

2022

annual report

empowering
your possible.



Suffolk
Credit Union

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2022 Annual Report of the Supervisory Committee

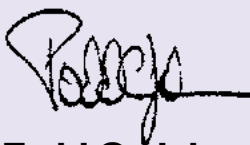
The Supervisory Committee, consisting of five members appointed annually by the Board of Directors, has two primary responsibilities: to ensure that the Board of Directors and Management meet all financial reporting objectives and to see that the Credit Union’s established practices and procedures safeguard members’ assets.

The Committee engaged independent auditors to conduct the 2022 Annual Audit of Financial Statements, and we are pleased to say there were no significant findings.

The Committee also engaged independent auditors to conduct monthly internal audits of Credit Union operations to ensure they are in compliance with the practices and procedures established to safeguard members’ assets. Internal audit findings were very favorable, and management and staff cooperated fully with any recommended changes the Supervisory Committee proposed.

The Committee reports with confidence that no areas of concern were found.

On Behalf of the Supervisory Committee,



Todd C. Johnson
Chairman



Chairman’s Message



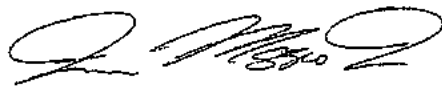
Like many of our members, I have been banking with our Credit Union for a long time. While there have been many occasions to celebrate over the years, 2022 was special. Not only did we celebrate 55 years of service, but we were also named the “Best Credit Union on Long Island” in the Long Island Choice Awards. These celebrations would not be possible without the devotion of the entire team at Suffolk Credit Union, from the faces you see in our branches, to the voices on the other end of the phone, and so many others that you don’t see or hear from on a day-to-day basis.

I am proud of our team and our history. I am also energized by the progress that I have seen throughout recent years, including the expansion of our charter to serve all of Long Island, modernized digital tools that provide easy ways to bank 24/7, the introduction of new services like the Suffolk Insurance Agency, and most recently, the introduction of our refreshed brand. The new look and feel for our brand was developed with the purpose of modernizing our image and appealing to a broader audience while respecting our core strength of serving members. We accomplish this by not only offering competitive pricing and products but also by providing a personalized experience with expert advice and guidance to help our members achieve their goals.

In the past year, our teams conducted in-person and virtual seminars on a variety of key topics, including the basics of banking, guidance for first-time homebuyers, investing, and retirement options. At Suffolk Credit Union it is our mission to help people move forward by building strong relationships and delivering seamless banking experiences. It is rewarding sharing our knowledge and helping others. As we all become more financially savvy, it lifts our entire community. Together, our employees and members empower stronger financial lives within the communities we serve.

We understand that you have options when selecting a financial institution, and as always, we thank you for the honor of being your financial partner and credit union.

Sincerely,



James J. Maggio, Jr.
Chairman of the Board, Suffolk Credit Union



Hello friends and members,

Thank you for choosing Suffolk Credit Union as your financial institution to empower your possible. We have proudly served Long Islanders for over 55 years and remain committed to our member-owners, local communities, and corporate partners. Despite the economic headwinds of rising interest rates and inflation, we remain financially strong and achieved our financial goals.

- Offering market-leading rates and introducing new products contributed to **deposit balance growth of \$121 million**.
- Suffolk Credit Union's **net worth ratio of 8.35%** as of December 31, 2022, is well above the NCUA's requirement of 7% to be considered well capitalized.
- For the first time in our history, we surpassed **\$1 billion in loan balances**. Lending directly to the Long Island communities that we serve resulted in **loan balance growth of \$181 million** in 2022.

Our commitment to focusing on our members and communities has resonated with others. We are honored to have been voted by our members as the **"Best Credit Union on LI" for the past two years!** Current members referring friends and family resulted in new membership growth of nearly 10%. The growth of our credit union, now the fourth largest on Long Island, is a testament to the trust and loyalty of our member-owners, and **on behalf of our Board and employees, we thank you.**

2022 was a transformational year! We unveiled our refreshed brand identity, which reflects our commitment to people helping people— the credit union difference. Our vision is to enrich lives through respect, empowerment, and financial guidance.

At Suffolk Credit Union, our focus is on forward momentum for our members, employees, and communities. We are committed to giving back in support of local causes and organizations that align with our

values, as well as investing in our teams, systems, and communities in the year ahead. Team Suffolk is excited to engage with our community partners and expand our reach to more Long Islanders.

The momentum is building. Already this year we have made significant investments in technology and infrastructure by introducing a refreshed online & mobile banking experience with more intuitive navigation and enhanced features to make your everyday banking easier. Other recent enhancements include the installation of our first Interactive Teller Machine (ITM) at the drive-up in Commack. This enhanced machine provides even more capabilities than an ATM as well as the ability to receive service from one of our local Personal Bankers directly on the screen. Plans to install these machines at more locations will expand the availability of our Personal Bankers even beyond the standard branch hours.

These are just some of the ways we are continuing to provide members with real value, being easy to work with, and delivering advice and guidance that empowers. We are always looking to establish personal connections, and I encourage you to reach out to your Personal Banker for an open discussion about your goals or simply to say hello.

On behalf of our entire credit union team, I want to say thank you for your continued support and trust in us. We are honored to serve you and look forward to another successful year ahead.

Sincerely,

Michele Dean

Michele Dean
President & CEO, Suffolk Credit Union

a year of achievements

As we reflect on 2022, there is so much to celebrate, and it is with great pleasure that I share some of our accomplishments:

Reached loan growth of 20% and deposit growth of 8%.

Introduced a **new website** and **updated branch locations** to reflect our **new brand**. (see more about our rebrand on pp. 8-9)

Launched Suffolk Insurance Agency

This new service provides our members with competitive pricing on Auto, Home, and other insurance solutions.



Online Banking Enhancements

In addition to our new website, online banking has gone through several exciting updates, including an improved online account opening process that can be completed in minutes and is **real easy!**

Financial Services Website of the Year

The contest, sponsored by our Kentico hosting platform, recognizes excellence in creative design, innovation, use of technology, customer success, and more. Our new site features multiple enhancements— from online banking and account opening, to financial calculators.



Voted BEST CREDIT UNION on Long Island— for the 2nd Year in a Row!

We're proud to announce that Suffolk was just named Best Credit Union at the **Long Island Choice Awards for 2022!** Thank you for voting for us. We promise to continue our mission to **#empoweryourpossible** by providing the best experience for our members.

2022 Milton Zipper Financial Executive of the Year
Sarah McCandless • EVP & Chief Financial Officer

LIBN: 40 Under 40
Charles Schembri • EVP & Chief Experience Officer

Long Island Business News' Banking & Finance Power List
Michele Dean • President & Chief Executive Officer



#Team Suffolk

community involvement & support



Suffolk Credit Union is proud to support a variety of wonderful causes on Long Island. Our sponsorship and donations reflect our ongoing commitment to assisting residents of Long Island while also spotlighting the valuable missions of these community organizations.

College Scholarships

As part of our ongoing partnership with Suffolk County Community College, the Credit Union **provided scholarships totaling \$37,500 to 9 local students.** We are especially proud to co-sponsor two awards with some of our other partners, the LT Michael P. Murphy Memorial Scholarship and the Michael E. Reilly Foundation Memorial Scholarship.



Annual Fundraising

Mondays at Racine Cancer Care

Through the **support of our generous members**, Suffolk Credit Union was proud to **donate \$3,000** from last May's Skin Care Awareness Fundraising promotion. We were proud to sponsor additional programs throughout the year, like the Health & Wellness Fair and the 3rd Annual Mondays Under the Stars in partnership with New York Cancer & Blood Specialists.



New York Cancer Foundation

Suffolk Credit Union was proud to launch our **Suffolk Smiles Annual Toy Drive.** Our members and employees repeatedly filled donation boxes in each of our branches throughout November and December, helping us to collect **over 500 toys!** The toys were distributed by our partner New York Cancer Foundation to help families going through cancer treatment over the holiday season.



In the community

Suffolk Credit Union is proud to have sponsored multiple community organizations and nonprofits in 2022, including the following partners:



#SuffolkSmiles



New look, **same great service.**

In November 2022, we rebranded with a new logo and a shorter, but familiar, name. Our new logo mark represents people coming together and our commitment to continue our proud history of service to our members, employees, and communities.

We're proud of our new branding and hope you've noticed our new website and the refreshed collateral and decor we have begun gradually rolling out to our branches. Look for even more exciting changes -both visual and experiential- in the months ahead! See just a few examples of our updated elements on the next page.

When we guide, **people grow.**

As a not-for-profit credit union built to serve Long Island and beyond, our objective, thoughtful advice, streamlined service, and continuous, caring support put members and money in motion. Every day our team is focused solely on **empowering your possible.**

Our **mission**

We help people move forward by building strong relationships and delivering seamless banking experiences. Together, our employees and members empower stronger financial lives within the communities we serve.

In October, the entire Suffolk Credit Union team gathered to watch the unveiling of our **evolved brand!**



empowering your **possible.**

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION*

December 31, 2022 and 2021

	2022	2021
Assets		
Cash and cash equivalents	\$ 146,175,917	\$ 108,562,657
Investments	380,604,031	489,106,534
Loans	1,096,708,872	915,724,748
Other assets	74,194,700	69,465,125
Total Assets	\$ 1,697,683,520	\$ 1,582,859,064
Liabilities and Members' Equity		
Liabilities		
Members' shares	\$ 1,567,349,823	\$ 1,446,384,269
Other liabilities	59,119,512	12,547,341
Total Liabilities	\$ 1,626,469,335	\$ 1,458,931,610
Commitment and contingent liabilities		
Total members' equity	71,214,185	123,927,454
Total liabilities and members' equity	\$ 1,697,683,520	\$ 1,582,859,064

CONSOLIDATED STATEMENTS OF INCOME*

December 31, 2022 and 2021

	2022	2021
Interest income	\$ 47,279,559	\$ 37,993,815
Interest expense	6,655,682	4,421,728
Net interest income	40,623,877	33,572,087
Provision for loan losses	3,367,192	2,576,294
Net interest income after provision for loan losses	37,256,685	30,995,793
Non-interest income	11,078,998	12,702,339
Non-interest expense	37,428,632	34,770,480
Net income	\$ 10,907,051	\$ 8,927,652

*The reports are an excerpt from 2022 and 2021 audited financial statements in condensed formats.

the year at a glance

↑ **loan growth**
20%
Loan Growth **\$181M**



↑ **member deposits**
8.4%
Deposit Growth **\$121M**



↑ **total assets up**
7.3%
Asset Growth **\$115M**



membership

↑ **9%**


Nassau membership up
↑ **91%**

Suffolk membership up
↑ **10%**

Net Income
year over year

\$7.07M

\$4.77M

\$8.93M

\$10.91M

2019

2020

2021

2022

The Leadership Team at Suffolk Credit Union

is privileged to work together, exchange ideas, and champion the financial needs of our valued membership.

Board of Directors

James J. Maggio, Jr.	<i>Chairman</i>
Frank C. Trotta	<i>Vice Chairman</i>
Phil F. T. Bauccio	<i>Secretary</i>
Edward J. Reilly	<i>Treasurer</i>
Tanya Palmore	<i>Director</i>
Robert Schaefer	<i>Director</i>
Bryan S. Mastrangelo	<i>Director</i>

Supervisory Committee

Todd C. Johnson	<i>Chairman</i>
Richard Conzo	<i>Vice Chairman/Secretary</i>
Russell S. Danna, CPA	<i>Member</i>
Daniel J. Murphy, Esq.	<i>Member</i>
Robert T. Popdan, CPA	<i>Member</i>

Executive Management

Michele Dean	<i>President & Chief Executive Officer</i>
Sarah McCandless, CPA	<i>Executive Vice President & Chief Financial Officer</i>
Charles Schembri	<i>Executive Vice President & Chief Experience Officer</i>
Matthew Schettino	<i>Senior Vice President of Marketing</i>
Chris Welga	<i>Senior Vice President of Information Technology</i>
Indira Khan	<i>Vice President of Strategic Projects & Process Improvement</i>
Megan Millevoy	<i>Vice President of People Operations</i>

Branch Locations

Commack • Eastport • Islandia • Medford
Miller Place • Port Jefferson • Riverhead
Sayville • Southampton • West Babylon

Corporate Office

3681 Horseblock Road
PO Box 9005
Medford, NY 11763



Suffolk
Credit Union



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