

Vibe Credit Union experienced extraordinary financial performance in 2019. As a larger credit union, we were able to make greater investments in technology to provide members with enhanced convenience services and provide staff more opportunities for career advancement. Vibe Credit Union remains committed to giving back to the community in bigger and more meaningful ways.

We look forward to continuing the important work of improving our members' financial lives. Thank you for choosing and trusting Vibe Credit Union.

Allan McMorris
President/CEO

Board of Director **Financial Summaries**

Vibe Credit Union Board Summary

As of December 31, 2019, Vibe Credit Union had assets totaling \$913.8 million and served 66,813 members. Return on assets (ROA) for 2019 was 1.62%, largely fueled by a one-time bargain purchase gain booked from the merger of Vibe Credit Union and Oakland County Credit Union. The ROA generated \$14,632,305 in Net Income. The bargain purchase gain accounted for \$9,362,491 of the year's Net Income.

During the year, we were able to meet the borrowing needs of our members for the purchase of homes, cars, recreation vehicles and more. In 2019, Vibe booked \$193 million in new loans and member loan balances outstanding grew by more than \$15 million, an annual growth rate of 2.40%.

The credit union remains well-capitalized with a Net Worth ratio of 12.96% at year-end. The loan-to-share ratio ended the year at 84.74% while the delinquency ratio remained below industry average at .49%. Members' total savings and deposits grew 3.00% for the year, reaching \$781,189,632 on December 31, 2019.

David Cowles
Chairman of the Board

Vibe Credit Union Audit Committee Summary

The Audit Committee for Vibe Credit Union provided oversight of the financial statements, corporate records, and operations. Plante & Moran, PLLC, performed a comprehensive audit for the Credit Union for the fiscal year ending December 31, 2019. Vibe Credit Union received an unqualified opinion of its financial statements, which is the highest review possible. Plante & Moran, PLLC, also completed an account verification for the Credit Union in 2019.

The Department of Insurance and Financial Services (DIFS) examined Vibe Credit Union once again in 2019. DIFS provided both Credit Unions with high ratings in financial safety and soundness.

Throughout the year, the Credit Union conducted multiple internal audits and compliance reviews to verify their accuracy and financial strength. It is the opinion of the Credit Union's Audit Committee that the summary reports presented herein fairly represent the financial condition as of December 31, 2019.

Jonathan Serra
Chairman

Vibe Statement of Income & Expense

For the year ended December 31, 2019

DECEMBER 31, 2019

	(Audited) 2019
INTEREST INCOME:	
Loans	\$ 32,327,017
Investment Securities	3,895,030
TOTAL INTEREST INCOME	<u>36,222,047</u>
INTEREST EXPENSE:	
Members' Shares and Deposit Expense	<u>5,547,645</u>
NET INTEREST INCOME	30,674,402
Provision from Loan Loss	<u>2,134,500</u>
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	28,539,902
NON-INTEREST INCOME:	
Service charges and Fees	8,184,937
Interchange Fees	4,508,299
Bargain Purchase Gain	9,362,491
Other Non-Operating Income/(Expense)	<u>1,269,721</u>
TOTAL NON-INTEREST INCOME	23,325,448
NON-INTEREST EXPENSE:	
Salaries and Employee Benefits	18,328,696
Occupancy and Equipment	5,969,438
Operations	10,305,542
Amortization of Core Deposit Intangible	1,077,764
Other	<u>1,551,605</u>
TOTAL NON-INTEREST EXPENSE	37,233,045
CONSOLIDATED NET INCOME	14,632,305
OTHER COMPREHENSIVE INCOME	
Unrealized Gain on Securities Available for Sale:	
Gain Arising During the Year	1,186,580
Reclassification Adj for Realized Loss Included in Net Income	<u>16,840</u>
TOTAL UNREALIZED GAIN ON SECURITIES AVAILABLE FOR SALE	1,203,420
Postretirement Healthcare Plan - Actuarial Loss	<u>(211,376)</u>
TOTAL OTHER COMPREHENSIVE INCOME	992,044
COMPREHENSIVE INCOME	<u><u>\$ 15,624,349</u></u>

Vibe Statement of Financial Condition

As of December 31, 2019

DECEMBER 31, 2019

	Audited 2019
ASSETS	
Cash and Cash Equivalents	\$ 87,951,806
Time Deposits with Other Financial Institutions	17,799,928
Investment Securities	69,394,727
Other Investments	5,334,185
Loans	662,024,419
Less: Allowance for Loan Losses	(2,482,744)
Premises and Equipment	25,606,914
Accrued Interest Receivable and Late Fees	1,989,107
Cash Surrender Value of Life Insurance	22,588,377
Corporate Capital	1,709,400
Federal Home Loan Bank Stock	2,691,300
NCUSIF Deposit	7,527,386
Core Deposit Intangible	4,616,972
Other Assets	7,097,315
TOTAL ASSETS	\$ 913,849,092
LIABILITIES AND MEMBERS' EQUITY	
Liabilities	
Members' Share and Savings Accounts	\$ 781,189,632
Postretirement Healthcare Obligation	2,091,222
Accrued and Other Liabilities	11,545,835
Total Liabilities	794,826,689
Members' Equity	119,022,403
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 913,849,092

Convenient Locations

Berkley

3082 Coolidge Highway
Berkley, MI 48072

Canton

44300 Warren Road
Canton, MI 48187

Clarkston

6580 Dixie Highway
Clarkston, MI 48346

Ferndale eCenter

214 W. Nine Mile Road
Ferndale, MI 48220

Livonia

16825 Middlebelt Rd.
Livonia, MI 48154

Novi Headquarters

44575 W. Twelve Mile Road
Novi, MI 48377

Novi

22245 Haggerty Road
Novi, MI 48375

Oxford

968 N. Lapeer Road
Oxford, MI 48371

Royal Oak eCenter

501 S. Main Street
Royal Oak, MI 48067

South Lyon

21985 Pontiac Trail
South Lyon, MI 48178

Southfield

26595 Evergreen Road
Southfield, MI 48076

Sterling Heights

33950 Van Dyke Avenue
Sterling Heights, MI 48312

Waterford

1375 N. Oakland Boulevard
Waterford, MI 48327

Waterford/M-59

6655 Highland Road
Waterford, MI 48327

Waterford/County Campus

1220 County Center Drive West
Waterford, MI 48328

West Bloomfield

7800 Pontiac Trail
West Bloomfield, MI 48323

vibecreditunion.com

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