

2018 ANNUAL SUMMARY



PRESIDENT'S MESSAGE

This past year at UCU marked another fiscal year of change, growth and improvements to the organization and the way in which UCU member owners are served. Our balance sheet continued to increase throughout the year and our ending total assets of \$305 million marked an institution record high, while our income statement showed continued and increased net income from operations over the prior year. As a member-owned financial cooperative, strength in our statement of financial condition and income statement give us the ability to provide our members with enhanced products and services coupled with the continued enhancement of rates on deposits and loans when compared to the market.

The loan portfolio grew at a rate of 5% overall with automobile lending experiencing the most growth, followed by our real estate lending portfolio. Member deposit growth outpaced loan growth at 6% with most of the increase realized in Kasasa Cash accounts, shares and share draft accounts. Members' equity grew by nearly 3% to end the year at more than \$27 million.

In addition to the continued strong financial results, we are also pleased to report that we continued to expand our products and services. Our video teller fleet expanded during the year allowing for additional UCU members to be served remotely and conveniently with live teller service. Renovations to branches also continued during the year with lobbies being redesigned to allow for a more interactive and efficient environment. We were also able to keep the dividend rates on our Kasasa Cash checking and Saver accounts unchanged at the above market rates they have remained at for some time, coupled with the continued offering of the Kasasa Cash Back and Tunes checking accounts. We are pleased that we are able to offer these and other great products and services which continue to help UCU fulfill its mission of Prepare, Progress, Achieve... To actively advance the financial wellbeing of our members in every stage of their lives.

In conclusion, 2018 was once again a strong year for UCU and we could not have achieved these successes without the guidance of our Board of Directors and our employees' hard work, dedication and continued service to our members. Additionally, I would like to thank our members for their continued credit union membership and support.

Respectfully submitted,

Matthew J. Walsh

Matthew J. Walsh, CPA

President / CEO

FINANCIAL CONDITION

As of December 31, 2018 and 2017 (in \$1,000s)

		2018	2017	
ASSETS	Assets			
	Cash and cash equivalents	\$ 4,704	\$ 4,239	
	Investments	42,467	36,395	
	Loans receivable, net	241,284	230,521	
	Property and equipment, net of accumulated depreciation	9,279	10,231	
	NCUSIF deposit	2,411	2,274	
	Investment to fund deferred compensation plans	2,911	2,821	
	Other assets	2,396	2,525	
	Total assets	\$305,452	\$289,006	
LIABILITIES & MEMBERS' EQUITY	Member deposits			
	Shares	\$ 105,691	\$ 100,655	
	Share drafts	39,380	36,332	
	Kasasa Cash	51,129	46,588	
	Money markets	11,548	10,593	
	Share certificates	26,154	26,468	
	Clubs and all other deposits	13,723	12,832	
		Total member deposits	247,625	233,468
	Borrowed funds	27,000	25,707	
	Accrued expenses and other liabilities	3,626	3,333	
		Total liabilities	278,251	262,508
	Members' equity			
	Regular reserves	13,917	13,246	
Undivided earnings	13,887	13,630		
Net unrealized appreciation on securities available for sale	(603)	(378)		
	Total members' equity	27,201	26,498	
	Total liabilities and members' equity	\$305,452	\$289,006	

INCOME

For the years ended December 31, 2018 and 2017 (in \$1,000s)

		2018	2017	
INTEREST INCOME	Interest income			
	Interest on loans receivable	\$ 11,910	\$ 11,319	
	Interest on investments	1,005	837	
		Total interest income	12,915	12,156
	Interest expense			
	Dividends	1,117	1,055	
	Interest on borrowed funds	530	307	
		Total interest expense	1,647	1,362
	Net interest income	11,268	10,794	
	Provision for loan losses	992	1,150	
	Net interest income after provision for loan losses	10,276	9,644	
NON-INTEREST INCOME	Non-interest income			
	Other operating income and fees	4,816	4,698	
		Total non-interest income	4,816	4,698
	Non-interest expense			
	Compensation and benefits	6,331	6,136	
	Travel and conferences	125	121	
	Office occupancy	1,082	1,054	
	Operations	4,294	4,095	
	Advertising	562	535	
	Loan Servicing	465	563	
	Professional Fees	352	347	
	Miscellaneous	116	89	
		Total non-interest expense	13,327	12,940
	Net income			
Net income from operations	1,765	1,402		
Non-operating gain (loss)	(836)	(8)		
	Net income	\$ 929	\$ 1,394	

These 2018 Consolidated Statements are unaudited.

UCU LEADERSHIP & REPRESENTATIVES

BOARD OF DIRECTORS

Gerald W. Hayman, Jr	Chairperson
Ency A. Whitehill	Vice Chairperson
Hugh A. Morrison	Secretary
Carolyn L. Cheney	Director
Richard H. Borgman	Director
Betsy J. Uhuad	Director
Peter R. Reid	Director

ADVISORS TO THE BOARD

Jon Henderson	Advisor
Danuse Bement	Advisor
Alicia Harvey	Advisor

EXECUTIVE MANAGEMENT

Matthew J. Walsh, CPA	President / CEO
Debra A. White-Rideout	Executive Vice President
Renee D. Ouellette, CPA	Senior Vice President of Finance
April D. Gleason	Vice President of Lending
Eileen M. Byram	Vice President of Risk Management

AUDIT COMMITTEE

Ency A. Whitehill	Chairperson
Carolyn L. Cheney	Member
Betsy J. Uhuad	Member
Stephen Jurich	Member

ELECTIONS COMMITTEE

Quinn A. Paradis	Chairperson
Jeffrey Aceto	Member
Irvine Marsters	Member

MISSION STATEMENT

Prepare, Progress, Achieve...

To actively advance the financial well-being of our members in every stage of their lives.



52nd ANNUAL MEETING

Wednesday, February 27th, 2019
5:15 PM
Buchanan Alumni House
Orono, Maine

MEETING AGENDA

Roll Call
Reading of previous minutes
Report of the Chairperson
Report of the President
Report of the Audit Committee
Unfinished business
New business
Report of the Elections Committee
Meeting adjournment



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