



Moving Forward with
Innovation

2007 Annual Report



The only place to do your banking!



Board of Directors



Raymond Dudus
Chairman



Diane Manica
Secretary



Richard LeMoynes
Director



Ines de Jesus
Vice Chairperson



Shelia Anderson
Director



Deirdre Scott
Director



Clifford A. Brown
Treasurer



RashinderPal Gill
Director



Nadine Tibbs-Stallworth
Director



Raymond Dudus
Chairman

Chairperson's Report

In looking back over 2007, your Board of Directors is proud of the many ways that Michigan First made contributions to the 44 communities it serves across metropolitan Detroit. From the many new services to assist our members in achieving financial dreams, to scholarships and donations that assisted our communities in being more successful, we feel a great sense of accomplishment.

To gauge our success as a financial institution, Michigan First continued to grow to serve even more members in 2007. Further evidence of having served our members well included our growth in loans and deposits. As a progressive financial institution, our focus is cost effective financial services supported with incredible technology to help fund our members' dreams.

As a team, the Board of Directors and senior management believe there are more opportunities to serve members in the future, expanding to more communities across metro-Detroit. It is always confirming when we meet young members who have been with Michigan First for twenty years because their first account was opened by a parent and they continued to use the Credit Union for their first loan, a first mortgage, and other needs as they grow older.

We know that our future must be focused on new directions that will better meet our members' and their families' financial needs across a lifetime. In essence, we continue to be the only place you will need to turn to for all your banking needs.

On behalf of my fellow board members, thank you for making Michigan First the only place to do your banking for a lifetime!





Michael Poulos
President/CEO

President's Report

Thank you for being a part of the Michigan First Credit Union family for another successful year! During 2007, there were many exciting new services that we introduced to help you and your family be more financially successful.

For example, new services you can now use include:

- Investment services with our **Wealth Management Group**
- **MoneyPerks**® Rewards, offering all members real rewards for using select services
- **Enhanced Business Services**, including Business and Commercial Lending
- **Preferred Dealer Program**, offering all members special perks and discounts when they buy a vehicle at select dealerships
- **Michigan First MoneyNow**, an overdraft service for members with checking accounts
- **Classic Checking**, a “second chance” checking program for members to rebuild credit
- **ID SafeChoice**™ and **ID SafeChoice**™ Plus Identity Theft products for qualified members, and
- **Financial Education Seminars**, adding to our successful line-up, more financial success topics

Along with our new, more convenient services to our members, the Credit Union continued to grow, achieving \$470 million in assets. There are now over 70,000 members who have discovered the benefits of banking with Michigan First.

There is more to the Credit Union's success than simply providing great banking services to our members. Another

important aspect is our commitment to the communities we serve. For example, Michigan First donates funds to assist our youth in reaching their dreams as well as other important organizations that provide support and help across metropolitan Detroit.

In February, we helped save the Detroit Public Schools Chess program with a large donation. Without Michigan First's contribution, the Chess Program would be under-funded and unable to compete in major matches outside the city. With our roots starting with the Detroit Public School System, Michigan First continues to stay committed to the education and development of Detroit youth.

Helping graduates seek a college education, Michigan First Credit Union awarded thousands of dollars in scholarships to local high school students as part of its Scholarship Program. The graduating seniors represent the many communities that Michigan First now serves. In the past five years, the Credit Union has awarded 245 scholarships totaling more than \$219,000.

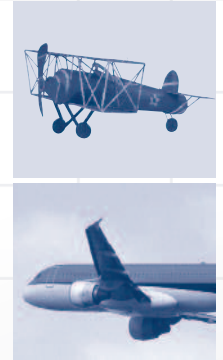
Beyond the education-related contributions that Michigan First Credit Union made, additional contributions of thousands of dollars were made to support to local charities, such as the Salvation Army, THAW, and the Skillman Foundation.

An electrifying event was our “December Brights - Glowing Green” festivities at the Evergreen Branch. The branch building was covered in snowflake lights “dancing” to holiday music, which became a brightly lit display that was visible from all over Southfield and Lathrup Village. With visits from Santa and his reindeer, a shopping boutique, a blood drive sponsored by the American Red Cross, a food drive to benefit Forgotten Harvest, prizes, giveaways, and more, members as well as our staff were all in the holiday spirit!

Looking forward to 2008, we will continue building on the incredible technology that enables our members to bank conveniently. Providing you great value for your membership is always our goal and we appreciate the financial business you do with us.

On behalf of the Board of Directors, Supervisory Committee, Management and Staff, thank you for turning to Michigan First Credit Union as your financial partner and the only place to do your banking!

Michael D Poulos





Lola Foster
Chairperson



Lisa Fort



Yvonne Willis

Supervisory Committee Report

As a non-profit financial cooperative, Michigan First Credit Union is owned and operated by and for its members. On behalf of the membership, the Supervisory Committee is responsible for managing the ongoing audits of the Credit Union's records, procedures and operations. In addition, the Committee reviews the practices, procedures, and policies that are adopted by the Board of Directors and monitors the Credit Union's adherence to and compliance with policies and statutory mandates.

These responsibilities are defined by the Credit Union's bylaws, the Michigan Credit Union Act, regulations of the Office of Financial and Insurance Services, and the National Credit Union Share Insurance Fund. To accomplish our duties, we retained the services of Doeren Mayhew, Certified Public Accountants, to perform a comprehensive year-end audit for 2007. Their financial statements are included in this annual report. Based on their audit reports, it is the Committee's opinion that your Credit Union is currently operating in a safe and fiscally sound manner.



Clifford A. Brown
Treasurer

Treasurer's Report

The year of 2007 continued to be a growth year financially for Michigan First. As a result of attracting new members with more business, coupled with efficient operations from our staff, we achieved a Return on Assets of 0.79 percent. Our Net Worth was 14.35 percent in 2007, which is much higher than required by our regulators.

After being opened for almost two full years, the new branch, located in the headquarters, now adds more new members each month than any other branch. Additionally, a strong net worth position allowed us to safely implement a leveraged borrowing strategy in 2007, which resulted in a net gain of over \$1.3 million compared to 2006.

With the changing Detroit economy, we maintained our strong loan portfolio, with about 40 percent of our members using Michigan First for their borrowing needs. During 2007, our loan portfolio increased to over \$268 million and deposits from members increased to almost \$338 million.

Consistent with prior years, I am pleased to report to the membership that Michigan First received an unqualified audit opinion from our audit firm, Doeren Mayhew, for the year ending December 31, 2007.

The Board of Directors continues to create new directions to make sure that Michigan First is the best and only place for our members to do their banking!





Independent Auditor's Report

To the Board of Directors and Supervisor Committee of **Michigan First Credit Union.**

We have audited, in accordance with auditing standards generally accepted in the United States of America, the statement of financial condition of Michigan First Credit Union as of December 31, 2007 and 2006, and the related statements of earnings, members' equity and cash flows for the years then ended (not presented herein); and in our report dated February 12, 2008, we expressed an unqualified opinion of those financial statements.

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

Doeren Mayhew

DOEREN MAYHEW

February 12, 2008
Troy, MI

Statement of Financial Condition

Year Ended December 31	2006	2007
Assets		
Cash & Cash Equivalents	24,978,266	50,263,327
Non-negotiable certificates of deposit	26,500,000	10,000,000
Investment securities	105,630,878	104,154,526
Loans to members, net of ALL	260,634,593	267,369,081
Property, equipment, and leasehold improvements	25,115,141	25,122,708
Other assets	12,268,897	13,701,976
Total assets	455,127,775	470,611,618
Liabilities and Members' Equity		
Liabilities	58,628,027	64,141,528
Members' shares and savings accounts	332,772,120	338,226,879
Total liabilities	391,400,147	402,368,407
Commitments and contingent liabilities	—	—
Members' equity	63,727,628	68,243,211
Total liabilities and members' equity	455,127,775	470,611,618



CONDENSED STATEMENT OF EARNINGS

Year Ended December 31	2006	2007
Interest income	27,013,191	29,717,120
Interest expense	7,698,003	10,375,724
Net interest income	19,315,188	19,341,396
Provision for loan loss	3,125,000	4,205,000
Net interest income after provision for loan loss	16,190,188	15,136,396
Non-interest income	7,877,111	11,975,124
Non-interest expense	20,401,826	23,450,444
Net earnings	3,665,473	3,661,076



VISION

Be the best and most highly regarded financial institution for our members.

MISSION

To be the only financial institution for our members.

CORE VALUES

Service

We value service to the member above all else. We make a positive difference in their lives.

Hard Work/Efficiency

We take pride in working hard and being efficient in what we do.

Perseverance

We are never satisfied - always striving to do better.

Teamwork

We win as a team. Effective teamwork yields superior results.

Integrity

We conduct our business in an honest, legal, and ethical manner.

Committing ourselves to these, we have a reputation of excellence.



Telephone Numbers

24-Hour Loan Center

248-395-4185,
313-861-8245 or
866-933-6333

Telephone Number for All Offices

248-443-4600,
313-345-7200 or
800-664-3828
Fax 248-443-4280

24-Hour MoneyWorks Audio Teller

248-395-4184,
313-345-9191 or
800-248-9101

24-Hour Credit Card Services

800-654-7728

24-Hour Check Reorder

877-585-8777

Mortgage Center

888-562-6865

Routing & Transit Number

272078365

Branch Locations

Evergreen Branch

27000 Evergreen
Lathrup Village
8:30 a.m. to 5 p.m. Mon-Thurs.
8:30 a.m. to 6 p.m. Fri.

Gratiot Branch

21650 Gratiot, corner of Toefer
Eastpointe
8:30 a.m. to 5 p.m. Mon-Thurs.
8:30 a.m. to 6 p.m. Fri.

New Center Branch

New Center One Building, 2nd Level
3031 West Grand Blvd.
Detroit
8:30 a.m. to 5 p.m. Mon-Thurs.
8:30 a.m. to 6 p.m. Fri.

Puritan Branch

7700 Puritan
Detroit
8:30 a.m. to 5 p.m. Mon-Thurs.
8:30 a.m. to 6 p.m. Fri.

Wayne Branch

Maccabees Building, Suite 1300
5057 Woodward Avenue
Detroit
8:30 a.m. to 5 p.m. Mon-Thurs.
8:30 a.m. to 6 p.m. Fri.

Wayne Student Center Branch

Student Center Building
5221 Gullen Mall
Detroit
10 a.m. to 2 p.m. Mon-Fri.

