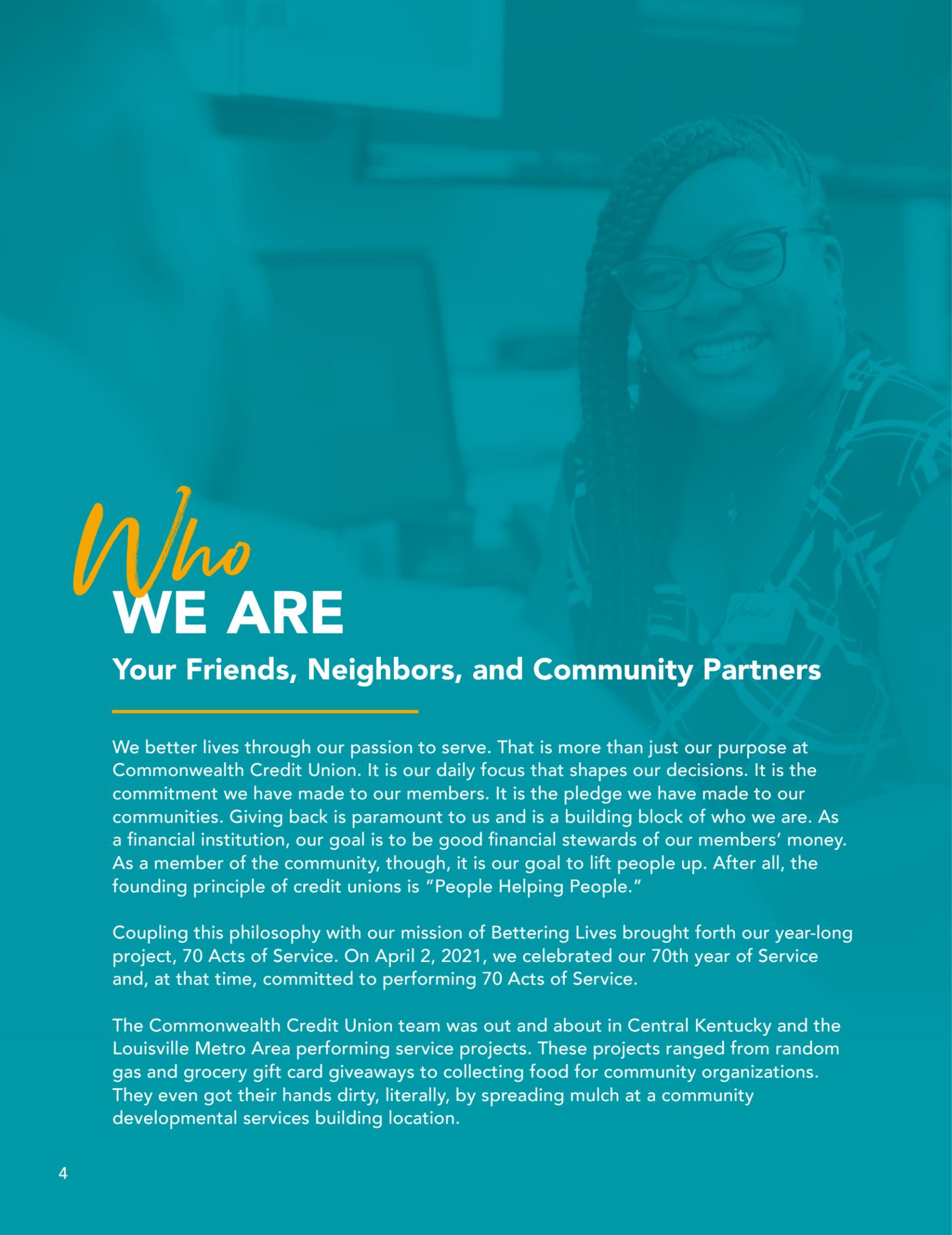




2021 ANNUAL *Report*

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Who WE ARE

Your Friends, Neighbors, and Community Partners

We better lives through our passion to serve. That is more than just our purpose at Commonwealth Credit Union. It is our daily focus that shapes our decisions. It is the commitment we have made to our members. It is the pledge we have made to our communities. Giving back is paramount to us and is a building block of who we are. As a financial institution, our goal is to be good financial stewards of our members' money. As a member of the community, though, it is our goal to lift people up. After all, the founding principle of credit unions is "People Helping People."

Coupling this philosophy with our mission of Bettering Lives brought forth our year-long project, 70 Acts of Service. On April 2, 2021, we celebrated our 70th year of Service and, at that time, committed to performing 70 Acts of Service.

The Commonwealth Credit Union team was out and about in Central Kentucky and the Louisville Metro Area performing service projects. These projects ranged from random gas and grocery gift card giveaways to collecting food for community organizations. They even got their hands dirty, literally, by spreading mulch at a community developmental services building location.

One donation drive that was part of 70 Acts fed into a larger overall commitment: The Make-A-Wish Toy Closet. In 2019, we entered into a partnership with Make-A-Wish Ohio, Kentucky, Indiana. This organization makes life-changing wishes come true for critically-ill children and inspires hope throughout their treatment journey. To bring joy to a child's life is a priceless experience, but it's especially impactful for these Wish Children. When a child enters the Wish program, it can be somewhat of an overwhelming and scary time for them and their family. With so much uncertainty at that time, one thing the child can depend on is a fuzzy friend, a special doll, or an action hero figure that will be by their side from start to finish. The toy closet, located at our Hamburg Branch in Lexington, was unveiled in 2021 as the centralized site for Wish toys, such as these, to be housed. Our toy drive through 70 Acts of Service kick-started the stocking of this closet with almost 400 toys being donated for Wish Children. We also served as a sponsor for their annual Walk for Wishes and our very own Karen Harbin was 2021's Wish Chair.

For the past several years, we have been active participants in the Central Kentucky Heart Walk. Led by our President and CEO Karen Harbin, who served her second consecutive year as Heart Walk Chair, our team banded together again in 2021 as Harbin's Heroes. On May 8, our team joined the soles of over 1 million feet from across the nation, and together, we marched as one. This year's team set a new benchmark in fundraising, bringing in over \$34,000 to do our part in the fight against heart disease and stroke.

In December, one of the worst natural disasters to hit our Commonwealth touched down in Western Kentucky. The photos of the destruction were heartbreaking, but they only told part of the story. Life as our Western Kentucky neighbors knew it was completely destroyed in seconds. Some people lost everything, including loved ones. As the process of rebuilding began, we knew we had to take action. Through our partnership with the American Red Cross, we donated \$15,000 to directly support the disaster recovery effort. Members were invited to join in this donation drive and to aid in the donation process. Some of our own team members volunteered their time to help answer the phones at the American Red Cross telethon in support of the tornado relief effort. We also reinstated our assistance program, including the member assistance loan and Skip-A-Payment, to further help those who were directly impacted.

We believe in being present, active, and involved, and 2021 was no exception. For Teacher Appreciation Week, we told our schools, "Donut you know we appreciate you" with a donut breakfast. In April, we brought back our popular Shred Day Event and, in June, we held the most successful blood drive in our history. To show our continued support for KET, we volunteered for their Winter Pledge Drive. Rounding out the year, we ramped up the holiday spirit in Frankfort as the title sponsor of Candlelight Weekend, complete with an ice skating rink, and as the presenting sponsor of the Downtown Christmas Parade.



Chair's REPORT

As we all know, the last couple of years have been a challenge. Returning to what we could see as a new normal only to face twists and turns is not easy, but we have always made an effort to rise to challenges. This year, we put our heads down and pushed forward - and we are happy to say that we completed yet another year striving to go above and beyond in our communities.

In the early part of 2021, we received approval from the Kentucky Department of Financial Institutions to expand our field of membership. This expansion allowed us to begin serving Owen County, KY. With its proximity to Franklin County, many residents were already members. It was important to provide another banking option for this under-served community, so we opened a temporary branch in December. This full-service, temporary location is equipped with a live video teller inside and outside, coin machine, and team of smiling faces that call Owenton home. Our presence in Owen County will help serve the community's financial needs better than ever before. We will be breaking ground on our permanent branch location in Owenton this Spring.

At Commonwealth Credit Union, we understand the importance of lifting up those in our community whenever possible. Furthermore, in 2021, we hosted 65 virtual and in-person financial education sessions. These sessions covered topics that included Discovering Your Money Personality & Creating a Budget, Financial Planning for Your Priorities and Goals, and Getting out of Debt & Understanding Credit Scores/Reports.

We awarded over \$30,000 in annual scholarships and committed \$150,000 to Campbellsville University Harrodsburg that will go directly to scholarships. This year, we also celebrated 70 Years of Service with 70 Acts of Service in our communities. We're ecstatic to say that we completed 114 acts of service during our 9-month celebration. We donated over \$1,012,685 to charitable causes and collected more than 4,300 items for non-profit organizations. In all, we completed over 400 hours of community service, with nearly one-third of Commonwealth Credit Union employees taking part in this project.

You have heard more than once that giving back is a huge part of who we are at Commonwealth Credit Union. This was more than evident when we gave over \$9,700.00 directly back to members through Member Appreciation Week daily drawings. We also provided assistance for the Western Kentucky tornado victims, and we donated \$15,000 to the American Red Cross for direct support of disaster recovery in this area. We also reinstated our member assistance program to further help members who were directly impacted by these unprecedented and tragic events.

Moving forward into 2022, we are excited to carry over our growth while focusing on the future ahead of us. Each of our team members, leaders, and volunteers is an example of what we strive to be and are an essential part of keeping Commonwealth Credit Union one of Kentucky's leading financial institutions. I would like to again extend my thanks and gratitude to our members for their continued support and trust. With 2022 laid out before us, full of opportunities and hope, we will continue to provide an extraordinary experience to our current and prospective members on their journey towards a successful financial future, no matter what is happening in the world around us. Thank you for allowing us to CU Differently. We look forward to the privilege of serving your financial needs in 2022 and for years to come.

Regina Grubbs
CPA



Corporate Giveback and Social Responsibility

Staying true to our mission of Bettering Lives, we focus our giving in areas that directly influence the financial “health” and well-being of our members. Through a strategic, intentional approach to corporate giving and social responsibility that aligns with our brand and corporate mission, we make a positive impact on the communities we serve.

Team 1 Giving

Team 1, which is our family of CCU employees, has opportunities presented throughout the year to participate in giveback. These activities are supported by branch and department activities, including Dress Down Days in which team members can pay \$2 every Friday to wear jeans and casual shoes to the office. The money collected from that day is then donated to a charity or other non-profit group in one of the communities we serve. The Dress Down Contributions from 2021 totaled \$32,184. These types of activities are driven and supported by Team 1 members directly and require minimal direct funding.

Solicited Charitable Giving

We receive direct solicited charitable giving requests. These formal requests are reviewed and approved by the Sponsorship Committee, tracked, and reported to the Board of Directors. The Sponsorship Committee is comprised of Team 1 members from different areas within the organization and is directed by the Chief Marketing Officer. The work of the Sponsorship Committee in 2021 resulted in almost \$40,000 in community giving.

Member Giveback

Commonwealth Credit Union provides products and services at a competitive cost for the benefit of its members and is committed to giving back to its members through direct product savings in accordance with the budget, and as approved by the Board of Directors. Member Giveback occurs in the following areas:

- Limited offers to provide higher-than-market rates on savings products
- Limited offers to provide lower-than-market rates on loan products
- Special gifts and giveaways

Offers will be provided periodically throughout the year and marketed, providing members ample opportunity to participate. Offers may include the following, as well as additional items:

- \$5.00 Initial Deposit Payment
- \$25.00 New Checking Account Referral
- Cash Back for Mortgages
- Car Funding Initiatives
- \$25.00 New Member Referral
- Cash Back for Auto Refinances
- First-time Home Buyer Program
- Cash Back and Other Valuable Options

2021 Member Appreciation

During our 2021 Member Appreciation Week, we gave back nearly \$10,000 in daily drawings. We offered specials for referring members, opening a Round UP Checking account, and the opportunity to grow their money with a certificate.

Community Giving Initiatives

Staying true to our mission of Bettering Lives, CCU's corporate sponsorship strategy focuses on improving the financial health - along with the physical health and well-being - of those we serve. In selecting organizations to support or partner with, we will ensure our funds are used to better the lives of those living or working in the counties in which we operate. Communities are built on the strength of their families and future generations. Therefore, the primary focus of our involvement in charitable activities is directly related to improving the lives of families, especially children (the future of our communities), as well as those who support long-term sustainability for the communities in which they live.

The areas we have identified to engage with to provide support fall into the following categories: Education, Health, and Safety & Well-Being.

Additionally, we were able to keep \$1.4 million in our members' pockets through our Skip-A-Payment program and awarded over \$30,000 in annual scholarships to High School seniors and college students in order to prepare them for the future ahead.

In 2021, we were proud to support the following organizations:

- American Heart Association
- YMCA - Central Kentucky
- Kentucky Center for the Arts
- Louisville Metro Police Foundation
- American Red Cross
- Shriners Hospital for Children Medical Center
- University of Louisville
- Make-A-Wish Foundation
- Campbellsville University
- Financial Empowerment Commission

We're honored to announce that in 2021, we gave over \$1,000,000 in charitable giving and direct member giveback in support of our members and communities.



Extraordinary EXPERIENCE

Our goal is to better lives!

At Commonwealth Credit Union, we are very excited about the awards and recognitions we have received throughout the years. We are truly honored and feel every award speaks to the culture we have created internally and our passion to better the lives of every member. These awards motivate us to continue making CCU the best choice for our staff and our members.

Healthiest Employer Winner

Commonwealth Credit Union was recognized for our commitment to employee well-being and exceptional health and wellness programming.

Best of Anderson County

Our Lawrenceburg Branch was voted Best "Bank" in Anderson County by the readers of Anderson County News.

Best Places to Work in Kentucky

The Best Places to Work in Kentucky is a survey and awards program dedicated to identifying and recognizing the Commonwealth's best employers and providing organizations with valuable employee feedback. The Best Places to Work in Kentucky program is organized by the Kentucky Chamber of Commerce and the Kentucky Society for Human Resource Management (KYSHRM).

CUNA | Kentucky Recognition Awards

Credit Union National Association's (CUNA) award programs are designed to encourage and recognize distinguished credit unions that demonstrate the credit union philosophy. Commonwealth Credit Union took home First Place for the Louise Herring Award at the Kentucky Credit Union League's Annual Awards. The Louise Herring Award is presented when a credit union demonstrates in an extraordinary way the practical application of the credit union philosophy for their members.

CUNA Marketing and Business Development Council | Diamond Award

The Diamond Awards recognize and reward creative excellence and outstanding results in credit union marketing. This year, we received awards for our balance transfer promotion, Member Appreciation Week giveback, as well as our website redesign.

Forbes | America's Best Credit Unions List

Commonwealth Credit Union has won the top spot on Forbes list of America's Best-In-State Credit Unions 2021 for Kentucky! To be considered, financial institutions were scored on overall recommendations and satisfaction, as well as five sub-dimensions: trust, terms and conditions, branch services, digital services, and financial advice. Out of the 5,068 credit unions nationwide, only 3.6% made the list.

Frankfort's Faves People's Choice Awards

Frankfort's Faves is brought to you by the State Journal. Every year they ask readers to submit their votes for whom they feel are Frankfort Favorites. We were Frankfort's Favorite: *Credit Union, Mortgage Provider, and Gitti Kuhn* was named *Favorite Teller*.

Georgetown News Graphic Annual Readers' Choice Awards

2021 Best Bank in Georgetown

Louisville Business First Business Impact Award

The Louisville Business First Business Impact Awards recognize companies who have taken extraordinary measures to assist their employees or community during the Covid-19 pandemic.

Make-A-Wish | Corporate Partner of the Year

Awarded from Make-A-Wish Ohio, Kentucky, and Indiana for support through our Make-A-Wish Toy Closet.

Top 200 Credit Unions in America

Commonwealth Credit Union was named as one of the top 200 Healthiest Credit Unions in America based on our deposit accounts, earning an A+ rating from Deposit Accounts by Lending Tree.

University of Louisville | SGA Partner of the Year

Each year, the Student Government Association (SGA) chooses a partner from the Louisville Community who has helped to further their mission and goals. We were chosen as Partner of the Year for our continuous, substantial efforts to help SGA and the students they represent.

YMCA | Community Impact Award

Awarded by the YMCA of Central Kentucky for financial support and continued advocacy.

Expanding Our Presence

To provide members with added convenience and better access to their money, we added a new branch and opened a temporary branch location. Both additions were born out of requests. Our newest branch, the NuLu Branch at UofL HSC, answers the call we received from the NuLu community, asking for a branch in this area, which is adjacent to the Health Science Campus at the University of Louisville. When Owen County's banking options became limited, we were thrilled to add them to our field of membership. With approximately 1,500 members already in that county, it just made sense, and we set up a temporary branch location to serve members until our permanent location is built.

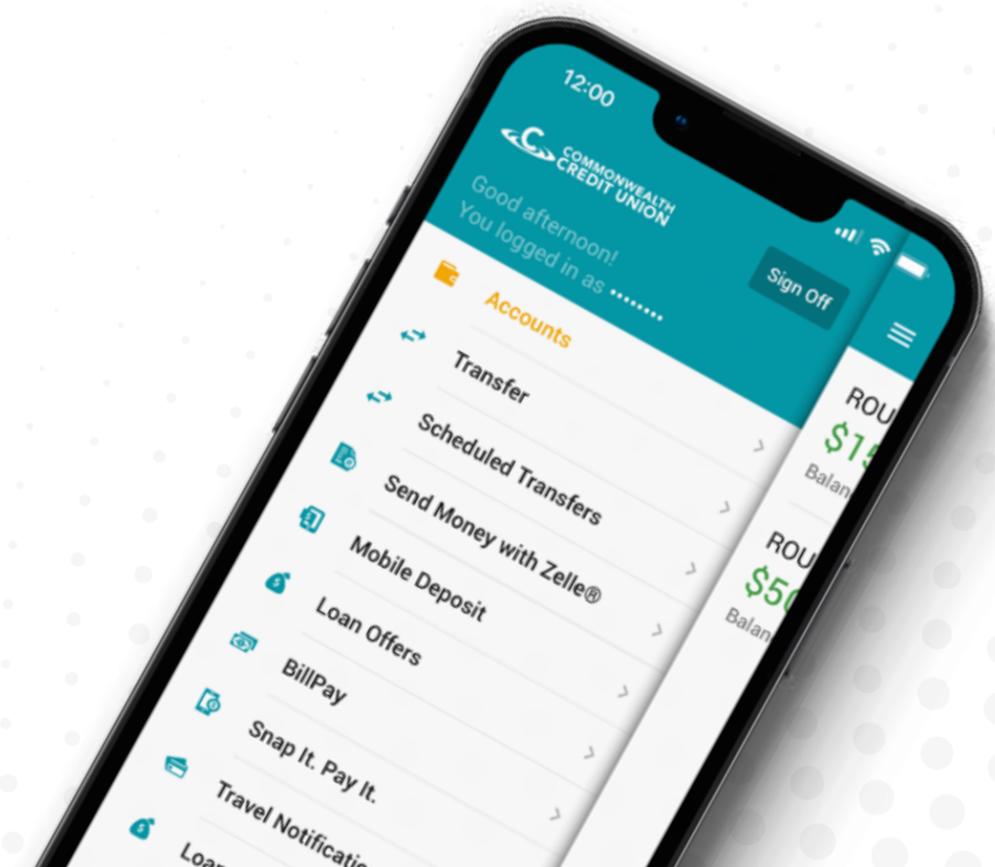
The addition of these new locations allows us to deepen our ties to the community and become more active, present, and involved. We are proud to serve the following counties:

- Anderson County
- Bullitt County
- Bourbon County
- Boyle County
- Clark County
- Estill County
- Fayette County
- Franklin County
- Garrard County
- Harrison County
- Henry County
- Jefferson County
- Jessamine County
- Lincoln County
- Madison County
- Mercer County
- Nicholas County
- Oldham County
- Owen County
- Powell County
- Scott County
- Shelby County
- Spencer County
- Trimble County
- Woodford County

Enhanced Access

Our goal is to bring cutting edge technology to our members, without sacrificing that personal touch and extraordinary service that members know us for. In 2021, we expanded our fleet of Live Video Tellers, so that they can be found at each and every branch, allowing members to connect face to face with one of our tellers without ever getting out of their car. Some of our branches are even equipped with Live Video Tellers inside the foyer or lobby. These Live Video Tellers offer convenience, safety, privacy, and personalized assistance to everyone who uses them. We completed a full conversion of all of our drive-thru lanes this year. Our Live Video Tellers provide an updated look to the drive-thrus, with colorful graphics, upgraded screens, and more advanced technology. The new advanced technology of the Live Video Tellers could be intimidating to some of our members, so a few of our employees volunteered their time at the drive-thru lanes to guide our members step-by-step through the ease and convenience of these machines.

To further meet the needs of a constantly changing online experience, we launched our new Digital Banking experience in August 2021. This upgrade provided a total upgrade in appearance and functionality, and helped to better align our online and mobile banking experiences for our members. With security as our #1 priority, this upgrade enhanced security measures for our members who utilize our services online. Members can now see all the accounts they are joint or primary on, making it easier than ever to switch back and forth between accounts seamlessly. Digital banking also allows our members to highly customize their experience, including setting up alerts, adding notes, and uploading images.



OUR HISTORY

- 1951**
Commonwealth Credit Union was established
- 1985**
High St. Branch
- 1996**
Sower Branch
- 1997**
Our first Lexington Branch
- 2001**
Louisville Rd. Branch
- 2008**
Meijer Way Branch: Replaces 1ST Lexington Branch
- 2010**
Lawrenceburg Branch
- 2013**
1ST Georgetown Branch (East location) & Hamburg Branch
- 2014**
St. Matthews Branch
- 2016**
Shelbyville Branch & University of Louisville Branch
- 2018**
LouChem Merger / Cane Run Rd. Branch, Harrodsburg Branch, LMPOCU Merger / Market St. Branch
- 2019**
Georgetown West Branch
- 2020**
Versailles Branch & Health Science Center Branch





"We are servicing more pregnant and/or parenting youth experiencing houselessness than ever before. With the gift cards, we could provide diapers, wipes, blankets and other necessities; it has been wonderful."

- Michele Isham,
Child & Family Case Management

"Seven Counties Services / Bellewood & Brooklawn is thankful for Commonwealth Credit Union's generous contribution of gift cards. They have impacted countless individuals experiencing houselessness across our city."

- Missy Fountain,
Senior Director of Advancement

"Thank you so much to CCU for their generosity. This gas card is going to help me make ends meet this week."

- Anonymous Recipient

"Thank you for donating your time and efforts to Greenhouse17 during the 70 service projects that CCU staff participated in! It was very much appreciated!"

- Greenhouse 17

Bettering Lives IN THE BLUEGRASS



"The team from Commonwealth Credit Union were a hardworking group! The staff and people served at our Developmental Services site were thrilled to see the freshly laid mulch. Thank you!"

- Mera Kathryn Corlett
Community Engagement Coordinator

Commonwealth Credit Union celebrated 70 Years of Service on April 2nd, 2021, marking our 70th Anniversary and 70 years of Bettering Lives! To commemorate this milestone, we thought, what better way to celebrate than to give back to the communities we serve? After all, our founding mission is to better lives. So, we launched the campaign Bettering the Bluegrass: 70 Years of Service to Celebrate 70 Years.

This campaign was all about helping our members and our communities. In March 2021 we formed a 70 Acts of Service Committee to help organize the efforts in our communities. Comprised of members from across many departments and management levels, this committee mobilized service project ideas into fruition. From team member food drives to handing out gift cards for community members to purchase gas and groceries, Commonwealth Credit Union touched as many lives as possible through our campaign.

Our goal for this project was to complete 70 service acts in 2021. Not only did we meet this goal, but we surpassed it! By the end of the year, we had completed over 100 acts of service for the communities we serve. These 114 acts garnered the participation of nearly one-third of our employees who volunteered 419 hours of community service. This donated time was spent volunteering at shelters that benefit domestic abuse survivors, at food pantries that help end food inequity in the west end in Louisville, and so much more.

We also collected and donated 4,300 items for charitable organizations that directly benefited our friends and neighbors locally in the communities we serve. Our financial contributions for the 70 Acts of Service, totaling over \$1 million dollars, went towards projects such as the Cardinal Cupboard, a food pantry at the University of Louisville, to help combat food insecurity on campus.

Another impactful project that Commonwealth Credit Union participated in through 70 Acts was the gas and groceries gift card giveaway. This random act of kindness project involved employees handing out \$25 gift cards, either at the gas pump or at the checkout line in grocery stores. This act was performed in close proximity to the holiday season because what better way to celebrate the season of giving, especially when you can better lives. From October to December, we handed out \$7,500 worth of gift cards to people in seven communities we serve. One gift card recipient was so touched by our generosity, she became emotional and communicated that without the extra funds from the gift card, she was not sure how she was going to make ends meet that week.

Why did we do this? It's simple. Our commitment to bettering lives is at the core of everything we do here at Commonwealth Credit Union. Our commitment and passion for serving others in the communities we call home has always been our purpose. Throughout our 70 Acts of Service Campaign, we are so proud to have touched the lives of so many throughout our Commonwealth, and we will continue this tradition in the years to come.

**APRIL (ALL MONTH LONG)
MAKE-A-WISH TOY DRIVE**

We collected over 400 toys and gift cards that will be used to welcome Wish Kids and their families into the Make A Wish program.



**MAY 24TH
RING OF FIRE SANDWICH BENEFIT**

Our team members donated their time to help assemble peanut butter and jelly sandwiches for a homeless meal delivery program in Frankfort, Lexington, and Nicholasville.



**JUNE 28TH - JULY 2ND
SIMON HOUSE COLLECTION**

Our Frankfort branches collected non-perishable food, cleaning supplies, and clothing items for the Simon House, located in Frankfort, Kentucky. The employees at our CCU branches in Frankfort donated 324 food, cleaning, and clothing items to the shelter.



**JULY 30TH - AUGUST 18TH
RING OF FIRE GATORADE DRIVE**

Our Frankfort, High Street, and Sower branches collected Gatorade, Powerade, and water for the Ring of Fire Ministries. This program delivers meals to homeless populations in Frankfort, Lexington, and Nicholasville.



**SEPTEMBER 15TH
BACKPACK SNACKS DELIVERY**

Commonwealth Credit Union employees donated their time to help deliver backpack snacks to five schools in Franklin County. The Backpack Snack Program provides weekend meals to children in the City/County Schools who need assistance.



**OCTOBER 5TH
SEVEN COUNTIES GIFT CARDS**

Commonwealth Credit Union donated 70 gift cards to Seven Counties Services for young adults who are homeless or at risk of being homeless in Louisville, KY.



**MAY 5TH
BE THE MATCH VOLUNTEER**

Commonwealth Credit Union delivered breakfast and lunch to volunteers of the Be The Match event put on by the Louisville Urban League. Be The Match is an effort to match bone marrow donors with matching recipients.



**MAY 25TH
DONATION FOR MENTAL HEALTH BAGS**

We provided "mental health kits" to students in Anderson Co. to help them over summer vacation.



**JULY 29TH
#FEEDTHEWEST**

We helped move groceries from vehicles to the food justice space, sorted donated produce and groceries, and then helped pack 160 meal bags for families in the West End.



**AUGUST 16TH - SEPTEMBER 3RD
AMEN HOUSE COLLECTION**

Our two Georgetown branches partnered with the Georgetown Fire Department to host a food drive for the Amen House. Our team members helped coordinate collection boxes and delivering the food to the Amen House.



**SEPTEMBER 23RD
HENRY COUNTY PICNIC TABLE DONATION**

Commonwealth Credit Union donated eight outdoor picnic tables and four trash cans to the students at Henry Co. High.

**OCTOBER 19TH
LANDSCAPING SERVICE PROJECT**

Commonwealth Credit Union employees donated their time to the Developmental Services Division of the Seven Counties Services by helping them mulch and landscape the outside area of the facilities.



**NOVEMBER 3RD - NOVEMBER 19TH
WINTER BACKPACK MISSION**

Commonwealth Credit Union collected sweatshirts and hoodies for the Ring of Fire Ministries Winter Backpack Mission: a project that provides 260 backpacks full of wool winter socks, toboggan caps, sweatshirts, hygiene products, medical supplies, and sleeping bags/tarps.



**NOVEMBER 18TH - DECEMBER 3RD
TOYS FOR TOTS**

Commonwealth Credit Union helped collect Christmas gifts for Toys for Tots in our Frankfort, Georgetown, and Lexington branches. We collected over 100 toys!



**NOVEMBER 19TH - DECEMBER 16TH
COMMUNITY GROCERY GIVEAWAY**

Commonwealth Credit Union gave back to our communities by randomly passing out gift cards to grocery shoppers. Over three events, we helped pay for \$3,750 worth of groceries to help those in our community during the holiday season!



**DECEMBER 7TH
GREENHOUSE17**

Commonwealth Credit Union employees donated their time to the non-profit organization Greenhouse17 in Lexington. Employees helped clean and organize their crafts room at the shelter.



**OCTOBER 29TH - DECEMBER 22ND
COMMUNITY GAS GIVEAWAY**

Commonwealth Credit Union randomly gave out \$25 gas gift cards at grocery stores. Over three events, we helped pay for \$5,000 worth of gas to help those in our community!



**NOVEMBER 11TH - NOVEMBER 13TH
CANDLELIGHT ICE SKATING RINK**

Commonwealth Credit Union sponsored a free ice skating rink for the Frankfort community as part of the Candlelight Tradition in downtown Frankfort.



**NOVEMBER 19TH - DECEMBER 10TH
SHOP WITH A COP**

Commonwealth Credit Union helped collect Christmas gifts for the Shop with a Cop program at our Louisville branches. We helped collect over 50 toys!



**NOVEMBER 23RD
BALLISTIC VEST DONATION**

Commonwealth Credit Union purchased three ballistic vests for officers in the department. The ballistic vests are fitted specifically to the officer wearing it, and provide bullet proof protection.



**DECEMBER 14TH
UofL FINALS GIFT CARD GIVEAWAY**

To help raise spirits during finals week, Commonwealth Credit Union randomly gave away \$1,250 worth of gift cards to UofL students. Students could pick from a basket of gift cards from Starbucks, Amazon, Kroger, and more.



Community INVOLVEMENT



Bettering Lives NOURISHING MINDS

The time that a student spends earning a college degree is expected to be filled with some challenges, but one of those challenges should not be access to food. Commonwealth Credit Union has partnered with the University of Louisville to address hunger concerns so students can focus on their education and their future success with the unveiling of the Commonwealth Credit Union Cardinal Cupboard.

The Cardinal Cupboard, a student-run food pantry located on UofL's Belknap Campus, was established to remove the barriers of food insecurity that affects students throughout campus. Earlier this year, Commonwealth Credit Union established the Bettering Lives Fund with the University of Louisville to support and renovate the Cardinal Cupboard food pantry on campus. The renovation provided more space, easier accessibility, additional storage, and improved equipment. Additionally, a new storefront welcomes students, staff, and faculty who may be facing financial burden in gaining access to nutritional food options.

"While our donation allows the cupboard to expand their space and support other needs to enhance this service, what it really does is aid in fueling students' minds, affording them a greater opportunity to succeed," said Karen Harbin, President/CEO of Commonwealth Credit Union.

As the Official Credit Union of the University of Louisville since 2015, Commonwealth Credit Union is an active partner of the entire Cardinal Family. Our involvement with the Cardinal Cupboard fits with our mission of Bettering Lives in the communities we serve.

Harbin added, "It is an honor and privilege to be involved in this project. I appreciate Kroger Foods and Dare to Care's existing and continued work with the Commonwealth Credit Union Cardinal Cupboard. Together, we are making strides towards breaking the cycle of hunger."



CARDINAL
Cupboard

IN PARTNERSHIP WITH:





Treasurer's REPORT

As Treasurer for Commonwealth Credit Union, I am pleased to report that the credit union had another outstanding year of strong growth and profitability. Of course I would be remiss in not noting that COVID-19 had continued challenges for our organization throughout 2021 which included; remote work; serving members with reduced branch availability; and reallocating branch staff to address increased call center traffic and lending needs as hiring was impacted. As always, we remain committed to protecting your financial assets and providing unrivaled member service.

Below is a recap of our 2021 financial results:

- Commonwealth continued having record asset growth, ending at \$1.89 Billion in total assets, an increase of 14.5% from the previous year.
- As more members chose Commonwealth for their lending needs, total loans grew \$114.0 million, or 10.0%, to end 2021 at \$1.25 Billion. The growth in loans was led by mortgages at \$44.1 million, or 9.6%, other secured loans at \$34.8 million, or 271.8%, and auto loans at \$19.4 million, or 6.0%. The allowance for loan losses to total loans ended 2021 at 0.96% and the net charge-off and delinquency ratios were 0.22% and 0.22%, respectively.
- Total member deposits ended 2021 at \$1.65 Billion and grew 16.0% in 2021. Savings balances grew \$104.7 million, or 18.7%, followed by money market balance growth of \$65.7 million, or 27.4%, checking growth of \$39.2 million, or 16.0%, and certificates grew \$16.7 million, or 4.6%.
- Commonwealth's net worth ratio, a key measure of financial stability and soundness, ended the year at 11.86%, which is far higher than the average credit union, making us one of the safest places in the nation for members/depositors.
- Commonwealth's net income for 2021 was \$19.6 million, which translates to a return on average assets of 1.10%, which is comparable to the aggregate pool of credit unions in our asset size.
 - o The low interest rate environment continues to be a challenge as the yield on average assets declined to 3.41% for 2021 compared to 3.90% for 2020 while the interest expense to average assets was 0.44% for 2021 compared to 0.66% for 2020.
 - o The Provision for Loan Losses declined from \$6.1 million in 2020 to \$3.5 million for 2021 as net charge-offs ended the year at historic lows.
 - o Non-interest income was up 28.2% over 2020 due to increased interchange fees on credit and debit cards, other fees and returns on investments.
 - o Non-interest expenses increased 11.5% due to increased salary and benefits costs, depreciation costs on fixed assets and loan expenses.
- Dividends paid to our members in 2021 totaled \$7.9 million.

Our credit union was able to continue to grow and invest in the future by updating technological and digital offerings for improved delivery systems to our members. In 2021 we continued to invest in vital infrastructure to secure our data systems and promote growth of our digital channels. This past year also saw our credit union complete construction of one new branch in Louisville and setup a temporary branch in Owenton with a new branch in this community scheduled to be completed in 2022.

As a member of Commonwealth Credit Union, you are also an owner and a valuable partner in our success. With that in mind, I join Regina Grubbs, Chair of the Board, and Karen Harbin, President and CEO, in personally thanking you for your continued support. Our entire team works hard to maintain Commonwealth's 5-star "Superior" rating from Bauer Financial, demonstrating the credit union's strength as a financial institution. As always, we are committed and proud to serve you.

Donnie Rodgers II
Secretary/Treasurer

Financial REPORT

Balance Sheet

Assets	2021	2020
Cash & Overnight Balances	\$ 215,089,505	\$ 184,953,778
Investments	290,253,553	200,990,343
Net Loans to Members	1,253,738,357	1,139,730,235
Fixed Assets	45,848,264	41,328,238
Other Assets	86,160,671	84,232,453
Total Assets	\$ 1,891,090,350	\$ 1,651,235,047
Liabilities & Equity		
Member Shares	\$ 1,653,550,829	\$ 1,426,076,669
Other Liabilities	26,871,071	25,815,380
Total Equity	210,668,450	199,342,998
Total Liabilities & Equity	\$ 1,891,090,350	\$ 1,651,235,047

Income Statement

	YTD 2021	YTD 2020
Loan Interest	\$ 55,114,185	\$ 55,148,100
Investment Income	5,548,717	4,241,905
Total Interest Income	\$ 60,662,902	\$ 59,390,005

Cost of Funds	\$ 7,868,271	\$ 9,983,204
Borrowing Expense	2	72
Total Interest Expense	7,868,273	9,983,276
Net Int Income before Prov	\$ 52,794,629	\$ 49,406,729
Provision for Loan Losses	3,480,332	7,422,931
Net Int Income after Prov	\$ 49,314,297	\$ 41,983,798
Non-Interest Income	33,159,105	25,870,146
Non-Interest Expense	62,899,026	56,394,640
Net Income	\$ 19,574,376	\$ 11,459,304

COMMONWEALTH
CREDIT UNION



Supervisory COMMITTEE REPORT

The Supervisory Committee consists of five members appointed by the Board of Directors. The Committee's main duties are to oversee a comprehensive annual audit of the credit union and other audits as necessary. The Committee also performs a financial and management oversight role, independent of the Board of Directors, on behalf of the credit union membership.

The Supervisory Committee retained the services of Doeren Mayhew CPAs, an independent CPA firm specializing in credit union audits, to conduct the comprehensive annual audit as of December 31, 2021. The 2021 financial audit report may be reviewed upon request.

In addition to the annual audit, a team of internal auditors, who report directly to the Supervisory Committee, has developed a flexible three-year audit plan using appropriate risk-based methodology to conduct operational and compliance audits of the credit union. During 2021, the Internal Audit staff completed and issued audit reports in numerous areas. The Internal Auditors' main responsibilities are to assist the Committee in ensuring that internal controls are in place and operating as intended, member assets are being safeguarded, and credit union policies and procedures are followed.

We encourage members and credit union employees to express any concerns to the Supervisory Committee. The names of those expressing concerns will be held in the strictest confidence.

The Committee wishes to thank the Board of Directors and the staff of Commonwealth Credit Union for their assistance and cooperation in 2021.

Alice Wilson

Supervisory Committee Chair, CPA

SUPERVISORY COMMITTEE



Alice Wilson
Chair, CPA



Gary Forman



Michelle Sutton
CPA



LaTonya Bell

BOARD OF DIRECTORS



Karen Harbin
President / CEO, CPA



Regina Grubbs
Chairperson, CPA



Randy Fawns
Vice Chairperson



Donnie Rodgers II
Secretary / Treasurer



Jim Chadwell
Board Member, CPA



Kay Jones
Board Member



Kenny Blackwell
Board Member, CPA



Mary Foster
Board Member



Bill Leach
Board Member



**Lt. Colonel
Douglas (Kelly) Smith**
Board Member



Rob Ellis
Board Member



President's REPORT

Just like last year, we have once again welcomed a new year with the ongoing and ever-present threat of the global pandemic. The uncertainty, fears, and questions from the last two years still may be present, but they have not hindered the commitment and resolve that Commonwealth Credit Union has to our members and the communities we call home. This is evident in our commitment to advancing our technology and the recognition garnered throughout this past year.

We are proud of the growth we experienced in 2021, especially in such trying times. To stay competitive and meet our members' ever-changing needs, we realize the need to continually improve upon and introduce new products and services. Commonwealth Credit Union has always been a technology-forward company, but the pandemic has created a welcoming environment that has allowed us to make great strides in expanding our digital services.

In August of last year, we introduced Digital Banking, a major update that integrated our mobile and online banking platform, providing an increasing array of online services to members while adding additional layers of security. Just a few months later, we added Zelle®, a fast, safe, and easy way to send money to friends, family, and other people you trust, regardless of where they bank. 2022 promises to be just as innovative as we continue to assess our operations and plan for more digital initiatives - initiatives that will enrich the member experience and facilitate streamlined and frictionless processes.

Our common goal of bettering lives is not just extended to our members; but also our team of more than 300 strong. With this goal at the forefront of our purpose, we have created an environment that sets us apart from other employers and financial institutions, winning Commonwealth Credit Union numerous community, industry, and national awards. Last year, we won the top spot on Forbes list of America's Best-In-State Credit Unions in Kentucky and were named in the Top 200 Credit Unions in America list by LendKey. Our members also voted us Best "bank" in Anderson County, Best "bank" in Georgetown, and we won three "Frankfort Faves" designations, including favorite Credit Union, favorite Mortgage Provider, and our own Gitti Kuhn was named as Favorite Teller!

There is an old saying "Good things come in threes" and that is most certainly true for us because, for the third year in a row, Commonwealth Credit Union has been recognized as one of the Best Places to Work in Kentucky. The trifecta of wins doesn't end there. We were also named a Healthiest Employer for the third consecutive year, winning the top spot for 2021. For community recognition, Commonwealth Credit Union won the Make-A-Wish Corporate Partner of the Year, the YMCA Community Impact Award, the University of Louisville Student Government Association (SGA) Partner of the Year, and the Louisville Business First Business Impact Award. Among Credit Union recognition, we won the Louise Herring Award for the implementation of our 20/20 Checking account through the Kentucky Credit Union League & Affiliates and the Credit Union National Association (CUNA). We also won National Diamond Awards from CUNA for our balance transfer promotion, Member Appreciation Week giveback, as well as our website redesign.

As we venture further into 2022, we may be uncertain what lies ahead in many arenas, but you can be certain of this: Commonwealth Credit Union's commitment to our members will never waiver. I cannot thank you enough for your continued support over the last few years. The personal notes, social media messages, and words of encouragement have been a constant source of fuel to me and my team. The trust you have placed in us is a privilege. Your trust, in conditions never encountered before, allowed us to continue providing an extraordinary experience and helped us shine as a beacon of hope for brighter days ahead!

Karen Harbin

President / CEO, CPA

WE'RE THE
Best
THANKS TO YOU!



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