

DEDICATED • SECURE • TRUSTED

2022

ANNUAL REPORT



Security
Credit Union

IN LOVING MEMORY, DIRECTOR RICHARD HAZEL

It is with heavy hearts we share that on January 26, 2023, Director Richard Hazel passed away suddenly. Dick had been a volunteer with Security Credit Union for more than 37 years. Throughout his time serving as a volunteer, Dick was an extremely influential advocate for our members and his presence will be missed.



Message from the Chairman

Reflections on 2022

On behalf of the employees, management, and Board of Directors at Security Credit Union, I hope you and your families are continuing to stay healthy, safe and prosperous. We are pleased to report that your credit union had a very strong year financially as we continued to support our members and continued to enhance our products and services. Our number one goal is to always serve you in the best way possible! Looking back at 2022, some of our highlights included:

Expanded Offices

In September of 2022, Security Credit Union was pleased to open our 13th office to the Flushing community. We are proud of this location as it is the only financial institution in the City of Flushing and thrilled to bring access to financial services to this community that can now benefit from joining Security Credit Union. As part of our core values, Security Credit Union is dedicated to giving back by sponsoring and volunteering in programs that motivate growth in our communities. We've been proud to participate in many of these types of events in the Flushing community such as Summer Fest, Harvest Fest & Candle Walk.

Scholarships

We believe in celebrating hard-working students by providing additional funds to help with the costs of college and encourage financial education with our youth. These scholarships aren't just for college education but can be used for college study and also for trade, vocational or technical school. We are proud to help our members remove financial barriers of furthering their education and help promising individuals to achieve their academic aspirations. Our scholarship program supports members who are graduating high school juniors or seniors with a one-time scholarship.

In Summary

Thank you for choosing Security Credit Union as your financial institution and for your continued membership. We are dedicated to serving you with excellence. We will continue to do our best to make certain you receive exceptional value, personalized service and convenience and look forward to serving your financial needs in the years to come.

Sincerely,
John Truchan, Chairman



Message from the President & CEO

In an industry defined by change, adaptability and innovation are paramount. The financial landscape continues to evolve at an unprecedented pace, and Security Credit Union remains committed to staying at the forefront of this evolution. Our steadfast dedication to delivering exceptional banking services has enabled us to thrive even in the face of uncertainty over the last few years.

We thank you, our members, for choosing Security for all your banking needs. Looking back at 2022, some of our highlights included:

Innovative Products

We are excited to announce this year we continued to expand our suite of products and services that enhance your banking experience with the debut of Zelle. Zelle is a peer-to-peer payment (P2P) service that enables you to send money to family, friends, and even businesses, all with just a few taps on your mobile device or computer. It's fast, secure, and incredibly convenient and over the last few years, Zelle has become a preferred method for these P2P payments.

We are dedicated to providing you with innovative solutions that simplify your financial life. Zelle is another step in that direction, bringing you seamless money transfers at your fingertips.

Technology

Mobile banking technology is at the heart of our strategy to meet the evolving needs of our members. In 2021, SCU released a new mobile banking app that increased dependability, offered members access to Bill Pay, a fully customizable display, and frequent innovative updates to further improve the application. I am delighted to share that member adoption continues to be strong with use of our mobile app being higher than ever and with ten times as many members using mobile banking than our online banking service.

Moving forward

As we step into the future of your financial well-being we will continue to help you manage your accounts effortlessly, all while retaining the local touch and personalized service you've come to expect from SCU.

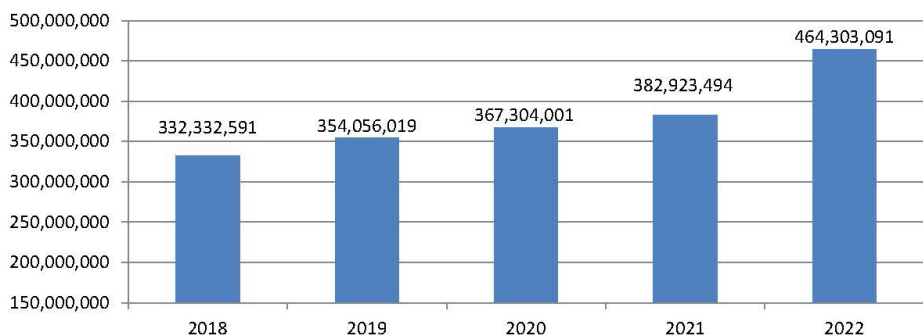
Thank you for continuing to be a member of Security Credit Union.

Sincerely,
Christopher Estes, President & CEO

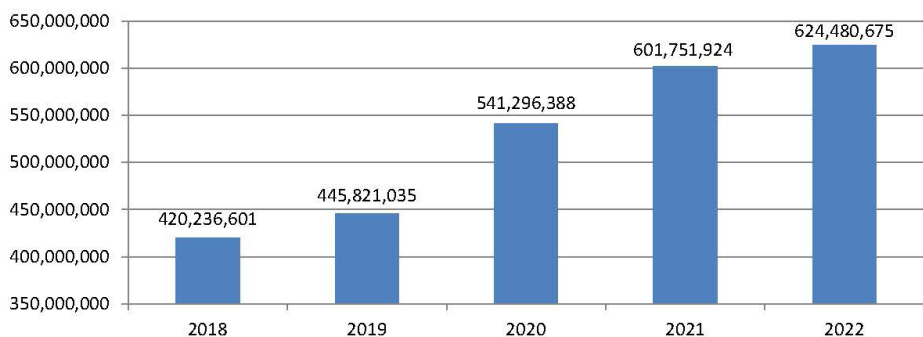


Financial Summary

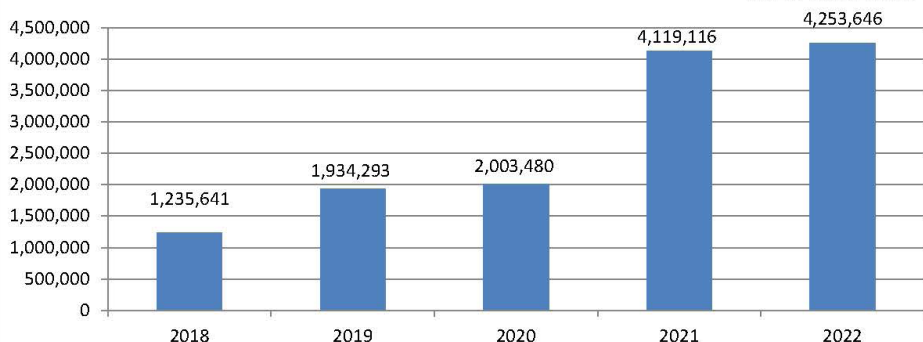
Loans



Assets



Net Income



Statement of Financial Condition

As of December 31, 2022

	2022	2021
Assets		
Auto Loans	\$234,183,623.05	\$174,718,697.24
Recreational Loans	53,695,458.79	58,367,423.51
1st Mortgage Loans	54,641,274.23	53,332,177.25
Other Real Estate Loans	22,633,887.56	17,708,235.35
Signature Loans	27,910,791.85	23,370,589.13
Business Loans	21,443,462.99	19,351,644.15
Participation Loans	49,106,209.22	35,359,895.79
Other Loans	688,383.15	714,831.21
Total Loans	<u>\$464,303,090.84</u>	<u>\$382,923,493.63</u>
Allowance for Loan Loss	(2,066,298.41)	(2,390,432.34)
Net Loans	<u>\$462,236,792.43</u>	<u>\$380,533,061.29</u>
Cash & Investments	\$125,618,009.64	\$183,542,156.47
Fixed Assets	26,899,143.62	26,243,976.56
Other Assets	9,726,729.42	11,432,730.02
Total Assets	<u><u>\$624,480,675.11</u></u>	<u><u>\$601,751,924.34</u></u>
Liabilities and Equity		
Other Liabilities	\$48,508,475.30	\$7,470,609.85
Shares and Clubs	\$273,875,598.53	\$284,626,308.64
Checking	103,971,909.54	106,248,735.45
Money Market	111,374,099.88	105,891,413.29
Certificates	39,085,588.35	45,164,201.37
IRAs	6,661,029.29	6,513,837.62
Total Shares	<u>\$534,968,225.59</u>	<u>\$548,444,496.37</u>
Reserves	51,316,218.30	47,062,572.23
Other Comprehensive Income	(10,312,244.08)	(1,225,754.11)
Total Liabilities and Equity	<u><u>\$624,480,675.11</u></u>	<u><u>\$601,751,924.34</u></u>

Statement of Income and Expense

For Year Ending December 31, 2022

	2022	2021
Loan Income	\$19,881,833.06	\$18,269,247.86
Dividends	\$994,694.48	\$878,126.84
Investment Interest	\$1,860,707.73	\$1,455,898.01
Employee Compensation	\$7,355,863.86	\$7,027,193.67
Employee Benefits	3,028,201.49	2,643,733.54
Travel and Conference	138,551.92	101,378.09
Association Dues	24,643.79	23,888.04
Office Occupancy	2,818,458.14	2,627,984.28
Office Operations	5,736,131.69	5,269,991.65
Educational and Promotional	866,781.80	879,295.67
Loan Servicing	2,325,426.00	2,365,745.55
Professional and Outside Services	753,132.78	837,756.11
Provision for Loan Losses	624,824.00	629,362.00
Operating Fees	93,142.00	98,073.00
Share Insurance - Corp CU Stabilization	0.00	0.00
Miscellaneous	212,264.14	-51,110.52
Total Operating Expense	<u>\$23,977,421.61</u>	<u>\$22,453,291.08</u>
Fees	\$4,035,104.37	\$3,916,073.02
Other Income	<u>\$3,448,117.00</u>	<u>\$3,809,315.11</u>
Total Miscellaneous Income	<u>\$7,483,221.37</u>	<u>\$7,725,388.13</u>
Net Income	<u><u>\$4,253,646.07</u></u>	<u><u>\$4,119,116.08</u></u>

Board of Directors

John Truchan

Chairman

Phillip Thick

Treasurer

Joe Niedzwiecki

First Vice Chairman

Don Sorensen

Secretary

Don Henry

Second Vice Chairman

Jessie Collins

Director

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

220 E. Main Street
Flushing, MI 48433

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.

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.



@SCUBold



@SCUBold



@SecurityCU

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