



2022

Annual Report

68th Annual Meeting

Superior

CREDIT UNION



Minutes from the Annual Meeting on April 21, 2021

The Superior Credit Union 67th Annual Meeting was held April 19, 2021 by Video Conference. A quorum of members were present. Board of Directors in attendance were Chairman Ray Hughes, Treasurer Cheryl Lawson, Secretary James Bacome, Greg Shrader, Dave Watkins, Dave Young, Kelley Recker, Joe Patton, and Pam Shaw; Associate Board Members Lynn Carpenter and Maria Rellinger.

Chairman Ray Hughes called the meeting to order at 6:00 p.m. Chairman Hughes discussed several of the past year's accomplishments. He noted that membership has grown to 97,000. During the past year, the credit union managed successfully through the pandemic. Despite the challenges, the credit union originated nearly 4,000 mortgage loans helping members take advantage of the historically low interest rates saving members \$75 million in borrowing costs. Chairman Hughes congratulated the staff on the credit union's recent ranking of Superior being a Top 100 credit union in the country for financial performance by S&P Global. It is the 6th year in a row Superior has been in the Top 100.

Chair Hughes noted the Supervisory Committee Report was included in the Annual Meeting Report. The credit union's auditors GBQ issued an unmodified opinion that confirms the financials submitted by management are accurate.

Minutes from Last Annual Meeting

Chair Hughes asked for a motion to approve the annual meeting minutes from last year.

Dave Watkins made a motion to approve the previous minutes.

James Bacome seconded the motion.

Motion carried.

Treasurer's Report

Chair Hughes provided a video including the Treasurer's report and a review of the credit union's 2020 performance for members to review. Over the past year, the credit union's assets approached \$1.3 billion Dollars, with \$5.7 million returned to members in dividends. For the first time ever, net income surpassed \$20 million dollars. The credit union remained financially strong with equity over \$168 million for a net equity to assets ratio of 13.18%.

President/CEO Report

President/CEO Phil Buell thanked the Board of Directors and committee members for their volunteer service. Phil expressed his appreciation to the staff for their recent contribution during the COVID19 pandemic. He noted the credit union continued to serve members with uninterrupted service during the crisis. He noted the credit union had record growth last year as members turned to the credit union for safety and low borrowing costs. Looking forward, Phil discussed the credit union expects stable growth next year with new offices being built in Cincinnati and Toledo.

Nominating Committee

Chair Ray Hughes announced the results of the Board of Directors Election. He acknowledged the election was conducted in accordance with the credit union Code of Regulations. This year, the nominees are Jim Bacome, Pam Shaw and Ray Hughes. No other candidates were received, and the nominees are elected by acclamation to three-year terms.

Having no further business, the meeting adjourned at 6:22 p.m.

2021-2022 Board of Directors

Chairman	Raymond Hughes
Vice Chairman	Gregory Shrader
Treasurer	Cheryl Lawson
Secretary	James Bacome
Directors	Joe Patton, Kelley Recker, Maria Rellinger, Pam Shaw, Dave Watkins
Director Emeritus	Bruce Campbell
Associate Board Members	Lynn Carpenter

Statement of Financial Condition

Assets	2021	2020
Cash and Cash Equivalents	\$155,722,261	\$182,091,586
Total Investments	\$401,587,179	\$226,519,375
Loans to Members , Less Allowance for Loan Losses	\$831,893,584	\$788,394,457
Property and Equipment	\$18,587,871	\$15,720,777
Other Assets	\$78,566,369	\$63,162,360
Total Assets	\$1,486,357,264	\$1,275,888,555

Liabilities and Equity	2021	2020
Members Shares	\$1,180,532,217	\$1,059,815,214
Notes Payable	\$95,152,125	\$25,000,000
Dividends Payable	\$364,862	\$494,729
Accrued and Other Liabilities	\$22,504,569	\$22,129,870
Total Liabilities	\$1,298,553,773	\$1,107,439,813
Members Equity	\$187,803,491	\$168,448,742
Total Liabilities and Equity	\$1,486,357,264	\$1,275,888,555

Income Statement	2021	2020
Loan Interest Income	\$28,829,788	\$28,290,028
Investment Interest Income	\$6,344,845	\$7,441,917
Total Interest Income	\$35,174,633	\$35,731,945
Interest Expense on Borrowings	\$290,215	\$308,232
Member Dividends	\$4,024,156	\$5,727,701
Total Dividend and Interest Expense	\$4,314,371	\$6,035,933
Net Interest Income	\$30,860,262	\$29,696,012
Provisions for Loan Loss	\$115,159	\$1,040,794
Net Interest Income after Provision for Loan Losses	\$30,745,103	\$28,655,218
Non-Interest Income	\$24,669,351	\$25,978,527
Non-Interest Expense	\$35,216,244	\$33,736,980
Net Income	\$20,198,210	\$20,896,765
Change in Unrealized Gain on Investments	(\$2,836,888)	\$2,325,315

Other Financial Information	2021	2020
Members	99,412	97,445
Capital to Assets	12.65	13.18
Return on Assets	1.60	1.63
Asset Growth	16.37	22.15

Audit Committee Report

The Audit Committee, as appointed by the Board of Directors, shares the Board's responsibility for: determining that management practices are protecting the member's assets; properly administering the Board's policies and procedures; and safeguarding against fraud and conflict of interest.

The Certified Public Accounting firm of GBQ was contracted by the Audit Committee to conduct an audit in accordance with generally accepted auditing standards for the year ended December 31st, 2021. Their complete audit report is available upon request.

Based on the results of the audits, examinations and on-going internal control reviews, along with evaluations of products and services against policies and procedures, the Audit Committee can assure members that Management and the Board of Directors have acted in their best interest to ensure continuance of a sound financial institution.

Audit Committee

Joel Parker (Chairman), Greg Shrader, Terry Campbell, Dr. Jeff Unterbrink

President's Message

At the heart of any great organization is its purpose and mission. Simply put, "Why do you exist?" At Superior, we understand that our mission is to build trusted relationships by delivering personalized financial solutions. Superior separates itself from other financial providers by promising to WORK IN YOUR BEST INTEREST, and then doing just that. We have a wonderful staff that understands their primary responsibility is to improve your financial lives. We want to help you make SMART financial decisions. The advice our highly trained staff provides is why we exist. There are a lot of financial providers that can provide you convenient financial services, low loan rates, and competitive investments. But at the end of the day, how many can say, "We promise to work in your BEST interest"? For Superior's staff, our purpose is simple. We want to help you make EDUCATED financial decisions that provide you and your family a bright financial future.

Currently, Superior has approximately 250 employees who are working to serve you. Superior is fortunate to have such a dedicated staff. As members, you may visit our offices and see our staff at the front desk, the drive thru, or in the lobby. Members may talk to our employees when they use the call center, live chat, or apply for a loan. Although much of our staff is noticeable, we have many others behind-the-scenes who provide valuable support to our members every day. Some staff may be in information systems, underwriting, collections, accounting, or human resources. We have employees performing loan processing, marketing, electronic services, auditing, and risk management. Regardless of what an employee's specific role is, each of our associates is focused on working in your best interest. Our primary mission is to serve you.

As we move forward, Superior continues to be rock solid financially. The credit union has a strong balance sheet, income statement, capital position, and concentrated strategic plan. Superior continues to operate as one of America's strongest credit unions. Although we are financially strong, we realize our greatest asset is our staff and members. We know our members have many choices available in financial institutions, and we want that choice to be Superior.

Superior separates itself from other financial institutions by promising to WORK IN YOUR BEST INTEREST

As staff, we have responsibility to work for our members to the best of our ability. Together, we can build a stronger financial cooperative that will serve our communities for many years to come.

Each year presents challenges, and this year was no exception. Like many employers, we do expect the worker shortage to continue as the baby boomers retire. To offset, Superior will automate when possible. As an example, many of our members have transitioned to mobile devices to perform their routine banking activity. Our mobile application is excellent. Many of our members use their mobile device to conduct daily transactions and monitor their accounts. It is our continuous goal to provide every financial service to members digitally when possible. We continue to look for new way to automate. As an example, many of our branch locations now have self-service Individual Teller Machines (ITMs). The ITMs can complete virtually any teller transaction function. Our new offices in Cincinnati's Western Hills, Toledo, and Defiance offer ITMs for cash operations. This allows staff that traditionally provided cash operation functions to focus on other member service initiatives. As we move toward the future, our employees at the credit union are our greatest strength. We will always be here to provide you quality financial advice as we strive to

work in your best interest.

2021 was another terrific year at Superior. We are committed to working in your best interest and providing you the best products and services. At Superior, we believe we must drive value by delivering solid advice and being available when you need us. Our staff is always available to serve you.

Thank you for being a member!!! We look forward to a successful 2022.



Phil Buell
President & CEO
pbuell@superiorcu.com

Bruce Campbell and Dorothy Thompson Awards

The **Bruce E. Campbell Achievement Award** honors a Superior Credit Union employee who exemplifies a lifelong commitment to member advocacy, member service, and promoting the credit union philosophy. Award winner Kathy Mathews began her credit union career at Superior over 16 years ago. Very quickly, Kathy began to excel in mortgage lending as she became a valuable resource for our Wapakoneta area members. In 2021, Kathy originated over \$70 million in mortgage loans finishing in the Top 100 of all mortgage originators in Ohio.



Like Bruce Campbell, Kathy sincerely wants to help members make good financial decisions. With a strong work ethic and ability to provide solid financial advice, Kathy helped numerous members make their dream of owning a home come true. Congratulations, Kathy!

The **Dorothy J. Thompson Action Award** honors a Superior Credit Union employee who makes a significant impact as an "Unsung Hero." Brittney Cunningham, award winner, joined Superior in May 1996 at Kibby Street. Throughout her career, Brittney has excelled at many positions including Teller, Assistant Head Teller, Head Teller, Electronic Services Coordinator, Mortgage Servicer, and Director of Mortgage Servicing.



With over 13,000 mortgage loans, Brittney's department is managing one of the largest credit union mortgage servicing operations in the country. Much like Dorothy, Brittney is behind the scenes making sure everything works seamlessly. Having a "We Can Do Anything!" attitude defined Dorothy. The same holds true for Brittney. Congratulations, Brittney!