

ANNUAL REPORT 2022



STRATEGIC VISION

Our **MISSION**

We believe in providing sound financial opportunities to help pave the way for life's biggest moments. At Granite Credit Union, we aspire to be a constant in our members' lives; a trusted partner in both good times and challenging ones. We're committed to doing whatever it takes to make it easy for our members to *make life happen.*

Our **VISION** IN **ACTION**

- 📍 Trusted provider of financial opportunities since 1935 so you can have peace of mind and security
- 📍 Helping find the best financial solutions for your circumstances so you can confidently make educated financial decisions
- 📍 Easiest onboarding credit union so you can become a member easily and conveniently
- 📍 Relationships matter - because you are more than an account number, we work to meet your unique and individual needs
- 📍 We look for innovative ways to improve doing business with us so you can focus on creating meaningful and lifelong memories

Chairman's Report

It is a pleasure to report that Granite Credit Union did very well during the past year, maintaining a net worth ratio of over 10%. This is a key metric measuring stability and keeps regulators happy who watch over all credit unions in the United States.

Currently, all credit unions and banks are experiencing rising interest rates as the Federal Reserve has been pushing rates up for over a year now in order to slow the rate of inflation. As a result, loan rates have risen, therefore Granite (and all financial institutions) are having to raise the rate on dividends paid to your savings in order to keep your money here to loan to other members. This, of course, makes all of you who have savings very pleased to get a higher rate of return.

It is better to pay you, our members, a higher rate and keep your savings here rather than borrow the money from other institutions, in order to loan members the money they need.


We have now completed the remodel of the main office which gives a more open feeling as you come in to transact business. This will continue with the other branches not yet remodeled.

We are also contemplating opening a branch in West Valley City and have purchased some land there for this purpose. We are also looking for other places to

expand our operations to better serve the citizens of Utah. Please encourage your family and friends to open accounts at Granite Credit Union and use our excellent financial services.

Mark Young who was hired as the President/CEO on October 1, 2021 has now filled this position very well for over a year now. He has an excellent executive team that works well together in performing all the functions of a safe and secure financial institution which is what Granite Credit Union has become over the many years of its existence.

We had the NCUA, which oversees all credit unions in the U.S., do an audit of our records as well as our outside auditors performing their financial records audit last year. Granite CU received many compliments on the fine records we have, how the staff is great to work with and that we are a very well run credit union where your money is safe. You can be proud of the great people we have serving you and making sure your money is safe here.

We the Board of Directors and the Supervisory Committee appreciate the opportunity you members allow us to volunteer at Granite Credit Union. 



Donald O. Johnson
Board Chair



**An excellent
executive team
that works well
together in
performing all
the functions
of a safe and
secure financial
institution**



Mark L. Young
President/CEO



**We saw a shifting
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needs in 2022 due
to rising inflation
and interest rates**



President’s Report

The vision statement of Granite Credit Union is “Always there so you can make life happen.” We believe this reflects our ability to serve our members with all their financial needs at any point in their life. A high-level measuring stick of our success with our vision is balanced growth in loan products and deposit products. We also measure it from the feedback of our members through our employees regarding new products and services that are needed to make life happen. During 2022, Granite Credit Union saw significant growth in many areas thanks to the feedback and usage of YOUR credit union.

Granite finished the year with \$743 million in assets. We grew over \$64 million in assets in 2022. While this is a strong number, what we really saw was a shifting of our members’ needs in 2022 due to rising inflation and interest rates. As interest rates increased in 2022, we made every effort to offer competitive loan and deposit rates. Our loan balances increased \$128 million in 2022. This growth was phenomenal and it came in a variety of products. We saw balanced growth in auto, mortgage, and commercial lending. We introduced a new Cashback VISA card that was immediately embraced by our members. We put a renewed emphasis on our Vanishing Rate auto loan product. This product allows our members to reduce

their interest rate with on-time payments. This product gives our members the control to lower their interest rate in a rising rate environment.

On the deposit side we grew over \$50 million. We are very appreciative of our members’ trust in us to bring us their deposit dollars. With strong loan demand, we needed every deposit dollar from our members. As interest rates increased rapidly in 2022, we were dedicated to offering products to meet our members’ savings needs. We offered short-term and long-term investment options at the highest market rates in Utah. We created new products that provided members with flexibility, choice and earnings.

With your continued support, we are focused on growth that allows us to serve you better. We made significant efforts in 2022 to expand our reach in the Hispanic community by offering ITIN accounts and loans. We have learned from our employees how financially underserved this community has been. Our outreach efforts have been well received and we have saved members hundreds of dollars through their membership with us. We also have plans to expand our branch footprint in 2023 as well as continuing to make our current facilities more consultative and relationship focused.

As we continue to grow, we are striving to improve our technology and communication to better serve our members. Our goal is to be able to connect with members through any communication channel they choose to engage us in. Improving our communication and technology offerings will allow us to provide the outstanding member experience we strive for and give every member improved convenience and flexibility for their financial needs.

As we look back on the changes and growth of 2022, we appreciate the trust that enabled our shared success. We value our relationships with our members, and we are committed to providing the products and services that enable them to make life happen at every step in their journey. Thank you to our GCU employees, our volunteer Board of Directors and Supervisory Committee, and our members for working together to build a financial institution that is dedicated to helping people in all phases of their life and from a variety of backgrounds to make life happen in meaningful ways! 📍

Warm Regards,



Rob Nish
Supervisory
Committee Chair



**While facing a
recession,
Granite Credit
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security and
growth**




Supervisory Committee Report

While facing a recession, Granite Credit Union (GCU) remained strong in its security and growth during the first full year with Mark Young as President. As a Supervisory Committee, we commend GCU's tenured leadership team for their continued strength and innovation with a focus on improving the member and employee experience.

Rob Nish was appointed to Supervisory Committee Chair as former Supervisory Committee Chair, Paul Edmunds assumed a vacant seat on the Board of Directors. The Supervisory Committee also welcomed the addition of Hollie Boss and would like to congratulate Hollie on her recent nomination to the Board of Directors.

GCU completed a remodeling project ahead of schedule at the South Jordan Branch as well as a remodel at the Main Branch, both with a focus on better meeting member and employee needs.

Laura Wall, Director of Risk Management, provided excellent review and oversight of GCU processes during this past year. Her monthly branch audits and reports were thorough, inclusive, and kept us well-informed. We commend her for the fine work she performs for GCU.

We are happy to report that our financial statements were examined this year by Moss Adams CPAs and an IT audit was completed by Trace Security; both with no significant findings. After reviewing the audits performed, the Supervisory Committee agrees with the assessment that financial statements prepared by Management and approved by the Board and Supervisory Committee are accurate with no material errors or miscalculations. 

Rob Nish



January 2022

Visa Signature Cashback Card is introduced



May 2022

South Jordan Branch remodel is complete



September 2022

Granite Credit Union Foundation is established as the credit union's charitable arm to better facilitate community outreach



March 2022

Granite earns BankOn designation, introduces Simple Spend accounts, and ITIN lending



Summer 2022

Granite actively volunteers in the community with Millcreek's Venture Out program



November 2022

Main Branch lobby remodel is complete

VOLUNTEERS



In honor of **Maxine Babalis**

Granite Credit Union extends a special thank you to Maxine Babalis for her 43 years of service on the Board of Directors. Maxine decided to resign from her position on the Board at the end of 2022 and we are grateful for the legacy she has created during her tenure with Granite.

Maxine received a Bachelor of Arts in English and a Master of Elementary Education, English Language, and Literature/Letters from the University of Utah. She worked in Granite School District for 32 years, primarily teaching grades 3-6 and the 5th grade gifted and talented class. Maxine is known for her service and leadership. She has always been an advocate for children and education.



Our **BOARD** OF **DIRECTORS**



Don Johnson
Chair



Richard Welch
Vice-Chair



Lon Tibbitts
Secretary



Maxine Babalis



Paul Edmunds



Mitch Robison



Ben Ungricht

Our **SUPERVISORY** **COMMITTEE**



Rob Nish
Chair



Paul Budd



Hollie Boss



Scott Jurgens



Austin Summers



Mark Young
President/CEO

Promoted to CEO in October 2021, Mark has spent the previous 9 years with Granite as the VP of Human Resources. He holds a bachelor degree from the University of Utah and is a graduate of Western CUNA Management School. Mark has over 25 years experience in the credit union industry including Operations, Compliance, Branching, Training and Lending.



Julie Morgan
Executive VP

Julie is a 25+ year veteran of Granite with experience leading in a variety of roles. She earned a bachelor's degree and an MBA from Utah State University. Julie's umbrella of leadership encompasses the branch operations, Risk Management and Human Resources.



Jim Davis
Senior VP Lending

Jim is a self-described "recovering banker" having spent 20+ years as bank branch manager and commercial lender. He earned a bachelor's degree from University of Utah and an MBA from Westminster College. Jim's "recovery" includes spending the last 12+ years leading the Business and Consumer lending efforts for Granite.



Mary Woodard
VP Business Development

Mary started as a teller at Granite and has spent the last 30+ years learning everything there is to know about credit unions. She holds a bachelor's degree from Westminster College and is a graduate of Western CUNA Management School. Mary now directs Business Development, Card Services and the call center for the credit union.



David Borsos
VP Finance

David is a CPA who has spent the past 11 years as Controller for Granite. He has a bachelor's and a Master of Accounting degree from the University of Utah. David currently oversees the finances and project management for the credit union.



Garrett Laws
VP Member Experience

Garrett has been with Granite for 10 years as the head of the Marketing Department. He has a bachelor's degree from the University of Phoenix and is a graduate of Western CUNA Management School. Garrett presently guides Marketing, Training and Product Development.

EXECUTIVE TEAM



Thank you to **Paul Metcalf**

Granite Credit Union extends a warm thank you to Paul Metcalf for his many years of service to Granite.

As a product of Granite High School, Paul developed an interest in the "members first" credit union mentality from an early age. He holds a bachelor's degree in finance from the University of Utah and is a graduate of Western CUNA Management School. Paul has over 40 years in credit unions managing IT and Finance. After more than a decade as CFO before managing facilities and IT, Paul retired from his position at Granite. We wish him a long and happy retirement.



FINANCIAL REPORTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Balance Sheet as of December 31, 2022

Assets	2022	2021
Loans to Members	\$578,431,920	\$449,975,515
Allowance for Loan Losses	\$(2,284,161)	\$(2,533,244)
Investments	\$147,685,839	\$181,682,192
Cash in Banks	\$ 4,642,457	\$18,390,736
Other Assets	\$ 7,273,432	\$23,693,467
Fixed Assets	\$ 7,834,589	\$8,040,467
Total Assets	\$743,584,076	\$679,249,133
Liabilities & Capital	2022	2021
Shares/Deposits	\$ 650,251,680	\$600,190,981
Other Liabilities	\$ 28,758,905	\$6,740,558
Total Reserves & Capital	\$71,877,564	\$64,047,550
Net Income	\$9,083,774	\$7,830,014
Unrealized Gains (Losses)	\$(16,387,847)	\$440,030
Total Liabilities & Capital	\$743,584,076	\$679,249,133

CONSOLIDATED STATEMENT OF EARNINGS

FINANCIAL REPORTS

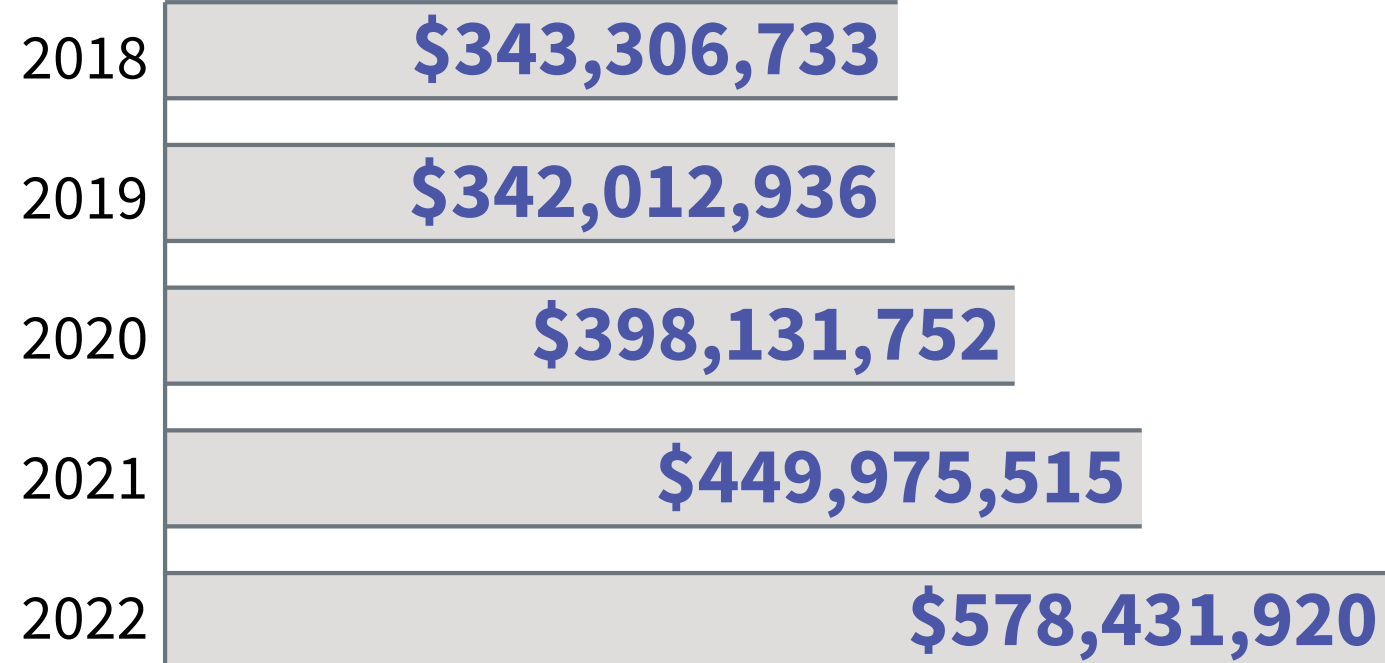
Income Statement as of December 31, 2022

Income	2022	2021
Loan Income	\$19,839,228	\$15,648,288
Investment Income	\$3,856,396	\$4,523,161
Fees & Other Income	\$5,926,123	\$5,742,668
Total Income	\$29,621,747	\$25,914,117
Expenses	2022	2021
Salary & Benefits	\$9,229,575	\$8,555,270
Insurance, Marketing, & Education	\$1,385,033	\$1,107,395
Office Operations	\$6,995,006	\$6,299,917
Cost of Funds	\$4,061,936	\$2,064,208
Total Expenses	\$21,671,550	\$18,026,790
Non-Operating Income/Expenses	2022	2021
Loan Loss Expense	\$	\$55,000
Non-Operating Income (Expense)	\$1,133,577	\$(2,314)
Total Net Income (Loss)	\$9,083,774	\$7,830,013

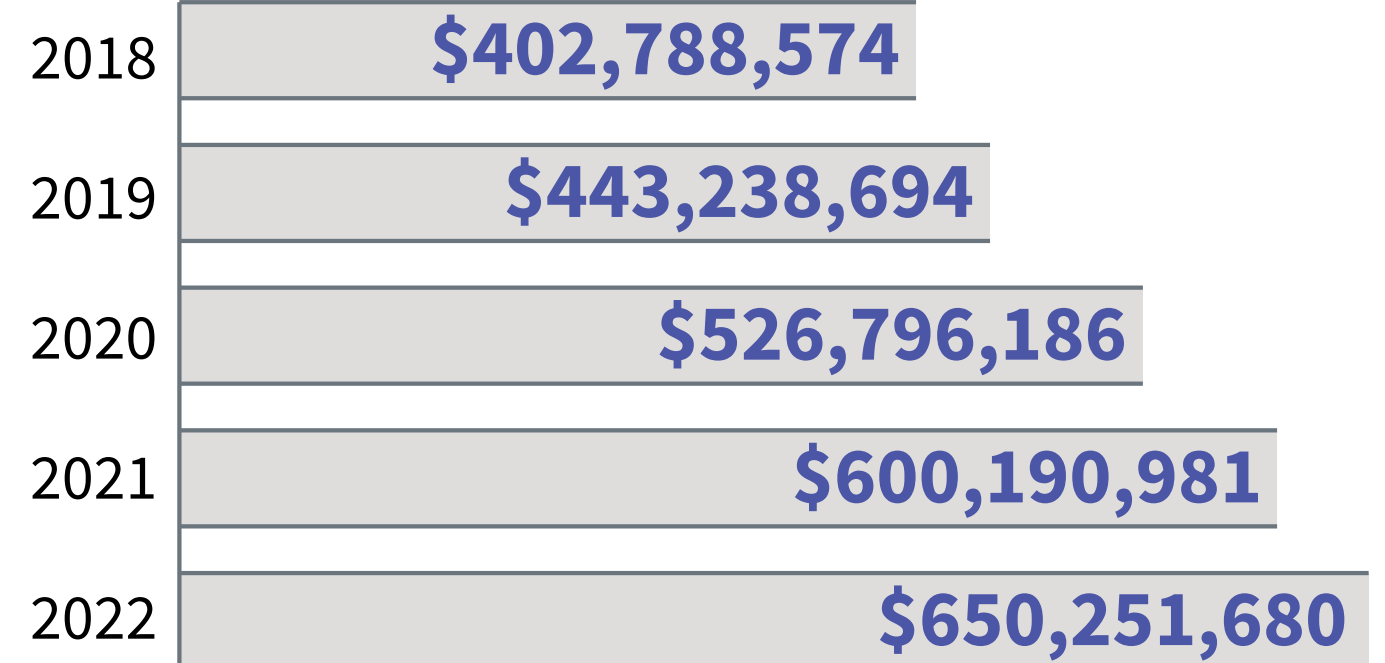
FINANCIAL HIGHLIGHTS

AT-A-GLANCE COMPARISON

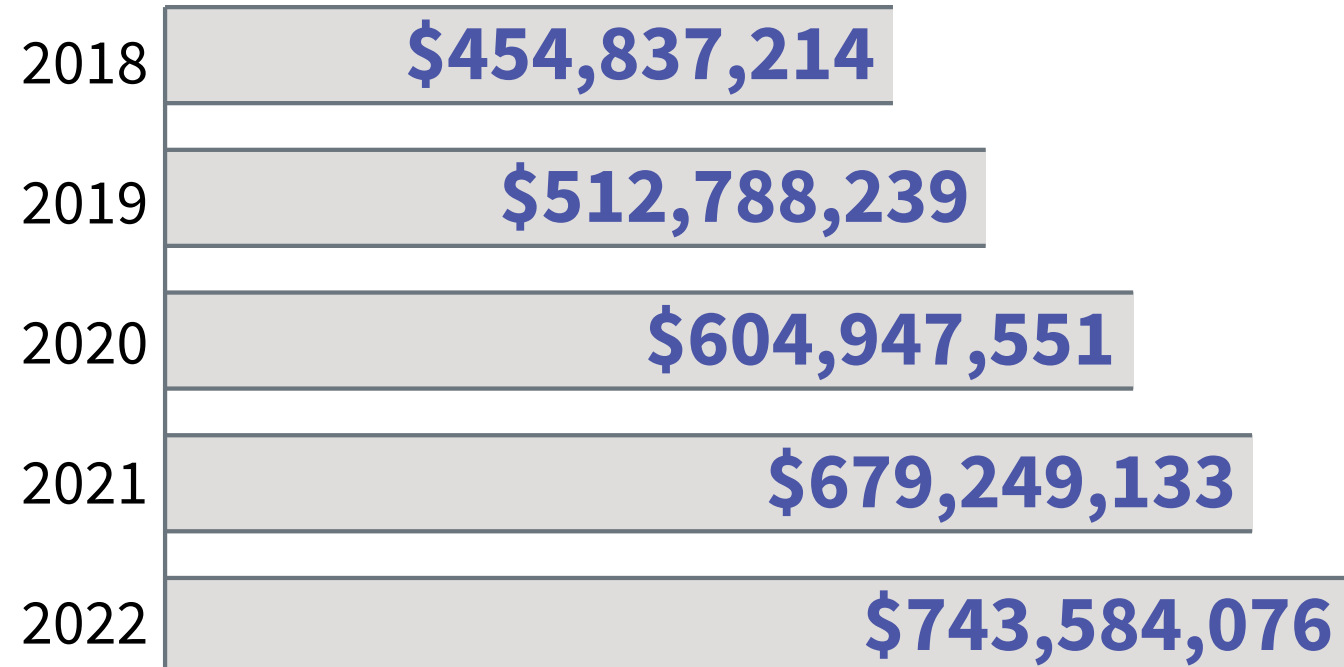
Loans



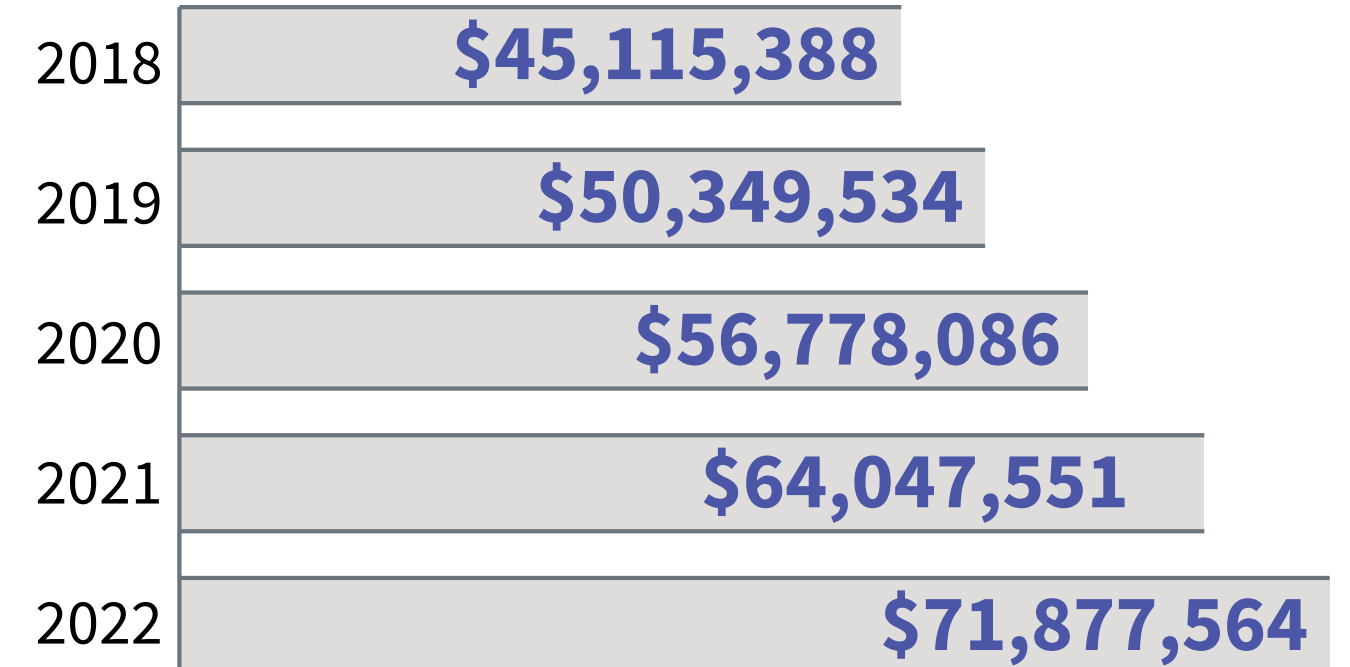
Deposits



Assets



Net Worth



PLANS FOR 2023

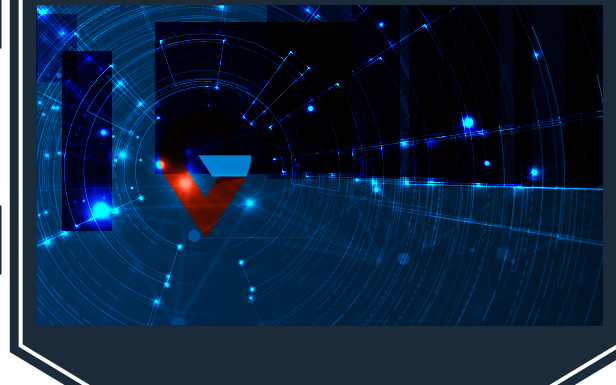
Granite Credit Union will sponsor Millcreek's new Adventure Hub



Juntos Avanzamos 

Celebrate receiving Juntos Avanzamos designation at Proclamation Ceremony March 21, 2023

Creating improved efficiencies and expanding tech to better serve our members



Tap and go with contactless cards coming soon



Actively pursuing expansion of Granite's field of membership to include Salt Lake's neighboring counties



Adding and/or remodeling branches to better serve our members over a greater area



Enhanced mobile app features in the works





ALWAYS THERE SO YOU CAN...

make life happen