

DEDICATED • SECURE • TRUSTED

2021

ANNUAL REPORT



Security
Credit Union



MISSION STATEMENT

***We are our members'
trusted, secure financial
cooperative dedicated to
providing exceptional
value, service, and
convenience.***

VISION STATEMENT

***To ensure Security Credit
Union's brand is
held in the highest regard
in the communities
we serve, grow market
share and capital,
and expand presence
through strategic
mergers, acquisitions and
partnerships.***

Message from the Chairman

Reflections on 2021

On behalf of the employees, management, and Board of Security Credit Union, I hope you and your families are continuing to stay healthy, safe and prosperous. 2021 brought many new challenges and the most important one was keeping branches open and fully staffed with employees. We can't thank our employees enough for their dedication and willingness to operate in an ever-changing environment. We are pleased to report that your credit union had a very strong year financially as we continued to support our members and enhanced our products and services. Our number one goal is to always serve you in the best way possible! Looking back at 2021, some of our highlights included:

Expanded Membership

In late 2021, Security Credit Union was pleased to continue to expand our field of membership in the Ohio counties of Allen, Defiance, Erie, Fulton, Hancock, Henry, Huron, Lucas, Ottawa, Putnam, Sandusky, Seneca, Williams and Wood; this means that potential members in 15 counties in Ohio can now benefit from joining Security Credit Union. We were also pleased to partner with the extremely popular Toledo Zoo and participated in numerous events at the zoo.

Community Commitment

Through sponsorships and volunteering, Security Credit Union invests in and supports programs that motivate growth in our communities, enrich lives and encourage financial education. While some of our planned 2021 events were cancelled as a result of the continuing COVID-19 pandemic, we are proud that we were still able to support many great organizations through donations to keep their programs thriving. A few of the programs we proudly supported in 2021 include: the Salvation Army of Genesee &

Shiawassee counties, Old News Boys, American Cancer Society, Children's Miracle Network, Food Bank of Eastern Michigan, Flint Institute of Music Holiday Pops, Support Our Troops Operation Care Package, Burton Chamber Community Challenge, United Way of Sanilac County, Kiwanis Club of Lapeer, Corunna Robotics, and the Can Council of Saginaw County.

In Summary

Thank you for choosing Security Credit Union as your financial institution and understanding that even during these challenging times your patience was appreciated and valued. We will continue to do our best to make certain you receive exceptional value, personalized service and convenience regardless of what's going on in the world and look forward to serving your financial needs in the years to come.

Sincerely,
John Truchan, Chairman



Message from the President & CEO

2021 was another year of unprecedented changes and unpredictable situations and through it all, we have all realized that piloting the current landscape requires flexibility in how we live, work, and serve our members. This pandemic requires us to be quick to adapt to maintain essential banking services while keeping our employees and members safe.

We were focused on ensuring that our branches were operational for our members, despite the ongoing challenges we faced in keeping them fully staffed with employees. We cannot possibly thank them enough or you, our members, for your patience and understanding and continuing to choose Security for all your banking needs. Looking back at 2021, some of our highlights included:

Innovative Loan Products

We continued to listen to our members and understand some of the financial troubles that many of our members faced in the past few years. To help, we offered many loan options including: our NEW Grand Loan, a Visa Balance Transfer Offer, Summer, Harvest & Christmas Loans as well as offering skip-a-payment options to our members who suddenly found themselves in challenging financial situations.

We continue to stand with our members and will continue to develop and improve our loan offerings in 2022 to keep our members financial needs top of mind.

Upgraded Technology

Last year we continued our dedication to upgrading our technology. We were extremely pleased with the replacement of our entire ATM fleet. This change not only made our machines some of the most technologically advanced in our area but also allowed us to offer video teller technology that will allow us to better and more efficiently serve our members. Interactive Teller Machines (ITMs) allow you to process a transaction with an SCU employee helping you every step of the way!

Moving forward

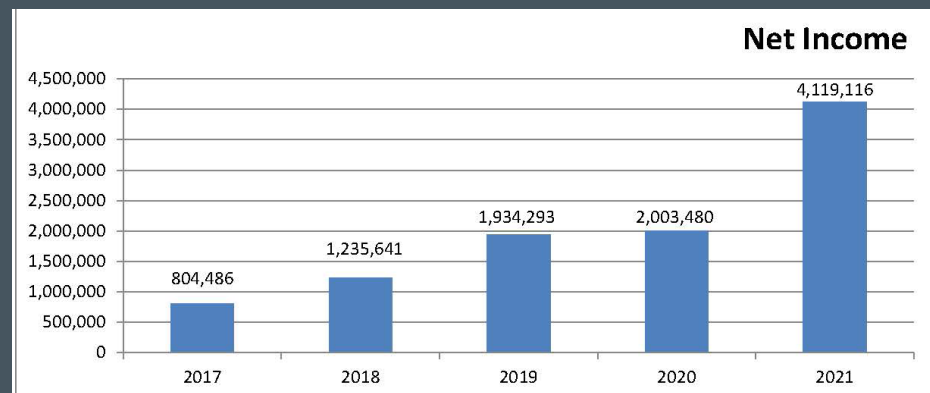
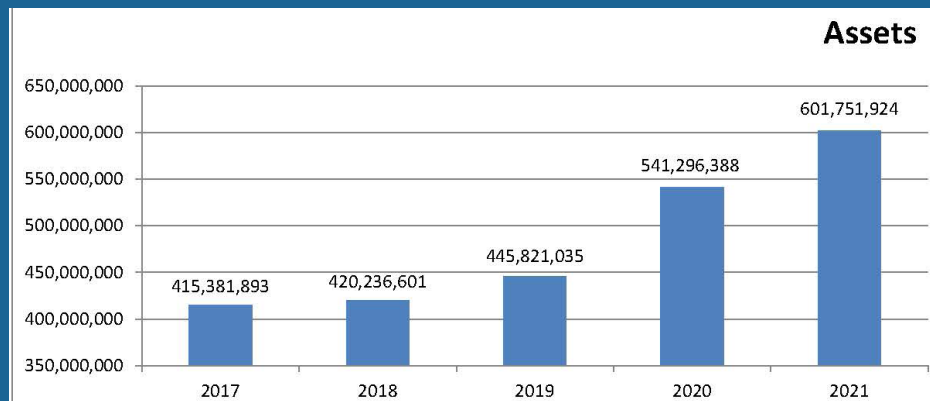
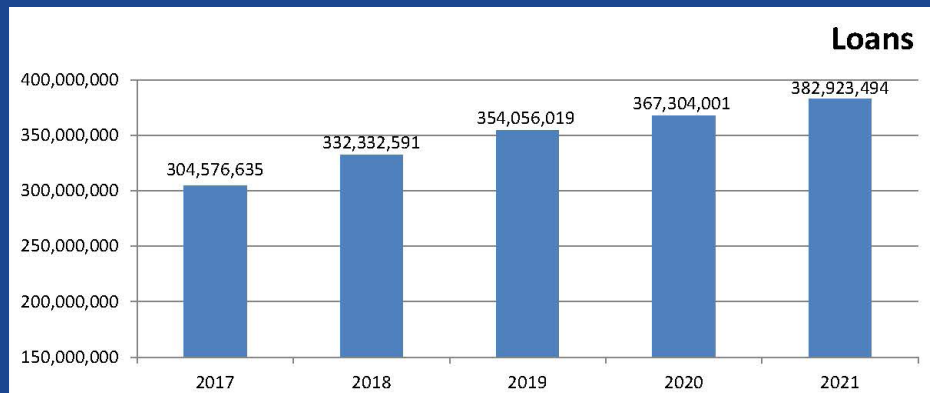
In 2022, we will continue to upgrade and enhance our systems, products, and services to make it convenient and easy to do business with Security Credit Union. Our members are at the heart of everything we do. We want to help make your financial goals and dreams possible.

Thank you for continuing to be a member of Security Credit Union.

Sincerely,
Christopher Estes, President & CEO



Financial Summary



Statement of Financial Condition

As of December 31, 2021

	2021	2020
Assets		
Auto Loans	\$174,718,697.24	\$159,870,591.96
Recreational Loans	58,367,423.51	70,508,859.25
1st Mortgage Loans	53,332,177.25	38,880,087.30
Other Real Estate Loans	17,708,235.35	18,844,856.27
Signature Loans	23,370,589.13	27,430,558.56
Business Loans	19,351,644.15	17,696,051.16
Participation Loans	35,359,895.79	33,156,507.48
Other Loans	714,831.21	916,489.46
Total Loans	\$382,923,493.63	\$367,304,001.44
Allowance for Loan Loss	(2,390,432.34)	(3,049,446.79)
Net Loans	\$380,533,061.29	\$364,254,554.65
Cash & Investments	\$183,542,156.47	\$136,669,597.43
Fixed Assets	26,243,976.56	26,332,401.70
Other Assets	11,432,730.02	14,039,834.54
Total Assets	\$601,751,924.34	\$541,296,388.32
Liabilities and Equity		
Other Liabilities	\$7,470,609.85	\$10,138,135.14
Shares and Clubs	\$284,626,308.64	\$240,415,055.13
Checking	106,248,735.45	98,680,310.22
Money Market	105,891,413.29	89,156,629.60
Certificates	45,164,201.37	53,483,833.46
IRAs	6,513,837.62	5,872,656.46
Total Shares	\$548,444,496.37	\$487,608,484.87
Reserves	47,062,572.23	42,943,456.15
Other Comprehensive Income	(1,225,754.11)	606,312.16
Total Liabilities and Equity	\$601,751,924.34	\$541,296,388.32

Statement of Income and Expense

For Year Ending December 31, 2021

	2021	2020
Loan Income	\$18,269,247.86	\$18,265,312.18
Dividends	\$878,126.84	\$1,393,323.00
Investment Interest	\$1,455,898.01	\$1,296,919.32
Employee Compensation	\$7,027,193.67	\$6,580,712.85
Employee Benefits	2,643,733.54	2,514,580.58
Travel and Conference	101,378.09	64,199.84
Association Dues	23,888.04	23,759.53
Office Occupancy	2,627,984.28	2,535,450.44
Office Operations	5,269,991.65	4,653,751.33
Educational and Promotional	879,295.67	475,225.71
Loan Servicing	2,365,745.55	2,526,184.37
Professional and Outside Services	837,756.11	792,287.16
Provision for Loan Losses	629,362.00	3,164,559.00
Operating Fees	98,073.00	92,174.58
Share Insurance - Corp CU Stabilization	0.00	0.00
Miscellaneous	-51,110.52	264,121.71
Total Operating Expense	\$22,453,291.08	\$23,687,007.10
Fees	\$3,916,073.02	\$3,425,057.10
Other Income	\$3,809,315.11	\$4,096,521.27
Total Miscellaneous Income	\$7,725,388.13	\$7,521,578.37
Net Income	\$4,119,116.08	\$2,003,479.77

Board of Directors

John Truchan
Chairman

Dick Hazel
Secretary

Joe Niedzwiecki
First Vice Chairman

Don Sorensen
Director

Don Henry
Second Vice Chairman

Jessie Collins
Director

Phillip Thick
Treasurer

Senior Management Team

Christopher Estes
President & Chief
Executive Officer

Jay Yax
Senior Vice President &
Chief Operating Officer

Heidi Schwarz
Vice President & Chief
Financial Officer

Amanda Sherwood
Vice President, Human
Resources

Bill Herron
Vice President,
Operations

Katie Krane
Vice President, Sales &
Service

Scott Knopf
Vice President, Lending
& Loss Prevention

Joe Regan
Vice President,
Information Technology

Office Locations

Genesee County
2230 S. Center Road
Burton, 48519

2404 S. Linden Road
Flint, 48532

8040 Holly Road
Grand Blanc, 48439

Lapeer County
337 E. First Street
Imlay City, 48444

1495 Imlay City Road
Lapeer, 48446

1675 N. Lapeer Road
Lapeer, 48446

Macomb County
4805 E. 9 Mile Road
Warren, 48091

Saginaw County
2882 Schust Road
Saginaw, 48603

Sanilac County
5200 Peck Road
Croswell, 48422

Shiawassee County
1400 E. Main Street
Owosso, 48867

Toledo
1001 S. Reynolds Road
Toledo, 43615

Wayne County
2444 Clark Street
Detroit, 48209



Security Credit Union

Dedicated. Secure. Trusted.



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800-373-2333 | securitycu.org | contactus@securitycu.org

P.O. Box 5255 • Grand Blanc, MI 48480-5255