

**Good
things
come in
small
packages**

2017 ANNUAL REPORT

Letter from the CEO

In many ways, 2017 was the best year in Lake Trust history. Our commitment to being Moved By Good, as well as our certification to become Michigan's largest Community Development Financial Institution (CDFI) are launching pads for the impact we'll have on making economically strong and vibrant Michigan communities.

Our CDFI certification will allow us to be more dedicated than ever to serve Michigan's financially underserved populations and live by the credit union philosophy of people helping people.

Every single Lake Trust member strengthens our mission to make a difference. We can't thank you enough for the opportunity to continue our work with you. Together we can create a positive impact on Michigan and make our communities better than ever.

David Snodgrass

PRESIDENT & CEO

Auditor's Letter

Board of Directors | Lake Trust Credit Union

BRIGHTON, MICHIGAN

We have audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated statements of financial condition of Lake Trust Credit Union as of December 31, 2017 and 2016 and the related consolidated statements of income, comprehensive income, members' equity, and cash flows for the years then ended; and in our report dated March 14, 2018, we expressed an unqualified opinion on those consolidated financial statements.

In our opinion, the information set forth in the accompanying condensed financial statements is fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.

Crowe Horwath LLP

GRAND RAPIDS, MICHIGAN

March 14, 2018

Condensed Consolidated Statements of Financial Condition

December 31, 2017 and 2016

DOLLARS IN THOUSANDS

Assets	2017	2016
Cash & Cash Equivalents	\$90,884	\$95,071
Investments	171,255	147,148
Loans	1,391,927	1,359,832
Property & Equipment	62,736	64,492
NCUSIF Deposit	14,950	14,307
Goodwill & Other Intangibles	43,399	46,763
Other Assets	42,108	47,414
Total Assets	\$1,817,259	\$1,775,027

Liabilities & Members' Equity	2017	2016
Members' Shares	\$1,588,969	\$1,547,384
Borrowings	34,000	41,000
Other Liabilities	11,053	10,547
Total Liabilities	1,634,022	1,598,931
Members' Equity	183,237	176,096
Total Liabilities & Members' Equity	\$1,817,259	\$1,775,027

Condensed Consolidated Statements of Income

Years ended December 31, 2017 and 2016

DOLLARS IN THOUSANDS

	2017	2016
Interest Income	\$61,848	\$59,691
Interest Expense	5,970	6,387
Net Interest Income	55,878	53,304
Provision for Loan Losses	5,094	5,641
Net interest income after provision for loan losses	50,784	47,663
Non-Interest Income	20,257	19,327
Non-Interest Expense	(62,343)	(61,996)
Net Income	\$8,698	\$4,994

CDFI Certification

Early in 2017, we received our certification as a Community Development Financial Institution (CDFI). This designation gives us access to resources to service low-income communities and people who lack access to traditional financing. We want to give more people the opportunity to achieve financial success and this designation plays an important role in helping us achieve our goal.

Teams throughout Lake Trust adopted
15 families in need during the holidays.



Giving Back

We're not afraid to step up and help out when we see a need in our communities.



Cereal Drive

Team Lake Trust collected 21,492 servings of cereal during our Summer Cereal Drive. Our donation was matched by the Lake Trust Foundation for a total of 42,984 servings, which were distributed to 7 different food banks across Michigan.

The Lake Trust Foundation awarded **\$25,284** in grants and contributions to the community in 2017.



Day of Caring

We volunteered in the Rangers 4H Garden for the Livingston County United Way Day of Caring. The 106 pounds of food we harvested was donated to Meals on Wheels and the Livingston County Senior Nutrition Program.



Giving Tuesday

We donated one penny from every debit and credit card transaction that took place from Black Friday thru Cyber Monday. The community voted for The House of Promise in Lansing to receive our \$8,164.83 donation.

Recognition

We think we're pretty awesome, but don't take our word for it.



We received a Michigan 2017 Best and Brightest in Wellness® Award for our efforts to create a healthier workplace.



Our HQ was recognized as one of nine spectacular financial institutions in the world (only one in the US) by *The Financial Brand*.



Crain's Detroit Business recognized us as a Cool Workplace.

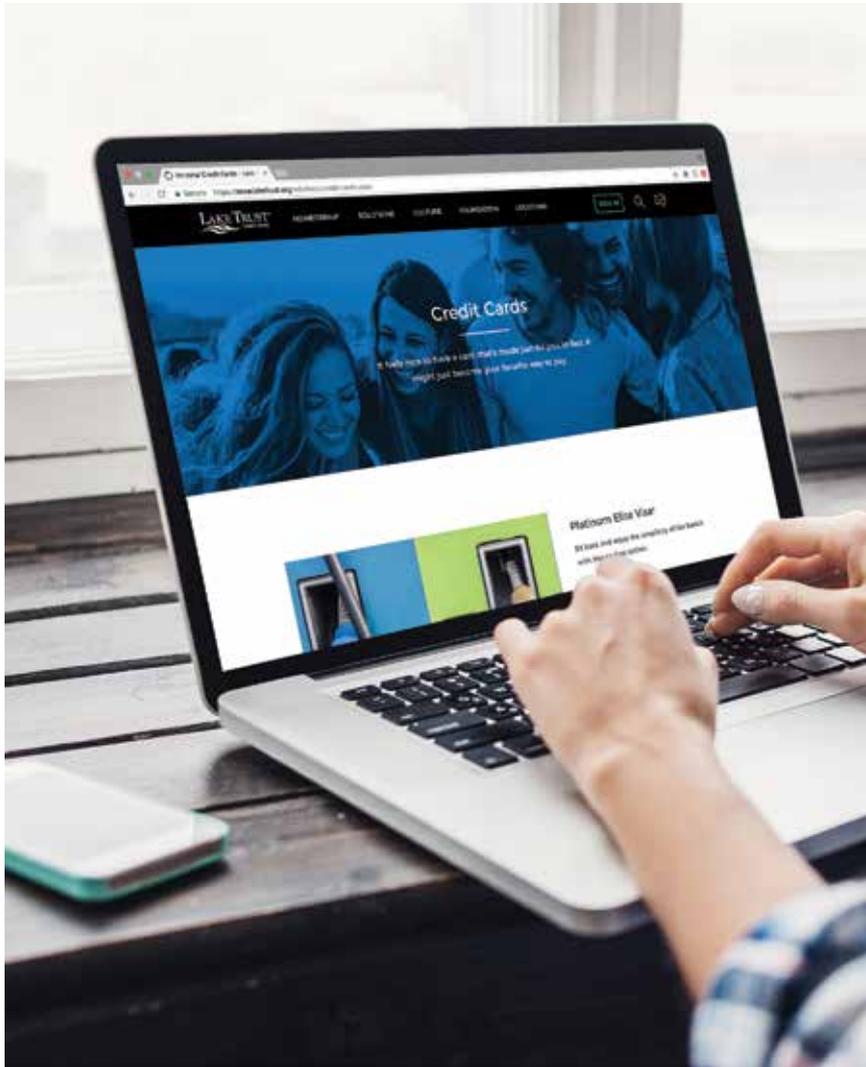
We on-boarded **67** new Team Lake Trust members in 2017.

Lending a Hand

Our members were on the move in 2017. We granted 1,071 new real estate loans to our members. Of these, 449 loans were mortgages closed through our partner, Mortgage Center, and 622 loans were home equity loans done directly through us.

Much of this success was the result of our summer home loan campaign and the ability for Member Experience Associates to accept home equity applications in the branches and the Contact Center.

At the end of 2017, we had a total of **181,324** members.



Our New Digital Experience

We launched our new website in September 2017 along with three new microsites: Moved By Good, Financial Life Planning, and Commercial Services. In addition to our new websites, we also created an updated Online Account Opening (OAO) process. The new OAO proved to be a success, as it quickly became (and still is) the number one channel for opening new memberships.

But we're not done yet! The digital initiative remains an ongoing project to improve and update our online experience.

We Are Moved By Good

We launched Moved By Good (our social purpose initiative) in the fall to incorporate the spirit of giving into our everyday work. Recognizing that change happens when many people work together, we also started a microsite for Moved By Good. On the site, we share stories of people in Michigan who are giving back to their communities.

We hosted a winter clothing drive at Good to Great (G2G) Summit, our annual all-staff day, to help Team Lake Trust get into the Moved by Good spirit. Together we collected 280 coats and 902 hats, mittens, scarves, and pairs of socks. We packaged up these items and distributed them to shelters across the state.

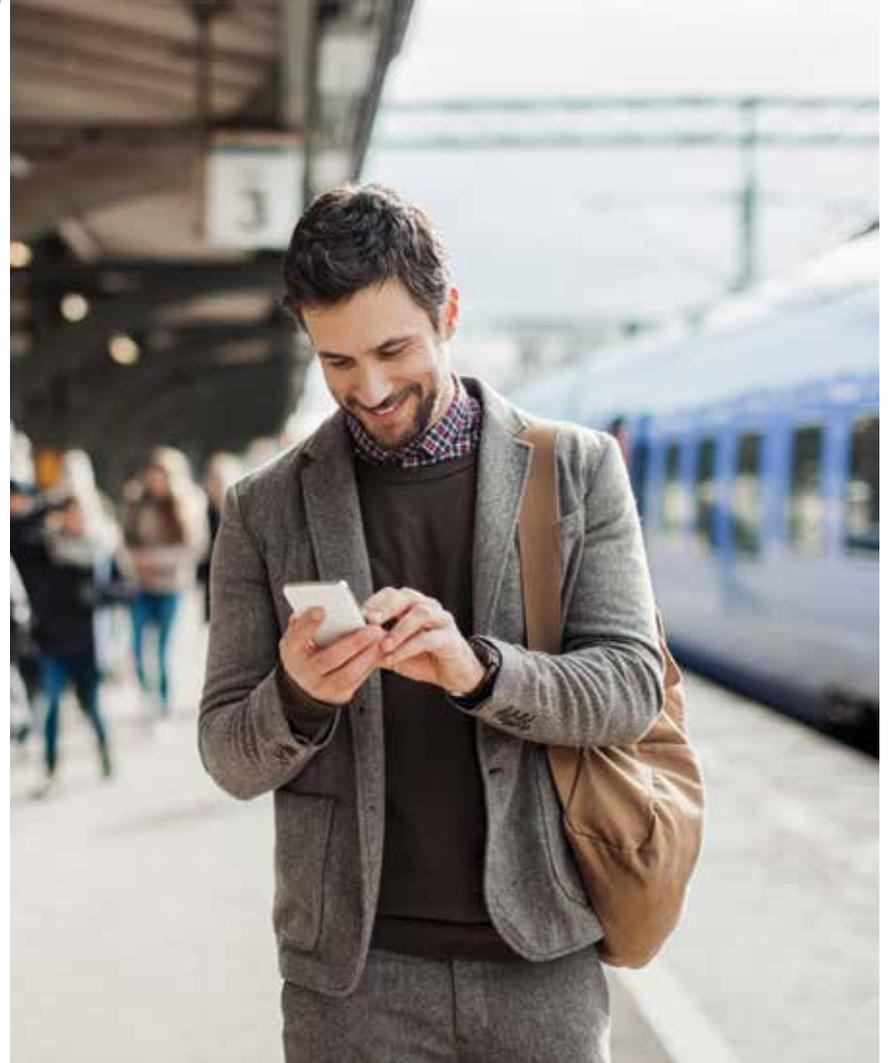


Commercial Services

This year we focused on building stronger relationships with our commercial members. To do that, we realized we needed an online experience personalized to the needs of these members. Our new Commercial Online Banking platform launched in October, giving our members an easier outlet to manage their business finances.

Additional features and a full line of treasury products for Commercial Online Banking will roll out in 2018.

Team Lake Trust gave over **4,000** hours of volunteer time last year.





Financial Life Planning

With the launch of our new Financial Life Planning (FLP) microsite and a targeted Medicare campaign, we helped our members plan for the future. We saw considerable growth in both our insurance and investment offerings through FLP.

In addition to growing our member relationships, we created a new FLP career path for our Member Experience Associates who have a passion for financial planning. We also welcomed The Society for Lifetime Planning, Inc., an independent advisor firm, to the FLP team.

Team Lake Trust referred **1,539** members to FLP.



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