

Leadership Perspectives

Presented by:
Dave Adams, CEO
MCUL & Affiliates
April 9, 2016



Topics

Broad to Specific



- Top Trends Affecting Retail Banking – 2016
- Financial Trends for Michigan's Credit Unions
- Some Themes for Credit Union Leadership

Some Themes for Credit Union Leadership



- Manage risks – find the balance
- Position your credit union – what is your niche and focus?
- Invest in talent and technology
- Collaborate and partner
- Advance the credit union mission as a differentiator

Top Ten Trends –

THE FINANCIAL BRAND

1. The ‘Platformification’ of Banking
2. Remove Friction from the Customer Journey
3. Making Big Data Actionable
4. Introduction of ‘Optichannel’ Delivery
5. Expansion of Digital Payments
6. Executing on Innovation
7. Exploring Advanced Technologies
8. Emergence of New Breeds of Banks
9. Mining New Talent
10. Responding to Regulatory and Rate Changes

1 - “Platformification” of Banking



1 - "Platformification" of Banking



BEAUTIFUL THINGS ON AMAZON UPDATED DAILY

EXPLORE



amazon Prime

All ▾



kindlepaperwhite ~~\$119.99~~ \$89.99 Limited-time offer

Departments ▾

Shopping History ▾ Dave's Amazon.com Today's Deals Gift Cards Sell Help

Hello, Dave
Your Account ▾ Prime ▾ Lists ▾ Cart

FREE book for Prime members
Kindle First



Hi, Dave

On Order
0 items

Prime Benefits
Unlimited Photo Storage >

Audible Limited Time Offer
Get 3 free audiobooks >

Customer Since
2004

Movies included with Prime membership at no additional cost [See more](#)



1 - “Platformification”

- ◆ **“The most significant trend of 2016 will be the “platformification” of banking, where both existing banks and startups begin a strategic shift towards becoming banking platforms, much like how Amazon is a platform in retail.”**

- Ron Shevlin, Director of Research for Cornerstone Advisors and author of the book, Smarter Bank

2 - Removing Friction from the Customer/Member Journey



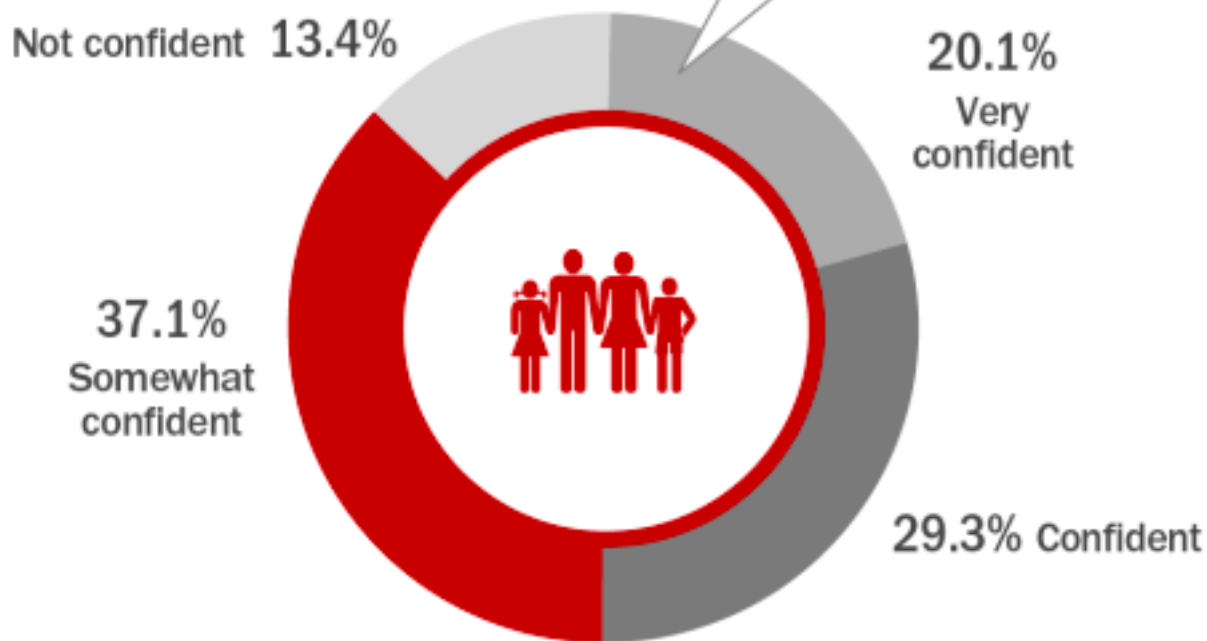
2 - Removing Friction from the Customer/Member Journey

- ◆ **“Digital marketing strategy must be planned around consumer buying journeys as consumer shopping behavior for financial services continues to evolve. Financial institutions have the opportunity to utilize marketing automation to capture a consumer’s basic information early in their buying journey and then use contextual marketing to guide the consumer towards purchase, adoption, and ultimately advocacy.”**

- James Robert Lay, CEO of CU Grow

3 - Making Big Data “Actionable”

Consumer confidence in banking partner - understanding of needs



3 - Making Big Data “Actionable”

- 💧 **“Banks of all sizes will leverage data and technologies to help customers make better financial decisions – improving the ability to save money, achieve specific financial goals, increase financial knowledge, better budget spending, etc. For many banks, this will entail partnering with the technology partners rather than building in-house.”**

- Mary Beth Sullivan, Managing Partner, Capital Performance Group

4 - Optichannel Deliver

FIGURE 1. Every Customer Is a Digital Customer

Different Customer, Different Intensity, Different Speed



Traditional

They rely on traditional channels & interactions. Even then, they leave digital traces.



Experimental

They selectively engage in digital for utility value, discovering how the experience improves.



Transitional

They strive to leverage digital more broadly but may not always be able to do so.



Digital Savvy

They make digital technology part of all dimensions in their life. Mobile access is key.

Increased Speed



Higher Digital Customer Intensity



4 - Optichannel Deliver

- ◆ **“Community banks will continue to struggle to find the right balance between mobile and the physical branch. Their challenge is to promote digital convenience without creating a sense of moving away from offering a less personal banking experience.”**

- Lori Philo-Cook, Owner of Innovo Marketing

5 - Expansion of Digital Payments

Requirements for mobile payments and mobile wallet



Simple

Consumers want to pay simply one and done.



Personal

Consumers want payment options as individual as they are.



Simple

Consumers want seamless everyday solutions.

6 - Executing on Innovation

- ◆ **“2016 will see the construction of larger sandboxes by the banks. The current legacy infrastructure doesn’t allow for enough play with the fintech partners. No play, and no room for real experimentation, results in no real change.”**

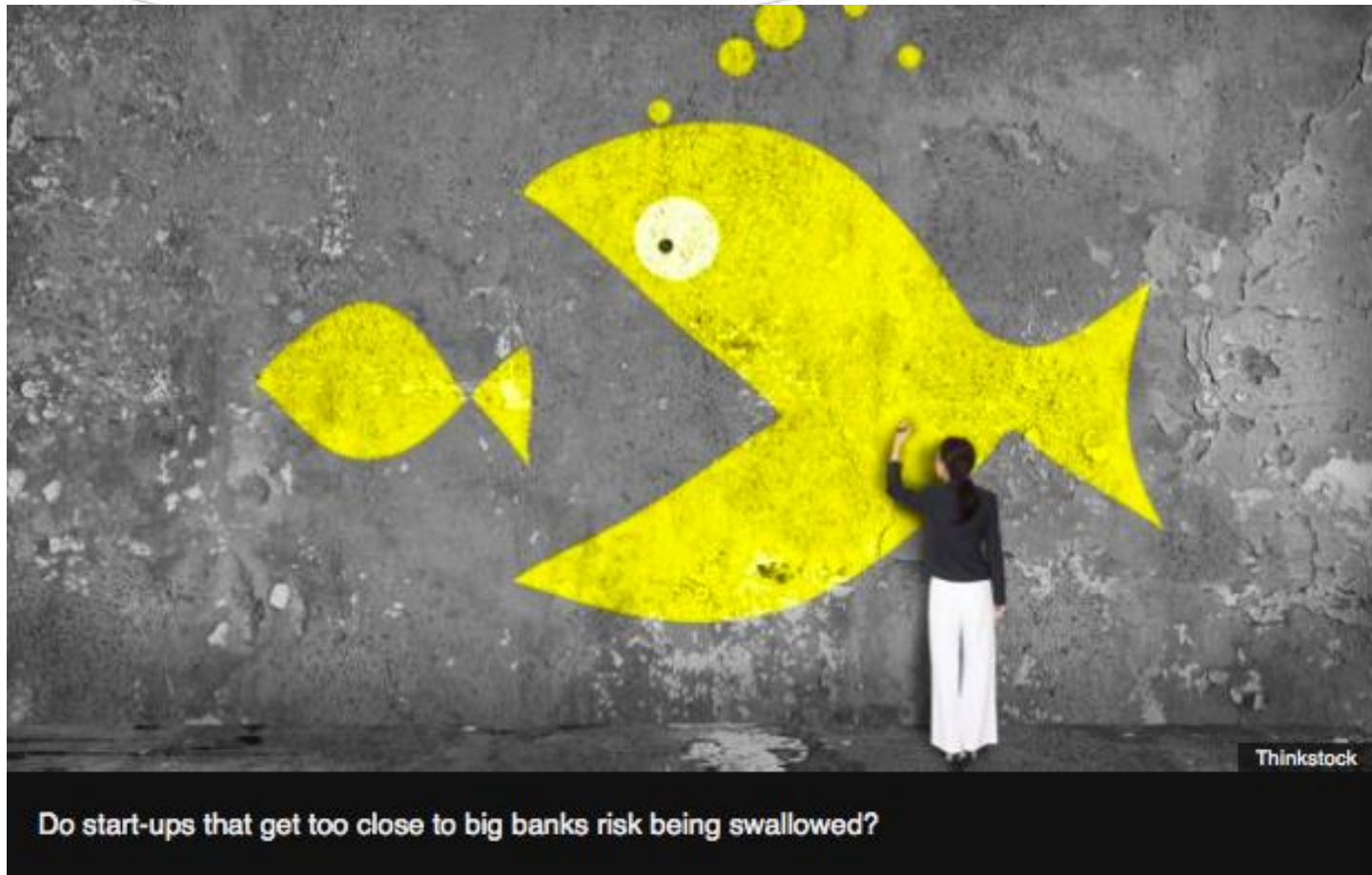
- Sam Maule, Emerging Payments Practice Lead at Carlisle & Gallagher

7 - Exploring Advanced Technologies

- ◆ **“By enabling the collection and exchange of information from objects, the “Internet of Things” has the potential to be as broadly transformational to the financial services industry as the Internet itself.”**

- Jim Eckenrode, Executive Director of the
Deloitte Center for Financial Services

8 - Emergence of a New Breed of Banks



Do start-ups that get too close to big banks risk being swallowed?

8 - Emergence of a New Breed of Banks

- ◆ **“2016 could be the year that one of the tech giants show their hand in financial services. If this occurs, this will mean profound cultural change that will make legacy firms consider new data and relationship driven business models, leveraging exciting new technologies, AI, advanced analytics and more.”**

- Duena Blomstrom, Fintech & Digital Experience Specialist

9 - Mining New Talent



9 - Mining New Talent

- ◆ **“The vast majority of the leadership of banks don’t understand exactly how digital works and are very worried about the concept of becoming a “digital bank”.**

- Alessandro Hatami, Founder of The Pacemakers

10 - Responding to Regulatory and Rate Changes

- ◆ **“Regulations around overdrafts is expected mid-year. If regulators do move forward with the kinds of limits floated recently, banks will be busy adding fees, which could be an avenue for non-traditional banks to stand out.”**

- Alex Jimenez, Digital Bnking and Payments Strategist

10 - Responding to Regulatory and Rate Changes

💧 **“With the Fed increasing its base interest rate, the rest of the world is on notice that all our costs will soon go up. We have had it so good for so long, but change is imminent and that will affect our behavior more than any other industry trend in 2016.”**

- Alex Jimenez, Digital Banking and Payments Strategist

Removing Barriers and Reducing Regulatory Burden

FEDERAL ISSUES



- Regularly engage regulators and policy makers to further CU initiatives:
 - GAC
 - Hike the Hill
 - NCUA, CFPB
- Aggressively push for modernization of the Federal Credit Union Act
- Continue to push to exempt credit unions from CFPB oversight
- Educate regulators on credit union courtesy pay programs

Removing Barriers and Reducing Regulatory Burden

STATE ISSUES

- Working closely with DIFS to:
 - Update the Michigan Credit Union Act
 - Create an exam environment to assure CU success in Michigan
 - Develop State of Michigan CU model bylaws
- Fighting the expansion of payday lending powers



Top Ten Trends – Financial Brand

1. The ‘Platformification’ of Banking
2. Remove Friction from the Customer Journey
3. Making Big Data Actionable
4. Introduction of ‘Optichannel’ Delivery
5. Expansion of Digital Payments
6. Executing on Innovation
7. Exploring Advanced Technologies
8. Emergence of a New Breed of Banks
9. Mining New Talent
10. Responding to Regulatory and Rate Changes

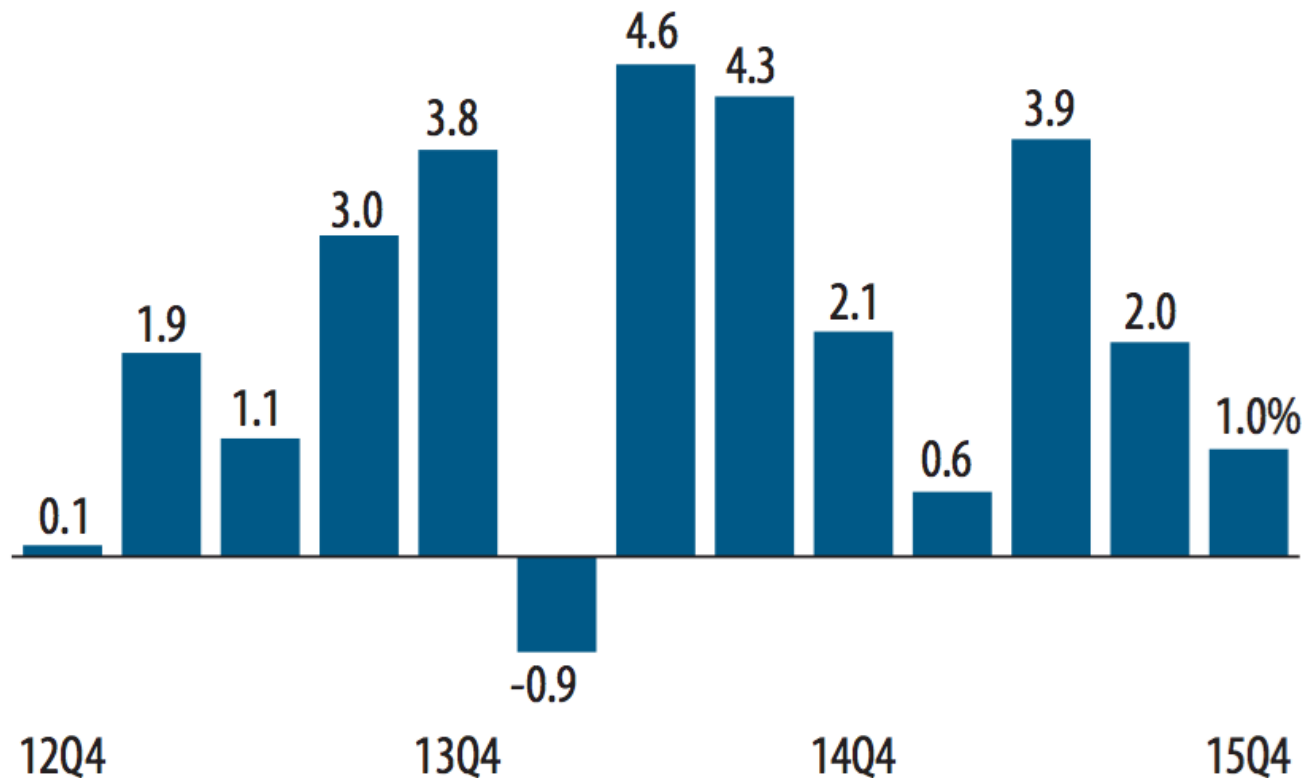
MI CU Financial Trends – 2015 Summary

1. Median Asset Size (\$65m) is 2X National Average
2. 7% Asset Growth to \$52b now rivals MI Banks at \$66b
3. 3% Member Growth to 4.85m is strongest in 20 years
4. 10% Loan Growth is strongest in 27 years, but still half that of MI banks
5. Earnings are consistent at 84bp (85% are profitable) and Net Worth is strong at 11.7% (98% well capitalized)
6. Lots of liquidity (72% Lns/Savings) and Low Asset Risk (.8 Del). Bank delinquency rates are twice as high!
7. Growing Interest Rate Risk with (38% L/T Assets/Assets) & Rising Rates
8. Merger Rate has doubled in last three years

Financial Trends – MI CUs

U.S. ECONOMIC GROWTH

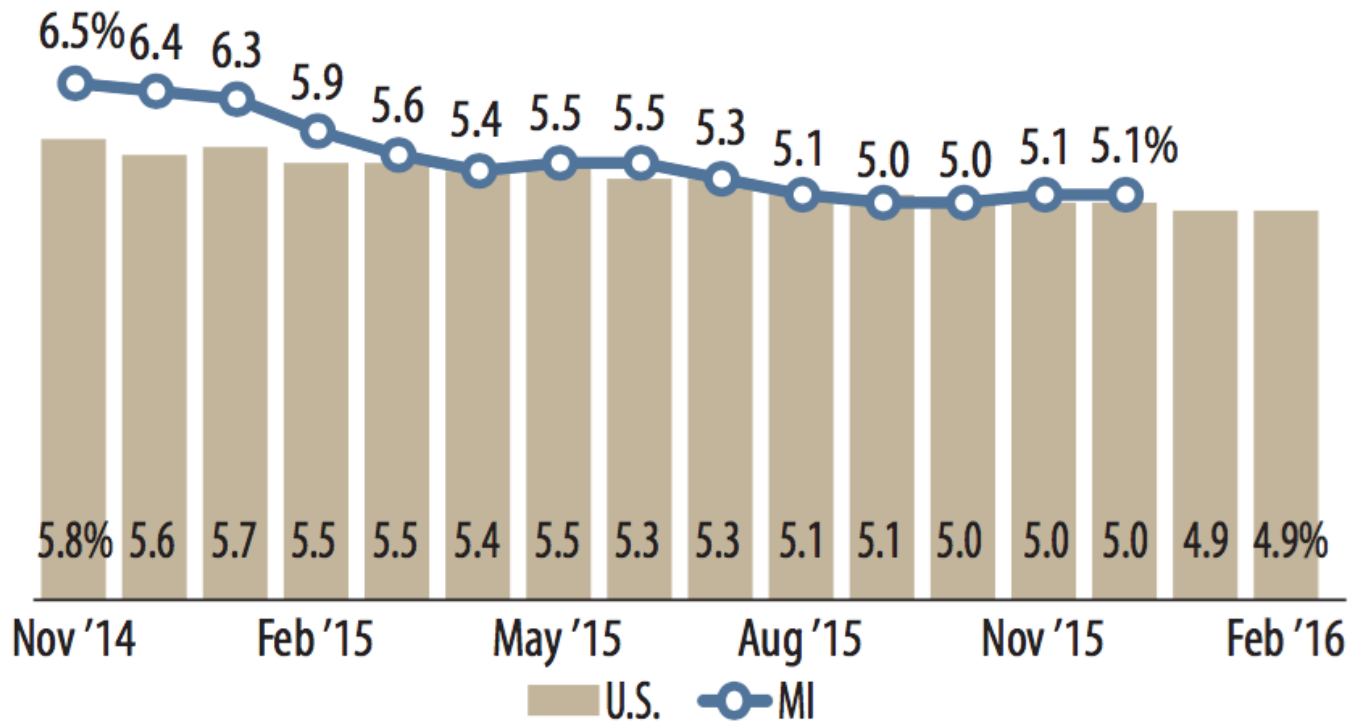
Annualized Quarterly Changes in GDP



12Q4
Source: BEA

Financial Trends – MI CUs

UNEMPLOYMENT RATES

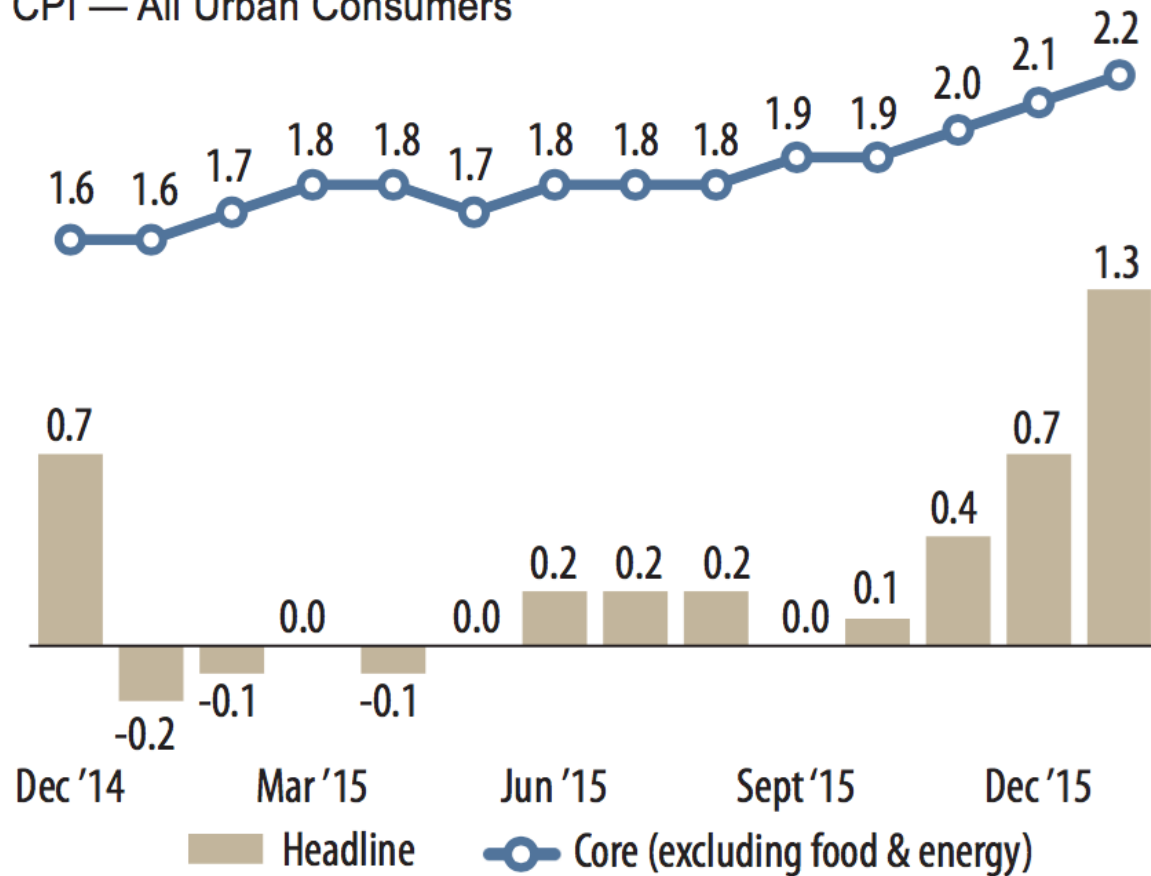


Source: BLS

Financial Trends – MI CUs

INFLATION RATES — YOY % CHANGE

CPI — All Urban Consumers



Source: BLS

Financial Trends – MI CUs

| | U.S. CUs | Michigan CUs |
|--------------------------------|-----------------|---------------------|
| Demographic Information | 2015 | 2015 |
| Number of CUs | 6,143 | 254 |
| Assets per CU (\$ mil) | 198.5 | 205.4 |
| Median assets (\$ mil) | 26.8 | 65.1 |
| Total assets (\$ mil) | 1,219,225 | 52,177 |
| Total loans (\$ mil) | 799,271 | 32,021 |
| Total surplus funds (\$ mil) | 372,179 | 17,803 |
| Total savings (\$ mil) | 1,029,087 | 44,232 |
| Total memberships (thousands) | 103,992 | 4,876 |

Financial Trends – MI CUs

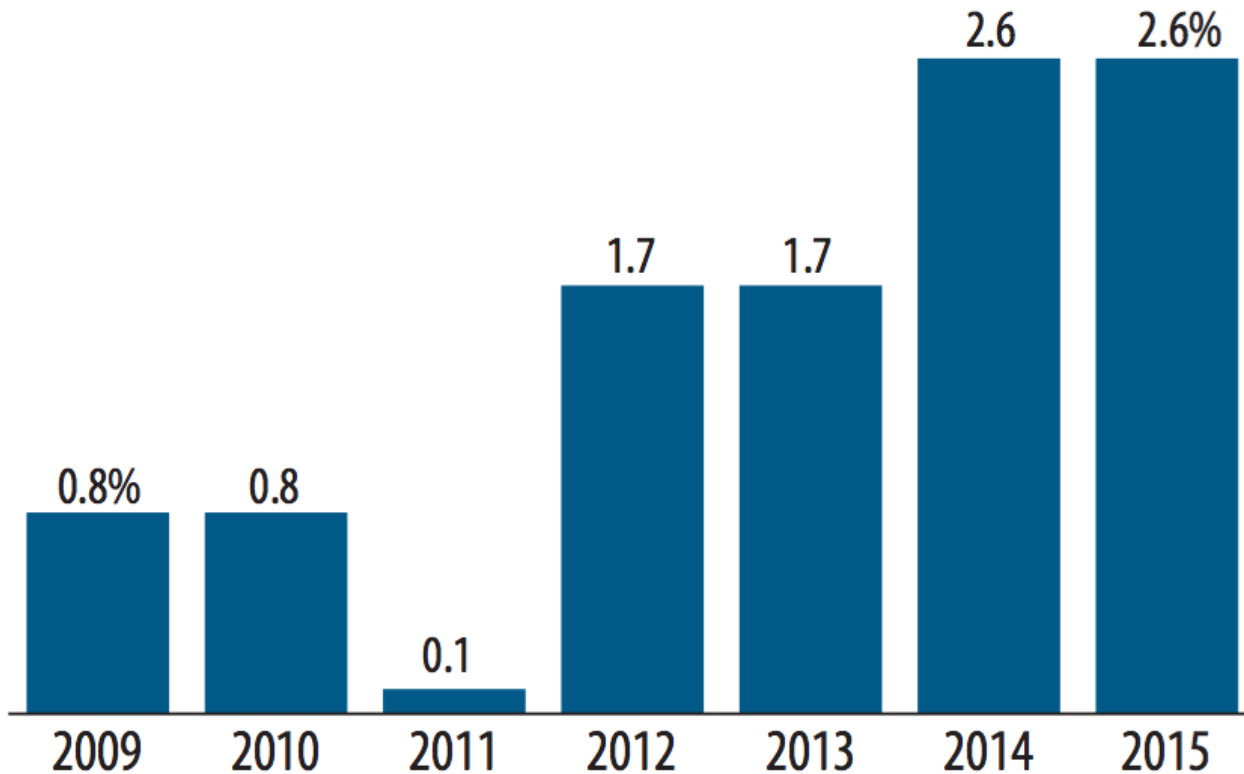
| | U.S. CUs | Michigan CUs |
|-------------------------------------|-----------------|---------------------|
| Growth Rates | 2015 | 2015 |
| Total assets | 7.3 | 7.0 |
| Total loans | 10.5 | 10.7 |
| Total surplus funds | 1.6 | 0.7 |
| Total savings | 6.8 | 7.0 |
| Total memberships | 3.5 | 2.6 |
| <i>% CUs with increasing assets</i> | 73.9 | 83.9 |

Financial Trends – MI CUs

| | U.S. CUs | Michigan CUs |
|--|-------------|--------------|
| Earnings - Basis Pts. | 2015 | 2015 |
| Yield on total assets | 336 | 338 |
| Dividend/interest cost of assets | 52 | 43 |
| Net interest margin | 285 | 295 |
| Fee & other income * | 136 | 160 |
| Operating expense | 311 | 343 |
| Loss Provisions | 34 | 27 |
| Net Income (ROA) with Stab Exp | 75 | 84 |
| Net Income (ROA) without Stab Exp | 75 | 84 |
| <i>% CUs with positive ROA</i> | 79.2 | 85.0 |
| Capital Adequacy | | |
| Net worth/assets | 10.9 | 11.7 |
| <i>% CUs with NW > 7% of assets</i> | 97.6 | 98.4 |

Financial Trends – MI CUs

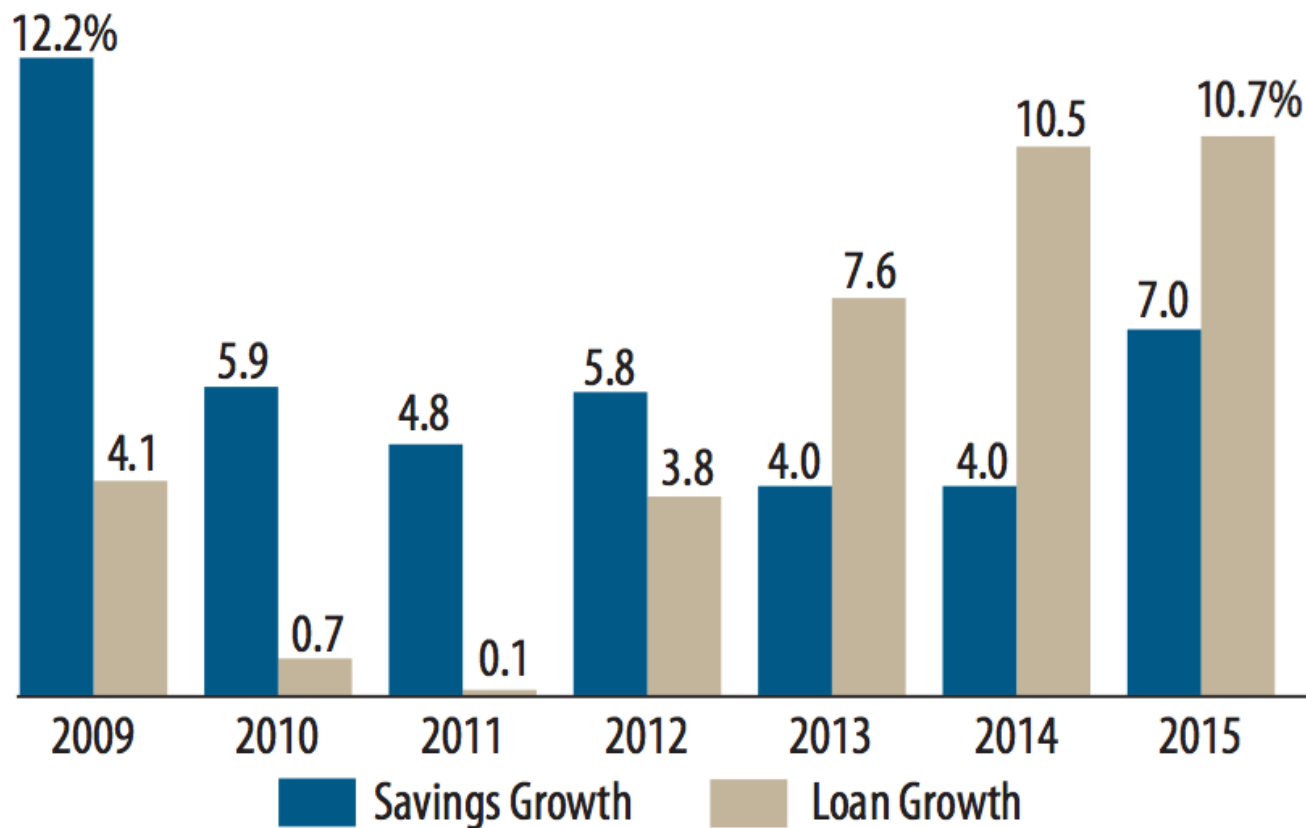
MI CU 12-MONTH MEMBERSHIP GROWTH (%)



Source: NCUA & CUNA

Financial Trends – MI CUs

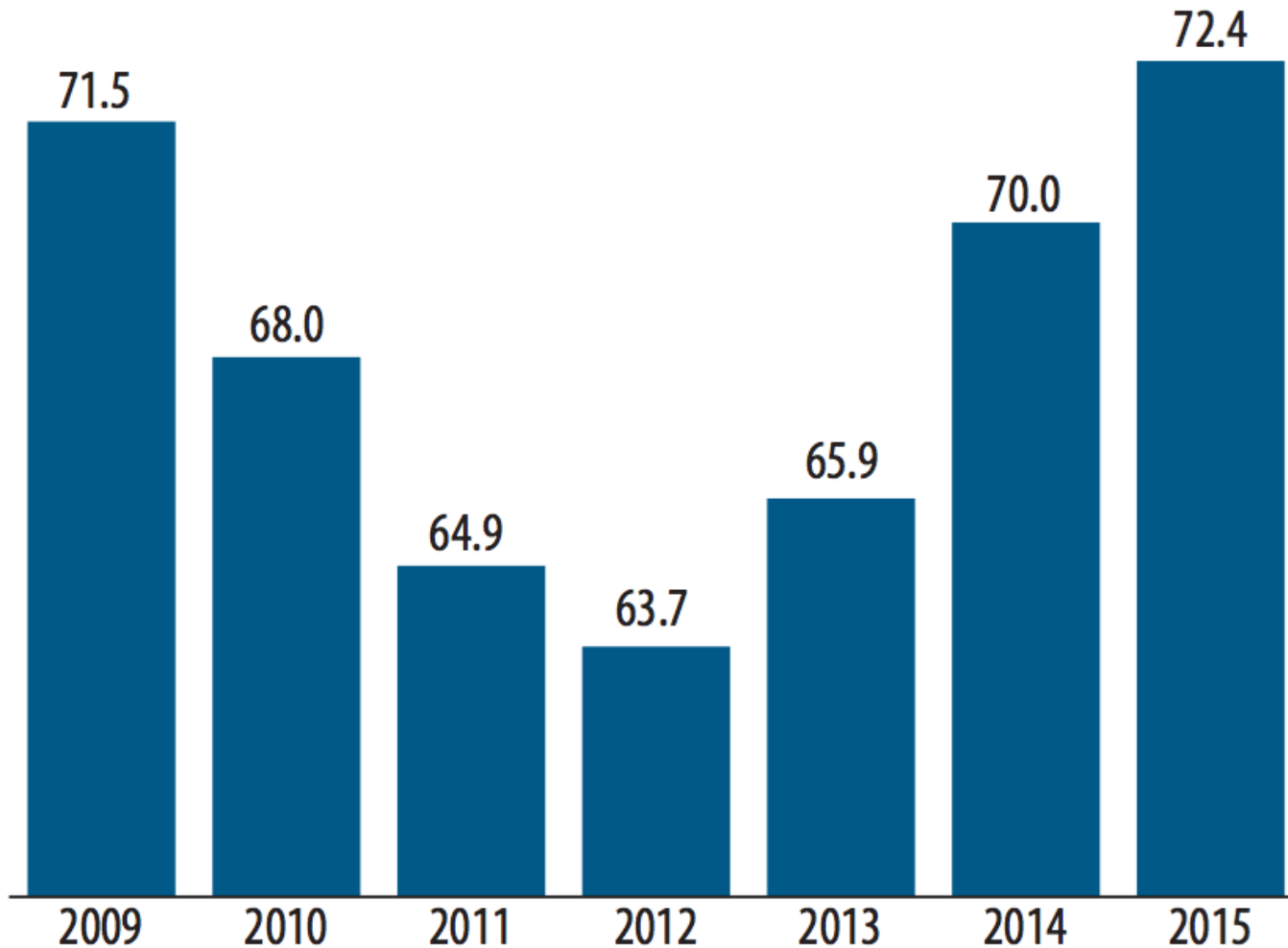
MI CU GROWTH RATES (%)



Source: NCUA & CUNA

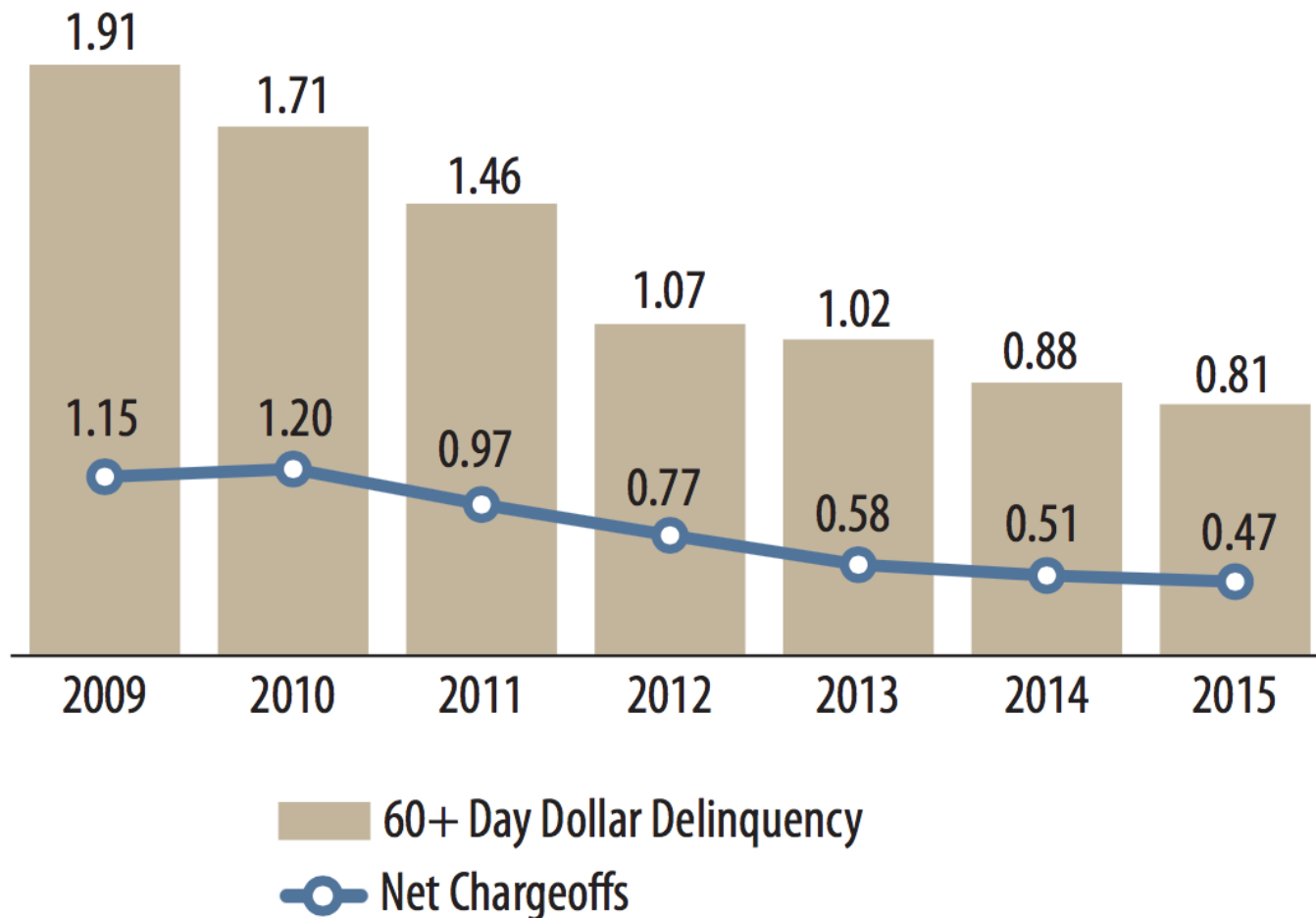
Financial Trends – MI CUs

MI CU LOAN-TO-SAVINGS RATIO (%)



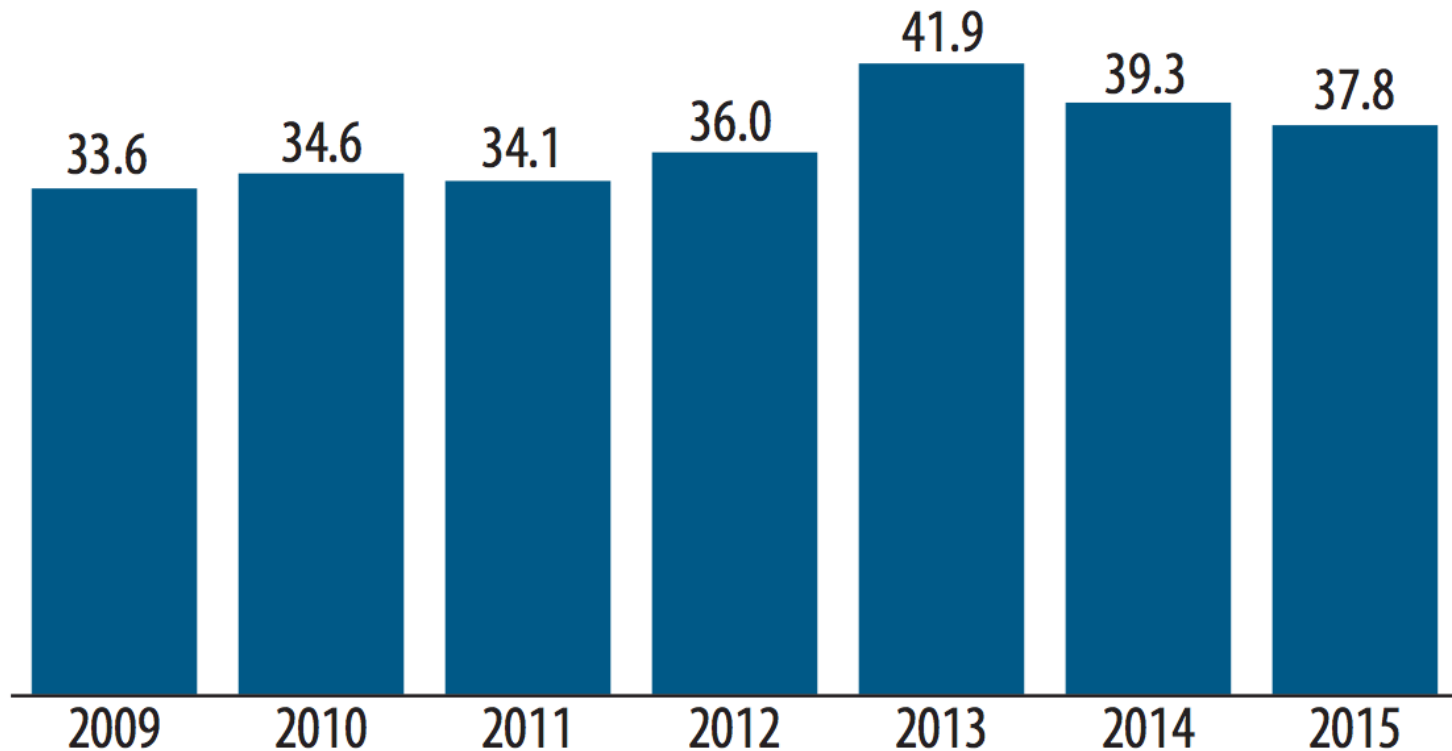
Financial Trends – MI CUs

MI CU ASSET QUALITY



Financial Trends – MI CUs

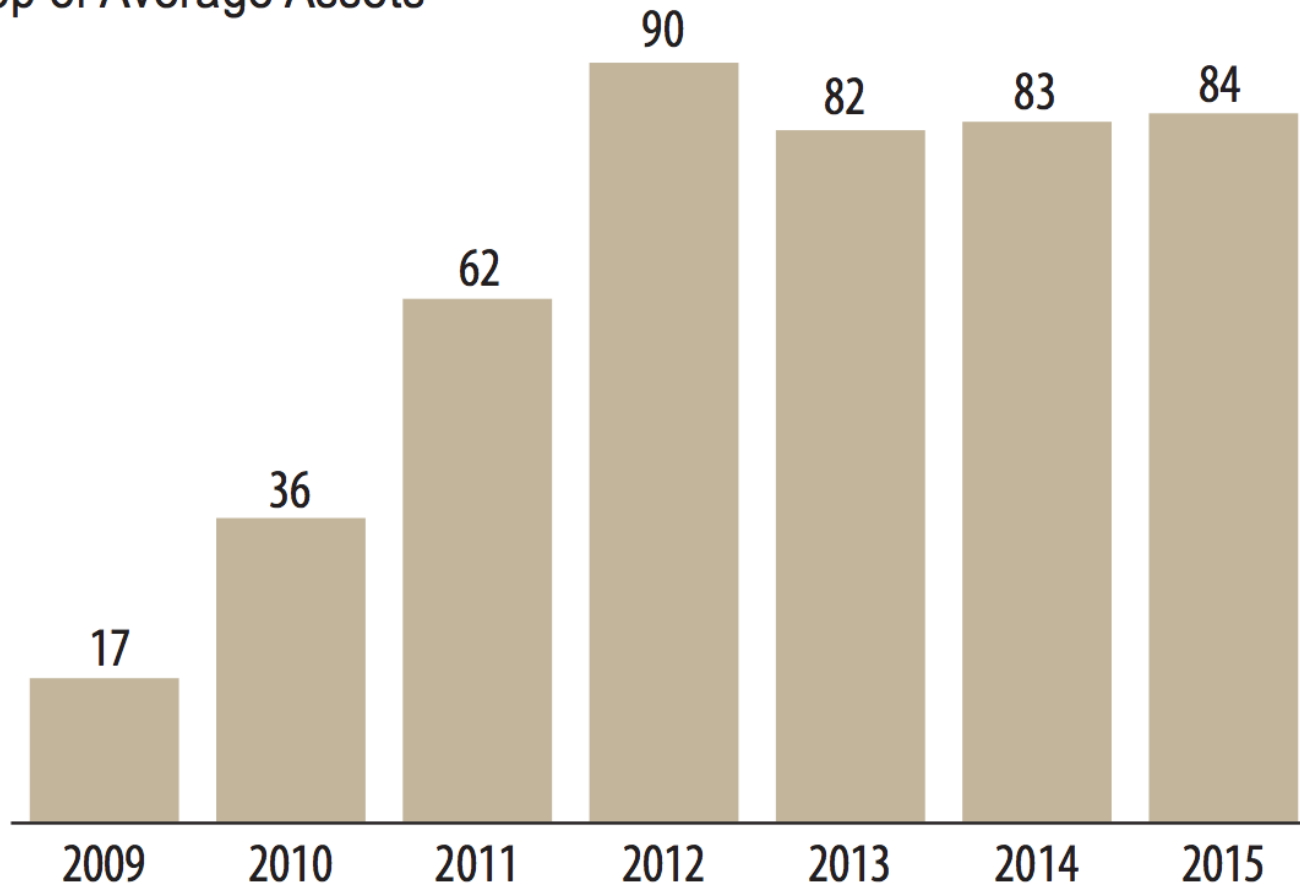
MI CU LONG TERM ASSETS AS A % OF TOTAL ASSETS



Financial Trends – MI CUs

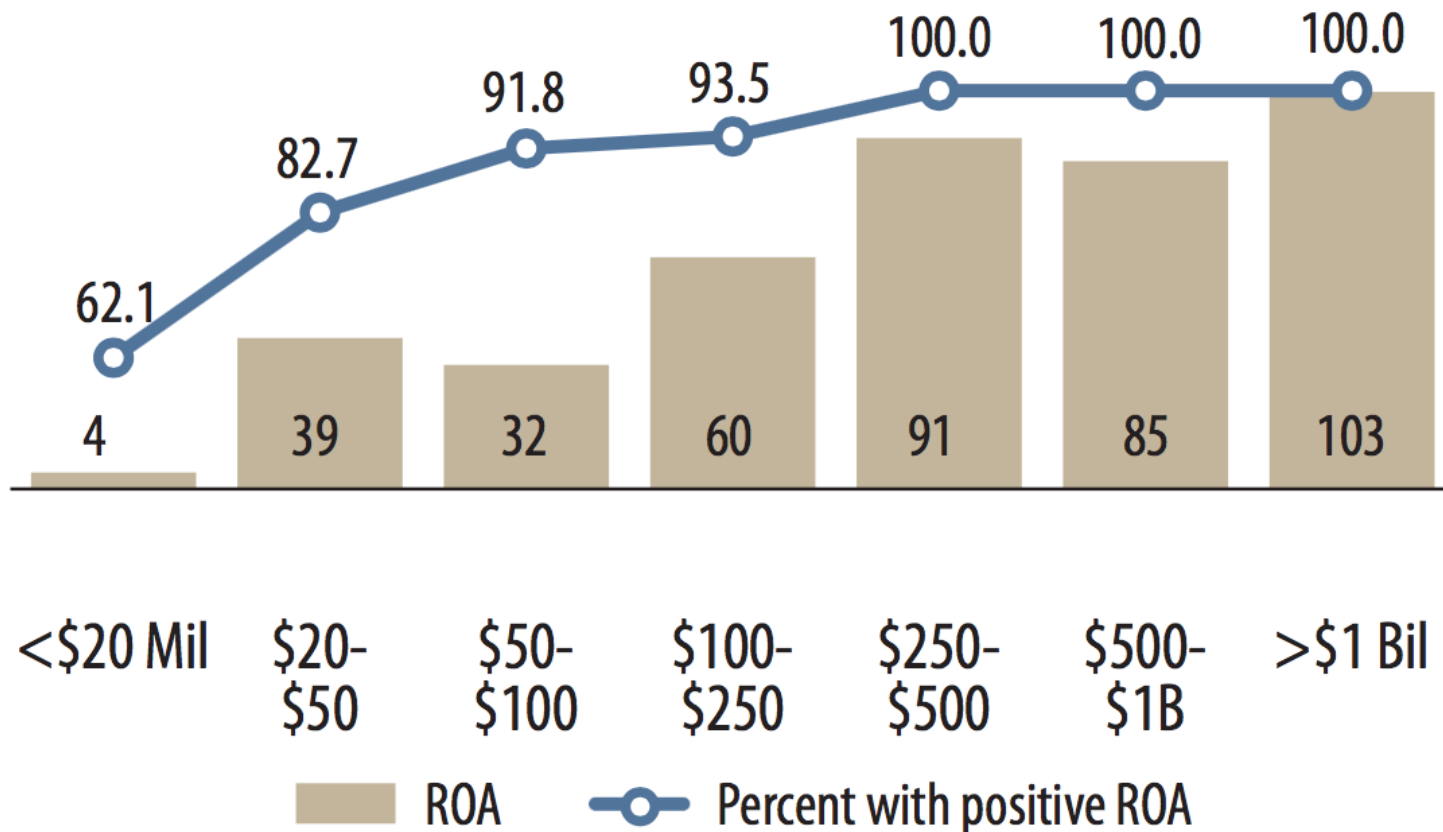
MI CU ROA TRENDS

bp of Average Assets



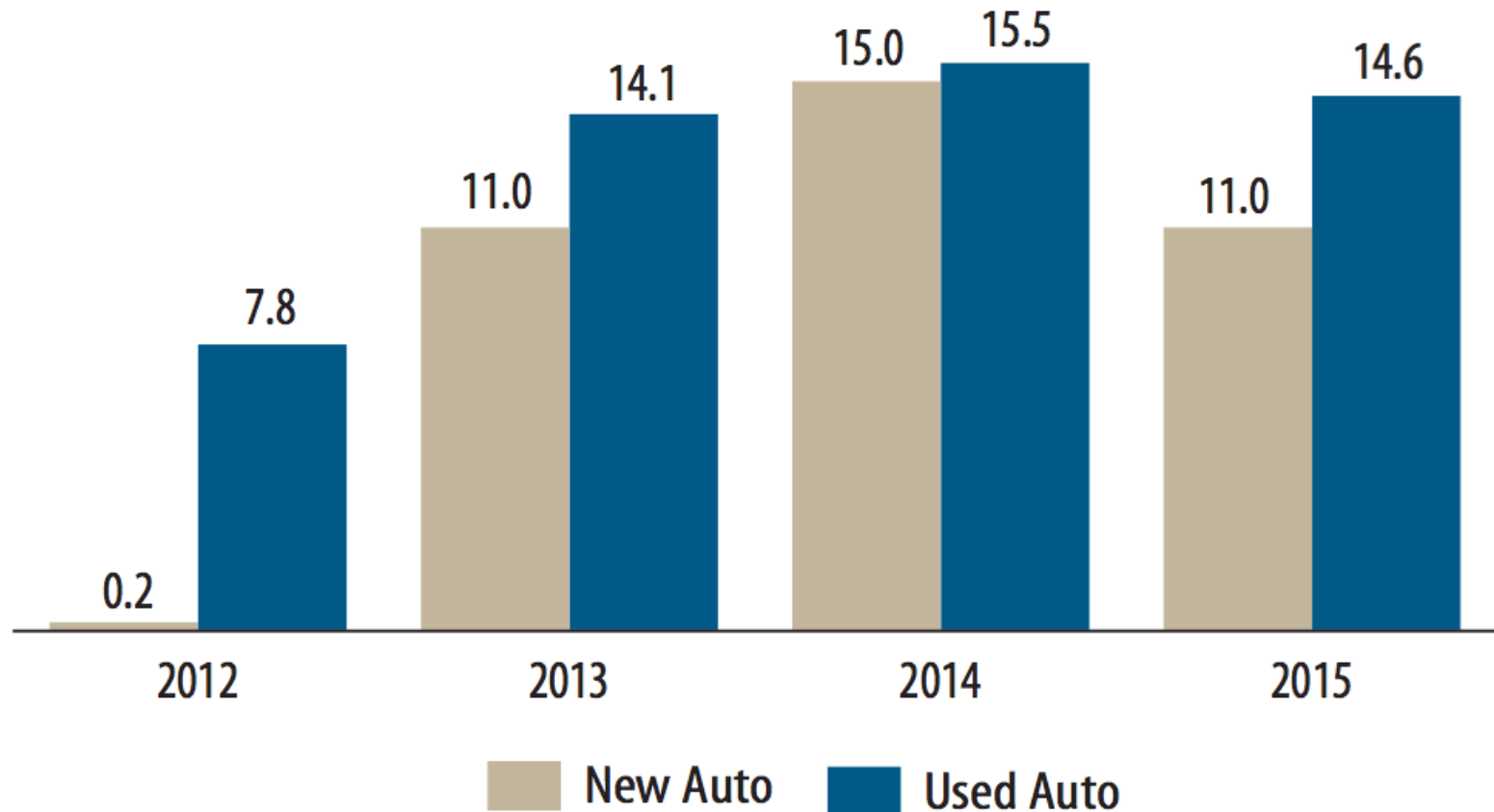
Financial Trends – MI CUs

MI CU ROA IN BASIS POINTS BY ASSET SIZE CATEGORY



Financial Trends – MI CUs

MI CU AUTO LOAN GROWTH (%)



Financial Trends – MI CUs

Bank Comparisons

| | MI Credit Unions | | | | MI Banks | | | |
|---------------------------------|------------------|--------|--------|----------|----------|--------|--------|----------|
| | 2015 | 2014 | 2013 | 3 Yr Avg | 2015 | 2014 | 2013 | 3 Yr Avg |
| Demographic Information | | | | | | | | |
| Number of Institutions | 254 | 274 | 292 | 273 | 110 | 118 | 125 | 118 |
| Assets per Institution (\$ mil) | 205 | 178 | 159 | 181 | 603 | 501 | 435 | 513 |
| Total assets (\$ mil) | 52,177 | 48,751 | 46,275 | 49,068 | 66,348 | 59,097 | 54,369 | 59,938 |
| Total loans (\$ mil) | 32,021 | 28,926 | 26,176 | 29,041 | 46,956 | 41,171 | 37,211 | 41,779 |
| Total surplus funds (\$ mil) | 17,803 | 17,688 | 18,095 | 17,862 | 14,993 | 13,622 | 13,230 | 13,948 |
| Total savings (\$ mil) | 44,232 | 41,319 | 39,713 | 41,755 | 51,270 | 47,958 | 44,262 | 47,830 |
| Avg number of branches (1) | 4 | 4 | 4 | 4 | 10 | 10 | 9 | 10 |
| 12 Month Growth Rates | | | | | | | | |
| Total assets | 7.0 | 5.4 | 4.3 | 5.6 | 18.3 | 16.3 | -4.4 | 10.1 |
| Total loans | 10.7 | 10.5 | 7.6 | 9.6 | 20.5 | 18.3 | -5.6 | 11.0 |
| Real estate loans | 8.9 | 6.6 | 5.1 | 6.8 | 19.3 | 14.7 | -5.5 | 9.5 |
| Commercial loans | 17.3 | 14.5 | 25.9 | 19.2 | 20.1 | 27.9 | 2.4 | 16.8 |
| Total consumer | 11.9 | 15.1 | 8.5 | 11.8 | 7.2 | 33.2 | 8.9 | 16.4 |
| Consumer credit card | 5.1 | 4.8 | 5.5 | 5.1 | -11.0 | 1.5 | -10.3 | -6.6 |
| Other consumer | 13.0 | 17.0 | 9.0 | 13.0 | 7.2 | 33.3 | 9.0 | 16.5 |
| Total surplus funds | 0.7 | -2.3 | 0.0 | -0.5 | 15.3 | 11.5 | 4.3 | 10.4 |
| Total savings | 7.0 | 4.0 | 4.0 | 5.0 | 12.7 | 16.5 | -1.2 | 9.3 |

Financial Trends – MI CUs

Bank Comparisons

| | MI Credit Unions | | | | MI Banks | | | |
|-------------------------------------|------------------|------|------|------|----------|------|------|------|
| YTD Earnings Annualized (BP) | | | | | | | | |
| Yield on Total Assets | 338 | 338 | 337 | 338 | 374 | 387 | 385 | 382 |
| Dividend/Interest cost of assets | 43 | 44 | 48 | 45 | 38 | 38 | 62 | 46 |
| Net Interest Margin | 295 | 294 | 289 | 293 | 336 | 349 | 323 | 336 |
| Fee and other income (2) | 160 | 153 | 157 | 156 | 180 | 167 | 225 | 191 |
| Operating expense | 343 | 338 | 343 | 341 | 404 | 416 | 398 | 406 |
| Loss provisions | 27 | 26 | 27 | 27 | -3 | 28 | 19 | 15 |
| Net income | 84 | 83 | 82 | 83 | 115 | 71 | 131 | 105 |
| Capital Adequacy | | | | | | | | |
| Net worth/assets | 11.7 | 11.6 | 11.4 | 11.6 | 11.3 | 11.9 | 11.7 | 11.6 |
| Asset Quality | | | | | | | | |
| Delinquencies/loans (3) | 0.81 | 0.88 | 1.02 | 0.90 | 1.78 | 3.24 | 4.56 | 3.19 |
| Real estate loans | 0.65 | 0.79 | 1.06 | 0.83 | 2.15 | 4.03 | 5.48 | 3.89 |
| Consumer loans | 0.60 | 0.47 | 1.43 | 0.83 | 1.03 | 1.01 | 1.44 | 1.16 |
| Total consumer | 1.04 | 1.05 | 0.89 | 1.00 | 0.20 | 0.21 | 0.28 | 0.23 |
| Consumer credit card | 0.82 | 0.84 | 0.89 | 0.85 | 0.37 | 0.29 | 0.67 | 0.44 |
| Other consumer | 1.08 | 1.08 | 0.89 | 1.02 | 0.20 | 0.21 | 0.28 | 0.23 |
| Net chargeoffs/avg loans | 0.47 | 0.51 | 0.58 | 0.52 | 0.26 | 0.26 | 0.73 | 0.42 |
| Real estate loans | 0.12 | 0.20 | 0.39 | 0.24 | 0.29 | 0.27 | 0.84 | 0.47 |
| Commercial loans | 0.09 | 0.37 | 0.33 | 0.26 | 0.09 | 0.19 | 0.24 | 0.17 |
| Total consumer | 0.96 | 0.93 | 0.88 | 0.92 | 0.29 | 0.23 | 0.37 | 0.30 |
| Consumer credit card | 1.36 | 1.43 | 1.67 | 1.49 | 0.72 | 0.92 | 1.62 | 1.09 |
| Other consumer | 0.89 | 0.85 | 0.73 | 0.82 | 0.29 | 0.22 | 0.36 | 0.29 |

Top 2015 Performers – MI CUs

12-Month Share Growth

| Credit Union Name | Share Growth* | Shares |
|-------------------------|---------------|-----------------|
| Community First FCU | 37.27% | \$36,834,190 |
| Dennison FCU | 32.04% | \$463,037 |
| Thornapple CU | 19.47% | \$19,780,735 |
| Frankenmuth CU | 19.04% | \$352,846,131 |
| Michigan Community CU | 17.90% | \$127,484,696 |
| Consumers CU | 16.40% | \$556,204,265 |
| Settlers FCU | 15.98% | \$19,386,818 |
| Lake Michigan CU | 15.72% | \$3,135,449,666 |
| Lake Superior CU | 15.18% | \$5,408,654 |
| Eastpointe Community CU | 15.02% | \$8,906,544 |

Top 2015 Performers – MI CUs

12-Month Loan Growth

| Credit Union Name | Loan Growth* | Loans |
|-------------------------|--------------|---------------|
| Community Promise FCU | 233.07% | \$218,237 |
| Michigan Coastal CU | 51.90% | \$13,791,400 |
| KALSEE CU | 46.91% | \$127,506,012 |
| Great Lakes Members CU | 45.09% | \$4,549,749 |
| Thornapple CU | 37.62% | \$16,789,987 |
| Diversified Members CU | 35.98% | \$115,121,026 |
| Flagship Community FCU | 32.85% | \$14,570,220 |
| Motor City Co-Op CU | 32.47% | \$50,231,166 |
| Community First FCU | 32.36% | \$36,423,302 |
| Rivertown Community FCU | 29.65% | \$40,334,340 |

Top 2015 Performers – MI CUs

12-Month Member Growth

| Credit Union Name | Member Growth* | Members |
|------------------------|----------------|---------|
| Community Promise FCU | 48.65% | 385 |
| Gogebic County FCU | 38.09% | 3,952 |
| IM Detroit District CU | 28.40% | 416 |
| New Rising Star FCU | 20.69% | 140 |
| TBA CU | 15.89% | 16,157 |
| Bi-County PTC FCU | 14.31% | 1,542 |
| The Local CU | 14.23% | 5,805 |
| Consumers CU | 12.82% | 68,837 |
| Valley State ECU | 12.38% | 3,113 |
| Lake Michigan CU | 11.65% | 270,750 |

Top 2015 Performers – MI CUs

Return on Assets

| Credit Union Name | ROA | Assets |
|-------------------------|-------|-----------------|
| ELGA CU | 2.80% | \$438,083,998 |
| American 1 CU | 1.92% | \$293,062,716 |
| Lake Michigan CU | 1.91% | \$4,089,397,141 |
| Community First FCU | 1.89% | \$39,620,195 |
| Genisys CU | 1.77% | \$2,002,109,674 |
| Frankenmuth CU | 1.77% | \$410,754,414 |
| Northwest Consumers FCU | 1.66% | \$17,876,126 |
| AAC CU | 1.56% | \$116,231,714 |
| St Francis X FCU | 1.54% | \$117,379,355 |
| DORT FCU | 1.53% | \$671,735,665 |

Michigan's Largest CUs

Michigan Credit Union Financial Summary

Data as of December 2015

| Credit Union Name | State | Assets | Members | Branches | 12-Month Asset Growth | 12-Month Loan Growth | 12-Month Member Growth |
|----------------------------------|-------|-----------------|---------|----------|-----------------------------|----------------------------|------------------------------|
| Lake Michigan CU | MI | \$4,089,397,141 | 270,750 | 38 | 15.5% | 25.6% | 11.6% |
| DFCU Financial CU | MI | \$4,020,891,185 | 218,344 | 26 | 7.4% | -2.2% | 1.4% |
| Michigan State University FCU | MI | \$3,034,515,372 | 208,650 | 15 | 9.4% | 10.9% | 6.8% |
| United FCU | MI | \$2,013,151,154 | 143,141 | 27 | 9.7% | 11.9% | 7.8% |
| Genisys CU | MI | \$2,002,109,674 | 179,957 | 29 | 20.5% | 14.4% | 20.7% |
| Lake Trust CU | MI | \$1,680,739,555 | 171,628 | 21 | 5.7% | 5.3% | 2.3% |
| Michigan Schools & Government CU | MI | \$1,550,638,834 | 102,446 | 12 | 0.8% | -1.9% | 3.7% |
| Dow Chemical ECU | MI | \$1,464,830,399 | 57,375 | 0 | 2.9% | 17.0% | 0.6% |
| Advia Credit Union | MI | \$1,184,075,053 | 121,257 | 24 | 8.9% | 16.9% | 3.7% |
| Credit Union ONE | MI | \$1,023,360,217 | 135,729 | 20 | 20.3% | 15.8% | 12.9% |

Michigan's Largest CUs

Michigan Credit Union Financial Summary

Data as of December 2015

| Credit Union Name | State | Assets | Members | Branches | 12-Month Asset Growth | 12-Month Loan Growth | 12-Month Member Growth | Networth/ Assets | Delinq Loans/ Loans |
|----------------------------------|-------|-----------------|---------|----------|-----------------------------|----------------------------|------------------------------|---------------------|---------------------------|
| Lake Michigan CU | MI | \$4,089,397,141 | 270,750 | 38 | 15.5% | 25.6% | 11.6% | 11.6% | 0.11% |
| DFCU Financial CU | MI | \$4,020,891,185 | 218,344 | 26 | 7.4% | -2.2% | 1.4% | 11.3% | 0.37% |
| Michigan State University FCU | MI | \$3,034,515,372 | 208,650 | 15 | 9.4% | 10.9% | 6.8% | 11.1% | 0.65% |
| United FCU | MI | \$2,013,151,154 | 143,141 | 27 | 9.7% | 11.9% | 7.8% | 10.3% | 0.65% |
| Genisys CU | MI | \$2,002,109,674 | 179,957 | 29 | 20.5% | 14.4% | 20.7% | 14.7% | 0.89% |
| Lake Trust CU | MI | \$1,680,739,555 | 171,628 | 21 | 5.7% | 5.3% | 2.3% | 10.0% | 0.91% |
| Michigan Schools & Government CU | MI | \$1,550,638,834 | 102,446 | 12 | 0.8% | -1.9% | 3.7% | 11.5% | 0.59% |
| Dow Chemical ECU | MI | \$1,464,830,399 | 57,375 | 0 | 2.9% | 17.0% | 0.6% | 11.4% | 0.12% |
| Advia Credit Union | MI | \$1,184,075,053 | 121,257 | 24 | 8.9% | 16.9% | 3.7% | 12.5% | 1.54% |
| Credit Union ONE | MI | \$1,023,360,217 | 135,729 | 20 | 20.3% | 15.8% | 12.9% | 9.6% | 1.32% |
| Michigan First CU | MI | \$764,672,973 | 117,038 | 14 | 9.3% | 19.8% | 15.7% | 14.7% | 1.21% |
| Community Choice Credit Union | MI | \$735,993,714 | 73,880 | 17 | 38.3% | 32.1% | 32.7% | 9.8% | 0.66% |
| Michigan Educational CU | MI | \$727,271,950 | 47,803 | 6 | 3.8% | 27.3% | -0.9% | 12.1% | 0.24% |
| Community Financial CU | MI | \$701,971,071 | 61,887 | 11 | 16.0% | 13.6% | 7.1% | 12.5% | 1.21% |
| Wildfire CU | MI | \$695,705,345 | 42,402 | 6 | 3.1% | 15.2% | 5.4% | 12.9% | 0.84% |
| Consumers CU | MI | \$674,548,622 | 68,837 | 19 | 15.2% | 21.2% | 12.8% | 9.7% | 0.33% |
| DORT Federal Credit Union | MI | \$671,735,665 | 72,704 | 7 | 10.1% | 10.9% | 5.3% | 17.9% | 1.49% |
| Honor CU | MI | \$665,023,043 | 60,071 | 16 | 11.0% | 15.5% | 7.8% | 10.7% | 0.49% |
| University of Michigan CU | MI | \$664,052,014 | 73,958 | 10 | 16.2% | 16.7% | 15.8% | 9.1% | 1.58% |
| LAFCU | MI | \$600,627,766 | 59,144 | 9 | 4.7% | 9.4% | 4.5% | 11.8% | 1.53% |

Merger Trends – MI CUs

Michigan CU Mergers/Liquidations 2005-4Q '15

| Year | No. of MI CUs | No. of MI Mergers/ Liquidations | Percentage of MI CUs Mergers/ Liquidations |
|------|---------------|------------------------------------|---|
| 2005 | 395 | 18 | 4.56% |
| 2006 | 376 | 19 | 5.05% |
| 2007 | 360 | 16 | 4.44% |
| 2008 | 344 | 16 | 4.65% |
| 2009 | 333 | 11 | 3.30% |
| 2010 | 323 | 11 | 3.41% |
| 2011 | 313 | 11 | 3.51% |
| 2012 | 306 | 7 | 2.29% |
| 2013 | 293 | 14 | 4.78% |
| 2014 | 274 | 19 | 6.93% |
| 2015 | 254 | 20 | 7.87% |

Some Themes for Credit Union Leadership



- Manage risks – find the balance
- Position your credit union – what is your niche and focus?
- Invest in talent and technology
- Collaborate and partner
- Advance the credit union mission as a differentiator

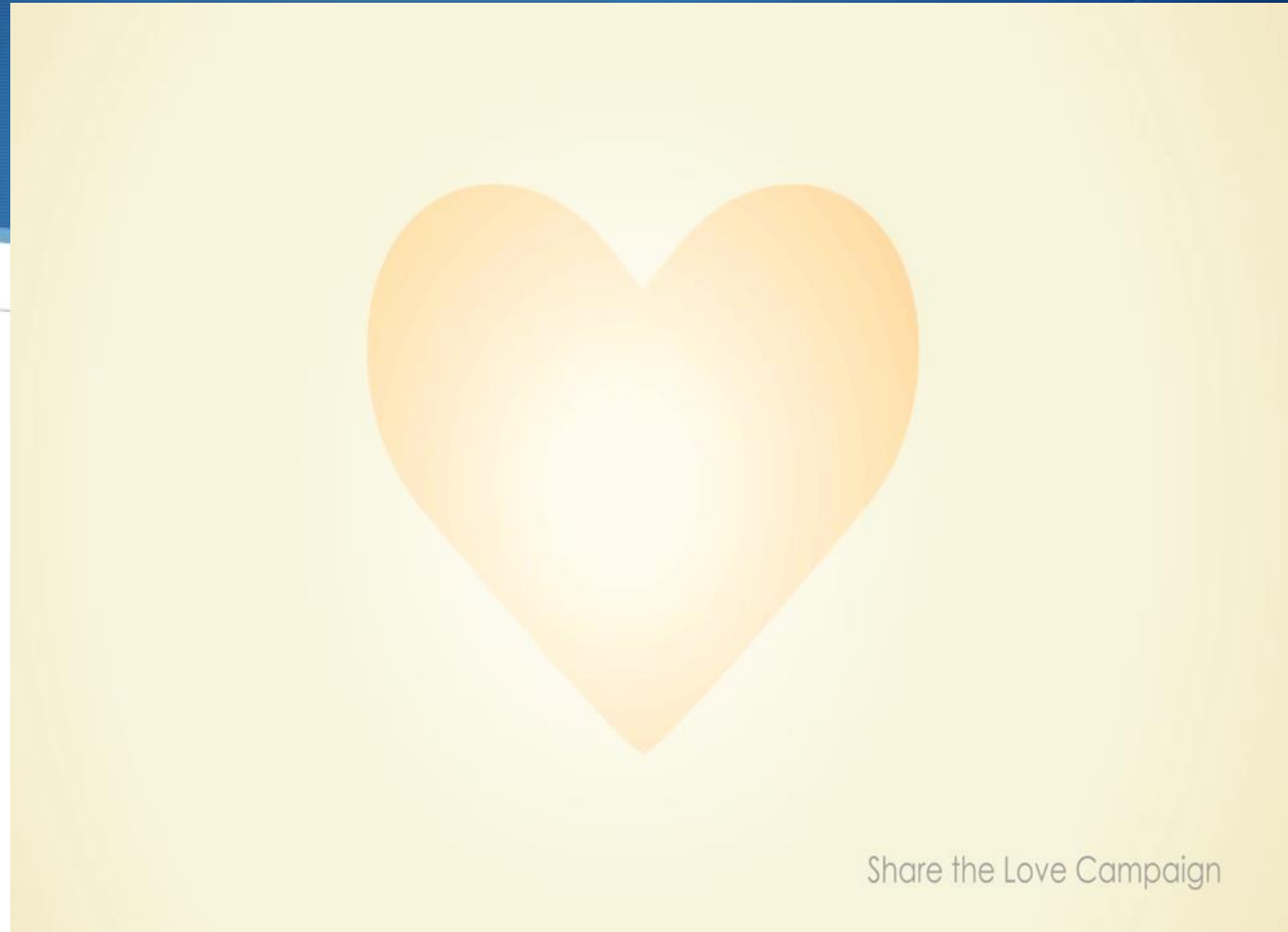
Invest in Talent and Technology



Credit Union Mission As a Differentiator

1st Annual

Share the Love
Campaign



CUsolutions^{GROUP}

Some Themes for Credit Union Leadership



- Manage risks – find the balance
- Position your credit union – what is your niche and focus?
- Invest in talent and technology
- Collaborate and partner
- Advance the credit union mission as a differentiator

Leadership Perspectives

Presented by:
Dave Adams, CEO
MCUL & Affiliates
April 9, 2016

