



2019

ANNUAL
REPORT



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Chairman's Message

Dear Members,

I would like to begin by thanking you, the Membership of iTHINK Financial Credit Union, for your continued support and participation in this outstanding financial cooperative. It is an honor and a great privilege to serve as Chairman of the Board of iTHINK Financial. The year 2019 was our very BEST ever! As a result of being a state-chartered credit union and completing a local bank merger, we were able to achieve some tremendous results. The Board of Directors and I would like to thank the Membership for their support in this strategic move. In addition, I would like to congratulate Mike Miller, our President/CEO, and his team for making 2019 even better than 2018—one for the record books. Our Membership will see continued emphasis on loans along with improved lending rates and a Service Excellence mission that positions us as a leader in our industry.

Yes, 2019 was another outstanding record-breaking year which took our assets to \$1.532 billion. Our capital ratio was at 10.9%, which translates to a very sound financial institution. Our loan-to-share ratio was 94.7%—the highest ever in our history. All of this was accomplished while achieving an excellent rating by our NCUA auditors. These ratios accentuate the safety and soundness of iTHINK Financial.

In 2019, we celebrated 50 years as IBMSECU. Now, we are refocusing on the next 50 years as we have changed our name to iTHINK Financial Credit Union. We recommit to deliver Service Excellence to the Membership while ensuring the safety and soundness of the Credit Union. Starting in 2020, and for the next 50 years, we will face some very challenging times as we continue to meet them head on with outstanding results and resolve as iTHINK Financial. We appreciate your support and welcome any suggestions as we strive to maintain the Credit Union's philosophy of "people helping people" and making a difference in our members' lives!

On behalf of the Board of Directors and the volunteers, I would like to express our sincere appreciation to the Membership and the staff for their continued support in moving forward with this dynamic financial institution.

Respectfully submitted,

Michael W. Townsend, CCD
Chairman of the Board

"To deliver Service Excellence to the Membership and the communities we serve while ensuring the safety and soundness of the Credit Union."

iTHINK Financial Mission Statement

President's Message

Dear Members,

What a year! In 2019, we marked the celebration of our 50th year serving our members. So, once again I would like to thank you for your loyalty over these many years and for allowing us to be your trusted financial partner. We value your confidence in us as we honor our cooperative principles, which have been our driving focus since 1969. As you now know, we set sail on a new course as your Board of Directors announced a new beginning with our name change to iTHINK Financial Credit Union. With all that has changed, all that is going on around us, and with an aspirational optimism for the future, one thing remains constant: our commitment to deliver Service Excellence to you.

In many ways, 2019 was our best year ever. We grew our total assets at a record pace, reaching over \$1.5 billion at year end. We also reached new levels in loans and member shares. Our growth was amplified by the acquisition of the Oculina Bank that added 8 office locations along the Treasure Coast of Florida. Through our record growth, our income remained strong, and we were able to increase our net worth. Our net worth ratio keeps us in the "well capitalized" category as determined by our Regulators, with over \$133 million in reserves. This means your deposits are safe and sound, due to our reserves and the strong quality of our assets. Your Credit Union ended the fiscal year with a strong capital position, record growth, and is financially sound and healthy.

Unfortunately, areas that remain out of our control, such as pandemic, economic conditions, business disruptions, security breaches, and identity theft are events that ravage our world. We are working hard to continue earning your trust, preserving and building your wealth, and keeping your personal data safe and secure. Our 2020 pledge is to "Make a Difference" in our members' lives.

We know the events in 2020 will certainly go down in history as unprecedented. At this time, there are many uncertainties. Always remember as a member/owner of this Credit Union, we are here for you. We realize these are trying times. We want to "Make a Difference" in your life, in whatever capacity you require. Many members have been dramatically impacted by current events. We will never miss an opportunity to stop and listen to you about your needs and strive to help you to the best of our ability.

As we continue to work through our ever-changing world, our pledge to you is our commitment to our core values: trust, respect, accountability, compliance and compassion. We have a tremendous staff that lives these core values with every interaction you have with YOUR Credit Union.

We know you have many choices for your financial service needs. Thank you for allowing us to be your Credit Union. It is an honor to serve you and work alongside our outstanding Board of Directors, volunteers and staff. Thank you for your membership and thank you for being the best part of iTHINK Financial.

Sincerely,
Michael L. Miller
President/CEO

iTHINK Financial Board of Directors

CHAIRMAN

Michael W. Townsend, CCD

VICE CHAIRWOMAN

Juana T. Krause

SECRETARY

Stephanie M. Forster

TREASURER

James M. Dorman, CCD

DIRECTORS

Johnny Bennett, CCD

Peter L. Blacklock

Thomas E. Brawley

Brad J. DeBauche

Donald L. Lee, CCD

Member Privacy Policy

iTHINK Financial is committed to preserving and protecting the privacy and confidentiality of its members' non-public personal information. This commitment is a fundamental operation of the Credit Union. The Credit Union maintains strong security controls to ensure that members' information is protected and uses verification standards that are consistent within the financial services industry to protect against unauthorized access to personal information. For details on identity theft and fraud protection, please visit the Privacy and Security page under the Resources tab of ithinkfi.org. Our Credit Union only shares information in conducting everyday business to administer the products and services we provide, as well as with other businesses approved by the Credit Union who can market a broader array of financial products and services to enhance our members' well-being. The Credit Union requires its business affiliates to maintain the confidentiality of such information. The Credit Union also provides and receives information from credit reporting agencies for safety and soundness purposes related to the qualifying criteria for share and loan accounts. Lastly, the Credit Union shares information in responding to court orders and legal investigations.

For more information, see our privacy policy disclosure available on our website: "What Does iTHINK Financial Do With Your Personal Information?"

Contact the Credit Union at serviceplus@ithinkfi.org or call 800.873.5100

Independent Auditor's Report

To accomplish this function, the independent certified public accounting firm of BKD, LLP conducted a certified audit of the Credit Union's financial statements for the period ending on December 31, 2019.

THE AUDIT COMMITTEE:

Marie I. Mascaro, Chairwoman

Donald L. Lee, CCD

Hilary W. Hunter

Frank Mays

Randee Abramson

2019 Meeting Minutes

Chairman Townsend called the Annual Meeting of the IBM Southeast Employees' Credit Union to order at 6 p.m.

Stephanie Forster, Secretary, confirmed a quorum was present.

Chairman Townsend called for a motion to approve the Annual Meeting Agenda.

Juana Krause moved to approve. Motion was seconded and unanimously approved.

Chairman Townsend welcomed guests and introduced the Board of Directors and Volunteers to the Annual Meeting:

Michael Townsend, Chairman

Juana Krause, Director and Vice Chairwoman

Mickey Dorman, Director and Treasurer

Stephanie Forster, Director and Secretary

Johnny Bennett, Director

Peter Blacklock, Director

Brad DeBauche, Director

Donald Lee, Director

Marie Mascaro, Audit Committee Chairwoman

Hilary Hunter, Audit Committee Member

Randee Abramson, Audit Committee Member

Frank Mays, Audit Committee Member

Howard Isaacs, Director Emeritus

Lary McCants, Director Emeritus

Pat Ciresi, Director Emeritus

Michael Miller, President and CEO

A motion to waive the following was made by Donald Lee. The motion was seconded and unanimously approved to waive:

1. Oral Reading of Minutes of 2018 Annual Meeting
2. Financial Report
3. Audit Committee Report
4. Chairman's Report
5. CEO Report

CEO Comments—Michael Miller, President/CEO

Mr. Miller stated, "It is an honor to serve as the President and CEO of the IBM Southeast Employees' Credit Union alongside this tremendous group of distinguished volunteers, that being our Board of Directors, our Audit Committee, and our former Board members now in Emeritus status. In addition, it is my pleasure to lead our top notched Senior Management Team, the Branch and Department Managers, and the dedicated and hard-working staff in Georgia and here in Florida. 2018 was another record-setting year for your Credit Union. We once again progressed financially and continued our commitment to Service Excellence.

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2019 Meeting Minutes

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We progressed financially by meeting our members' needs through controlled growth. We grew to \$1.132 billion in assets last year. We also set a record by funding \$338 million in loans exceeding last year's total of \$323 million. We grew our assets, loans and member deposits and had record net income of \$10.7 million that pushed our net worth ratio up to 11.7%.

We continue our commitment to Service Excellence by providing quality products and services to our members. We strive to do this by "Making a Difference" in our members' daily lives, by simply greeting you by name when you walk through our door, or by answering your call with a friendly voice, or by providing the attention you deserve when using our online or mobile app. Your staff is working hard to meet your financial needs.

In 2019, as a dedicated team of volunteers and professionals, our pledge to you is to make a difference by continuing to honor our core values of Trust, Respect, Accountability, Compliance, and Compassion as we strive to fulfill our mission of delivering Service Excellence to our Membership and the communities in which we serve, while ensuring the safety and soundness of the Credit Union. In the history books, we will look back at 2018 as another record year, one in which we carried on the tradition of Service Excellence to our members. As we look to 2019, we are going to honor our history as we celebrate our 50th anniversary. We are holding many events and celebrations at the branches throughout the year, while focusing on the future to see how we will evolve and stay relevant to you, our trusted members. So here we "grow" again, as we look forward to another great year in 2019. Thank you!"

Nominating Committee—Johnny Bennett, Chairman

There were 3 candidates up for election. All slated candidates were reelected to the Board: Don Lee for a 3-year term, James Dorman for a 3-year term, and Peter Blacklock for a 3-year term. Chairman Townsend requested a motion to approve the results.

Mr. DeBauche moved to accept reelected candidates. Motion was seconded and unanimously approved.

Old Business

Chairman Townsend opened the floor to discuss unfinished business. There was none.

New Business

Chairman Townsend asked if there was any new business to be discussed. Hearing none, he entertained a motion to adjourn the meeting. Mr. Bennett moved to adjourn the meeting. Motion was seconded and unanimously approved.

The Annual Meeting adjourned at 6:04 p.m.

Respectfully submitted by Stephanie M. Forster, Secretary, and Michael W. Townsend, Chairman

Financials

FINANCIAL CONDITION

ASSETS	AS OF 12.31.19	AS OF 12.31.18
CASH AND INVESTMENTS	\$176,582,010	\$168,667,156
LOANS TO MEMBERS, NET OF ALLOWANCE FOR LOAN LOSS	1,253,572,579	891,987,480
FURNITURE AND EQUIPMENT	23,234,276	14,017,043
OTHER ASSETS	78,806,572	58,015,339
TOTAL ASSETS	\$1,532,195,437	\$1,132,677,018
LIABILITIES AND EQUITY		
MEMBERS' SHARES AND SHARE EQUIVALENTS	\$1,333,620,396	\$982,508,830
DIVIDENDS, NOTES AND ACCOUNTS PAYABLE, AND OTHER ACCRUED LIABILITIES	80,330,954	43,433,805
TOTAL LIABILITIES	\$1,413,951,350	\$1,025,942,635
STATUTORY RESERVE	12,529,849	12,529,849
UNDIVIDED EARNINGS	105,714,238	94,204,534
TOTAL LIABILITIES AND EQUITY	\$1,532,195,437	\$1,132,677,018

INCOME AND EXPENSES

INCOME	AS OF 12.31.19	AS OF 12.31.18
INTEREST INCOME		
INTEREST ON LOANS	\$56,960,271	\$42,211,733
INVESTMENT INCOME	4,118,519	3,147,766
TOTAL INTEREST INCOME	\$61,078,790	\$45,359,499
INTEREST EXPENSE		
MEMBERS' SHARE AND SAVINGS ACCOUNT	12,145,860	5,228,930
BORROWED FUNDS	1,256,944	378,196
TOTAL INTEREST EXPENSE	13,402,804	5,607,126
NET INTEREST INCOME	\$47,675,986	\$39,752,373
NON-INTEREST INCOME	17,852,009	15,531,155
NON-INTEREST INCOME	55,509,296	44,561,234
NET INCOME	\$10,018,699	\$10,722,294



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