

THE WAY FORWARD

2021 Annual Report



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CHAIR AND PRESIDENT'S REPORT



Kim Milford
Board Chair



Bryan Price
President & CEO

We are pleased to report that 2021 was another extraordinary year for IU Credit Union. Despite the challenges of the pandemic stretching into a second year, IU Credit Union provided significant value to our members while achieving outstanding financial results.

Key accomplishments in 2021 included upgrading our ATMs; developing a contact center strategy to improve member accessibility and service solutions; streamlining our indirect auto loan processing; and launching Zelle in our Mobile Banking app. Other notable highlights included reunification of staff and departments separated since the onset of the pandemic; utilization of our new Operations Center; and the addition of 14 Indiana counties to our field of membership.

In 2021 we recognized our 65th anniversary as a financial cooperative. We celebrated this milestone with special promotions and opportunities to give back to our members and the communities we serve.

IU Credit Union has an unwavering commitment to community involvement and support. We are proud to annually provide more than \$280,000 in sponsorships and financial contributions. Through our scholarship program, we awarded \$30,000 in financial assistance to college students. Additionally, IU Credit Union and its employees contributed \$40,000 to the local United Way Campaign and received the Community Builder Award in recognition of our ongoing support.

We thank our members for voting IU Credit Union as "Best Bank/Credit Union" in the Herald-Times Best of Btown for the fourteenth year!

IU Credit Union achieved impressive financial results in 2021. Total retail loan balances increased \$23 million. We remained a leader in real estate lending and originated a record \$164 million in mortgage products. Total real estate balances increased

\$44 million, our largest annual dollar increase. Total business loan balances increased \$26 million. Combined, these results produced loan growth of \$48 million, with total loan balances increasing to \$972 million.

Total share balances increased \$157 million, our second highest annual dollar increase. Net income in 2021 was \$15 million.

Total assets increased \$169 million, or 12.5%, to \$1.5 billion. Net worth, a key indicator of safety and soundness, was \$175 million, or 11.6% of total assets. IU Credit Union remains well positioned for continued strong financial performance.

IU Credit Union Investment Services acquired \$24 million in new investments and continues to serve as a trusted provider of professional and personalized investment services.

We are proud of our entire IU Credit Union team, from our dedicated Board of Directors and Supervisory Committee, to back-office

employees who ensured processes ran smoothly, and our frontline staff who were committed to serving our members throughout the pandemic. The collective and tireless efforts during the pandemic have been truly inspiring and we are deeply appreciative.

Looking ahead to 2022, we will continue to meet the needs of our members and community. Key objectives include completing a digital marketing audit and strategy; implementing a chatbot function on our website; conducting an analysis of artificial intelligence solutions; introducing a new low rate credit card; and continuing our commitment to sustaining strong communities.

On behalf of our Board of Directors, senior leadership team and our employees, we thank you for your membership and continued confidence in IU Credit Union. We look forward to serving you.

We are proud of the tireless efforts of our entire IU Credit Union team, who remained dedicated to serving our members throughout the pandemic.

TREASURER'S REPORT

Scott Smart
Treasurer



IU Credit Union ended 2021 with assets of \$1.5 billion, an increase of \$169 million, or 12.5% from 2020. Total loan balances increased \$48 million, or 5.2%. Total share and certificate balances increased \$157 million in 2021.

Net income for 2021 was \$15.3 million. As a result, the Credit Union's total equity increased to \$175 million or 11.6% of assets.

Statement of Condition as of December 31, 2021 and 2020

Assets	2021	2020
Cash and due from banks	\$7,073,741	\$8,787,173
Interest bearing deposits with other financial institutions	155,183,695	92,566,525
Securities available for sale, at market value	313,410,229	255,170,241
Federal Home Loan Bank stock, at cost	3,804,200	3,804,200
Loans held-for-sale	148,000	303,500
Loans to members (Note 1)	969,188,463	920,366,815
Accrued interest receivable	2,478,677	2,500,485
Premises and equipment, net	18,399,060	18,819,500
Business owned life insurance	33,598,924	32,673,768
National Credit Union Share Insurance Fund capitalization deposit	11,436,735	10,099,763
Prepaid expenses and other assets	3,348,612	4,248,545
TOTAL ASSETS	\$1,518,070,336	\$ 1,349,340,515

Note 1 - Net of allowance for possible loan losses

Liabilities and Members' Equity	2021	2020
Accrued expenses and other liabilities	\$9,877,177	\$10,150,896
Shares and certificates	1,283,536,434	1,126,331,590
Borrowings	50,000,000	50,000,000
Statutory reserves	61,208,415	56,121,921
Undivided earnings	115,540,723	105,351,926
Unrealized gain (loss) on securities, net	(2,092,413)	1,384,182
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$1,518,070,336	\$1,349,340,515

Statement of Income for the years ended December 31, 2021 and 2020

	2021	2020
Interest income	\$37,323,298	\$37,484,992
Interest expense	4,135,989	6,685,417
Net interest income	33,187,309	30,799,575
Provision for possible loan losses	384,085	1,187,987
Net interest income after provision	32,803,224	29,611,588
Other income	13,906,921	11,543,682
Other expenses	31,434,854	30,079,468
Net income	\$15,275,291	\$11,075,802

SUPERVISORY COMMITTEE REPORT

Jacob Farmer

Supervisory Committee Acting Chair



The primary objective of the Supervisory Committee is to determine that members' assets are adequately safeguarded. This objective is carried out through reviews and evaluations of IU Credit Union's operating, financial reporting, and internal control systems. These responsibilities are administered through the combined efforts of the Audit Services Department, independent certified public accountants and others. The findings and recommendations of these audits are communicated to the Supervisory Committee, Management and the Board of Directors on a regular basis.

IU CREDIT UNION OFFICIALS

Board of Directors

Kim Milford (Chair)	Executive Director, Research and Education Network Information Sharing and Analysis Center (REN-ISAC), Indiana University
Dennis Cromwell (Vice Chair)	Executive Director of the Media Digitization and Preservation Initiative, Indiana University; Adjunct Faculty member in The O'Neill School of Public and Environmental Affairs, Indiana University
Andrea Mobley (Secretary)	Assistant Superintendent for Human Resources and Operations, Monroe County Community School Corporation
Scott Smart (Treasurer)	Clinical Professor of Finance; Associate Chair of the Full-Time MBA Program, Kelley School of Business, Indiana University
Jon Barada	Vice President, IU Ventures
Brad Heim	Executive Associate Dean and Professor, Paul H. O'Neill School of Public and Environmental Affairs, Indiana University
Dana Henke	Engineer, Chexology
Neil Powell	Lecturer and Strategic Finance Academy Director, Kelley School of Business, Indiana University
Doris Sims	Retired, Housing and Neighborhood Development Director, City of Bloomington
Veda Walcott	Vice President of Global Regulatory Affairs & Compliance, Catalent Pharma Solutions

Supervisory Committee

Marcy Shepardson (Chair)	Assistant Professor of Accounting, Kelley School of Business, Indiana University
Jason Brown	Associate Professor of Accounting, Kelley School of Business, Indiana University
Jacob Farmer	Director of Client Services, University Information Technology Services (UITS), Indiana University
DJ Masson	President, The Treasury Academy; Associate Clinical Professor of Finance, Kelley School of Business, Indiana University; Instructor and Curriculum Developer, Association for Financial Professionals, Association of Corporate Treasurers in the U.K., and Citibank's Global Transactions Services Unit
Tina Sherrard	Department Chair of Accounting and an Associate Professor, Ivy Tech Community College, Bloomington

Director & Committee Emeriti

Hannah Buxbaum	Vice President for International Affairs, Indiana University; John E. Schiller Chair in Legal Ethics and Professor of Law, Indiana University
Bruce Jaffee	Emeritus Professor of Business Economics and Public Policy, Indiana University
Larry Polley	Retired, Controller, Dynamic Medical Practice Services
Emily Springston	Associate Vice President, Equal Opportunity & Civil Rights, University of Virginia
John Whitehart	Retired, Chancellor, Ivy Tech Community College Bloomington; Former Deputy Mayor, City of Bloomington
Roy Elkes	Professor of Accounting, Ivy Tech Community College
Greg Udell	Chase Chair of Banking & Finance, Kelley School of Business, Indiana University
Vivian Winston	Senior Lecturer of Accounting, Kelley School of Business, Indiana University

Senior Management

Bryan Price	President & Chief Executive Officer
Andy Allard	Senior Vice President, Chief Operating Officer
Julie Ragsdale	Senior Vice President, Chief Administrative Officer
David Sipes	Senior Vice President, Marketing & Business Development
Chris Hawk	Senior Vice President, Chief Financial Officer
Teddie Gambler	Senior Vice President, Information Technology

COMMUNITY MATTERS



Community matters. In fact, it matters a great deal to IU Credit Union since serving our community is at the heart of what we do. Community is not a buzzword or a feel good word for us. It's about what we do as individuals and as an organization to show what is important. We're passionate about the communities we serve, particularly in the areas of education and financial literacy.

We invite you to visit iucu.org often to see firsthand the community matters the IU Credit Union participates in.

www.iucu.org



PURPOSE & VISION STATEMENTS

IU Credit Union Purpose Statement

To provide financial solutions for everyone, consistent with the not-for-profit cooperative spirit on which we were founded, by creating value for our members, promoting financial education and well-being, and contributing to the betterment of our community.

IU Credit Union Vision Statement

To build long-term relationships with our members as a trusted financial partner.

IU Credit Union

We started a credit union
and created a community.