

**CENTRA CREDIT UNION
2022 ANNUAL MEETING**

April 25, 2023
3:00 PM

MEETING

The 83rd Annual Meeting of Centra Credit Union was held on Tuesday, April 25, 2023, at the Centra Corporate Headquarters located at 3801 Tupelo Drive, Columbus, Indiana and via WebEx conference call. The meeting was held both in-person and virtually for Member attendance. The meeting was called to order at 3:00 PM by the Chairperson of the Board of Directors, Jim Bickel.

Board Members present:

Jim Bickel, Chairperson
Donald Jackson, Vice Chairperson
Joseph Brown, Secretary/Treasurer
Whitney Amuchastegui
Randy Proffitt
Kevina Schumaker
Mary Stroh
Kesavan Venugopal
Absent: Brian McBroom

Supervisory Committee Members present:

Christopher Orben, Chairperson
Mark Eddy
Michael Fleetwood
Jody Heazlitt

QUORUM

Joseph Brown, Secretary/Treasurer, declared a quorum.

BOARD AND COMMITTEE INTRODUCTIONS

Jim Bickel, Chairperson of the Board of Directors, introduced the Board of Directors and Supervisory Committee members.

MINUTES

Randy Proffitt made a MOTION to approve the minutes of the 2021 Annual Meeting. Joseph Brown SECONDED the motion. None opposed. Motion CARRIED.

CHAIRPERSON'S MESSAGE

Jim Bickel, Chairperson, gave the following message:

“Centra Credit Union is an organization that strongly believes successful companies are constantly growing and improving. 2022 represented the launch of the initiatives developed in the 4 the Future Strategic Plan. The accomplishments of the Centra Management and Team Members are extraordinary. The focus on Member Experience, Team Member Experience, Operational Excellence and Organizational Health will stand to better meet Member and Team Member needs, drive growth, and advance performance enhancement opportunities, thus, supporting Centra’s Vision of Creating Value for Members, Team Members and the Communities we serve.

While the economic environment certainly had an impact on the progress of some of the credit union goals for the year, Management successfully responded to the rapid pace of interest rate increases, liquidity pressures and shift in Member

needs to finish the year in a strong capital position paving the way for innovative Member solutions, products and services as well as creating important internal structures to support Team Members and the Membership in meaningful ways.

I would like to thank the Management, the Team Members, the Board of Directors, and the Supervisory Committee for their valuable expertise, their vision, and their dedication to ensuring the continued growth and success of Centra Credit Union. I would also like to thank our Members for trusting us with the future of the Credit Union."

PRESIDENT'S MESSAGE

Rick Silvers, President and Chief Executive Officer, gave the following message:

"I love the opportunity to connect with our Members and reflect on the accomplishments made possible by You and all our Members during the previous year.

Throughout 2022, we watched our vision of creating value for our Members, Team Members and Communities we serve come to life guided by the components of the 4 The Future Strategic Plan. Centra and its Team Members have rallied around this vision and have made important strides in key services, such as our digital delivery, mortgage, title, wealth management, and retail service delivery all supporting our mission of being Centered around You.

Great advancements were made to enhance and improve Member Experience across Centra's footprint and beyond. We completed a digital banking platform conversion, which has allowed us to provide a more seamless channel for Members to engage with the credit union from the comfort of their homes. Another notable success was the launch of our Retail Transformation initiative as the team looked for ways to enhance the experience for both Members and Team Members. The early stages of this transformation involved developing and implementing our mindset of creating value, and restructuring the line of business to include branches, Interactive Teller Machines (ITMs), our Contact Center, and our newly created digital branch.

Centra continues to grow and expand its footprint, while endeavoring to improve Member experience with relocations to more accessible branch facilities and the purchase of new service centers. In 2022, we relocated our Edinburgh location to a newly constructed facility, relocated our Walmart location in Clarksville and made two new branch location purchases in Charlestown and Corydon.

While the noise of inflation and the interest rate environment created challenges for Centra and its Members, the credit union continued to thrive with above plan loan growth, accretive net worth, increased assets to \$2.04 billion and 5.53% Member growth. The credit union continues to deliver strong financial performance, supported by your engagement with our products and services.

As we work to ensure the future success of Centra, our efforts to help our Members achieve their financial goals and dreams continues to strengthen. These efforts go hand-in-hand with our vision statement that we live by each and every day.

Rick Silvers recognized the Centra Executive Team.

FINANCIAL REPORT

Dave Mann, Chief Financial Officer, gave the following Financial Report:

"As Centra's Chief Financial Officer, I would like to provide you with a brief overview of our financial performance during 2022.

Last year, Centra's Total Assets grew to just over \$2.04 billion, an increase of \$81.5 million or 4.1 percent. Asset growth is primarily driven by growth in Deposits and Borrowings. During the year, Deposit balances grew by over \$41.8 million or 2.5%, while Total Borrowings increased by \$48 million to a total of \$79 million.

Outstanding loan balances, net of the allowance for loan losses, ended the year at almost \$1.6 billion, an increase of \$173.5 million or 12.2 percent over 2021 balances. Last year, notable areas of loan growth included Auto, Commercial, and First Mortgage loans.

I am delighted to report that Centra posted strong Net Income in 2022 of just over \$14.8 million. As a not-for-profit institution, the profits generated by the credit union are returned back to our Members in several ways including competitive product and service offerings, convenient delivery channels, lower loan rates and fees, and higher deposit rates. We also return value to the Communities we serve through a variety of charitable efforts.

Once again, Centra saw strong membership growth last year. Total Primary membership grew by 9,517 Members or 6.5 percent, while Total Membership including joint Members grew by 10,017 Members or 5.5 percent.

The credit union continues to maintain a strong capital position which is the primary indicator of financial strength. Centra's Net Worth ratio ended the year at 12.27 percent comparing favorably to the peer average of 10.57 percent. In addition, Centra recently received yet another BauerFinancial 5-Star, or Superior rating which is based on various financial health metrics.

Next, I'd like to take a moment to talk briefly about some of the developments over the last several weeks within the banking sector of the economy. You may have heard about Regulator actions against Silvergate Bank, Silicon Valley Bank, and Signature Bank. Issues that led to these institutional failures were unique and not indicative of a larger scale concern within the financial services industry. The industry as whole is much more secure today than it was during the last financial crisis, due to reforms and new safeguards that were enacted. These particular bank failures provide a good reminder of the dangers of concentration risk and the need for effective risk management policies and practices in the areas of capital, interest rate risk, liquidity risk, and credit risk.

It's important for you, as our Members, to know that Centra practices effective risk management oversight, prudent balance sheet management, and careful monitoring of our liquidity position. We currently have sufficient on-hand liquidity and access to multiple sources of additional liquidity, if needed. Management remains confident in the financial strength of our credit union and our ability to serve Member needs now, and in the future.

In summary, 2022 was yet another successful year for Centra as evidenced by our healthy, managed growth and strong financial results. We would like to thank you for recognizing the value that Centra offers its Members and for your continued business."

Kevina Schumaker made a MOTION to accept the Financial Report as printed in the 2022 Annual Report. Donald Jackson SECONDED the motion, and the motion CARRIED.

SUPERVISORY COMMITTEE REPORT

Christopher Orben, Chairperson of the Supervisory Committee for the period covered by the 2021 Annual Report, who gave the following report:

"As Chair of the Supervisory Committee in 2022, I would like to explain the importance of what our committee does for Centra Credit Union.

Our purpose is to ensure the safety and soundness of your Credit Union. We do that by focusing on two key areas of responsibility: Internal Controls and Audit.

It is our responsibility to ensure that adequate internal controls are in place, that the Credit Union's records are prepared in a prompt and accurate manner, and to evaluate operational policies and practices on an ongoing basis.

Our auditing functions include the monitoring and oversight of internal and external audits. The Supervisory Committee ensures that Centra Credit Union has appropriately met its insurance and security obligations. And we maintain accountable control of Credit Union transactions.

We meet each quarter with the Credit Union's President and Assistant Vice President of Internal Audit, and as a committee throughout the year as needed.

Doeren Mayhew, LLP conducts our Credit Union's external audits. The Committee is pleased to report that Centra Credit Union has received a clean opinion for 2022. Your Credit Union consistently receives positive recognition based on its external audits.

I would like to thank Mark Eddy, Michael Fleetwood, and Jody Heazlitt for their valuable contributions to the success of the Committee's work this past year. We truly appreciate their contributions in 2022."

Chip Orben made a MOTION to accept the Supervisory Committee report as stated at the 2022 Annual Meeting. Mary Stroh SECONDED the motion, and the motion CARRIED.

ACKNOWLEDGEMENTS AND ELECTION RESULTS

Brian M. McBroom was recognized for his service to Centra Credit Union.

Jim Bickel announced the election results:

Board of Directors:

- Joseph Brown– 3-year term
- Christopher Orben– 3-year term
- Kevina Schumaker– 3-year term

Supervisory Committee:

- S. Shawwn Storms – 3-year term

ADJOURNMENT

Chairperson Jim Bickel thanked the Membership for their attendance and declared the business meeting adjourned at 3:18 PM.