



**KEMBA FINANCIAL
CREDIT UNION
ANNUAL REPORT**

**20
23**

VISION STATEMENT

To be a better way to bank for more members and a great place to work.

MISSION STATEMENT

We exist to enrich the financial lives of our members and associates and will do so with passion, empathy, and integrity.

STATEMENT OF CULTURE

We are a member and associate focused, results-driven organization.

8 COOPERATIVE PRINCIPLES OF A CREDIT UNION

1. Voluntary Membership
2. Democratic Member Control
3. Member's Economic Participation
4. Autonomy and Independence
5. Education, Training and Information
6. Cooperation Among Cooperatives
7. Concern for Community
8. Diversity, Equity and Inclusion

A Letter from the CEO

To the Member-Owners of KEMBA Financial Credit Union:

It has once again been an honor and privilege for me to lead KEMBA Financial Credit Union and serve you, our member-owners, this past year. I take pride in advocating for our members, associates, and the credit union movement in addition to supporting the Central Ohio communities we call home. I am also proud of our dedicated staff, who go above and beyond to uphold our mission of enriching the financial lives of our members with passion, empathy, and integrity.

During 2023, our Credit Union continued to evolve with changing social environments and economic fluctuations. KEMBA remains financially strong and secure and is poised to continue supporting your financial needs well into the future. This success and confidence are largely due to our members' ongoing loyalty to our financial cooperative and we are truly appreciative of your trust in us to serve you and your community.

As President and CEO, it brings me great joy to see the difference our financial services make in the lives of our member-owners, the impact of our dedication to the communities we serve, and our associates being recognized. In 2023, KEMBA was once again awarded one of Central Ohio's Best Places to Work by Columbus Business First, as voted on by our associates. We were also recognized by Columbus CEO Magazine's Best of Business, as Best Employer (under 500 associates). This comes in a year where KEMBA made great strides in committing to our associates' professional development with over 14,000 hours of training and coursework completed. Please join me in celebrating these outstanding achievements.

This past year, KEMBA took conscious and deliberate steps to uphold our commitment to social responsibility across the organization. Alongside our dedication to our Diversity, Equity & Inclusion plan, we introduced and continued several key organizational partnerships with local groups that support both financial literacy and are aimed at providing basic human needs so Central Ohioans have resources to live financially independent lives, such as: African American Male Wellness Agency, Big Brothers Big Sisters, Mount Carmel Foundation, Student Success Stores, Families Flourish, and more.

As we move into our 91st year of service in 2024, I cannot express enough my sincere gratitude for your continued trust in KEMBA. Without you we would not be where we are today, a growing cooperative with over 129,000-plus members and more than 300 associates. We do not take your trust for granted. In fact, we celebrate you and encourage your feedback to help make KEMBA Financial the best place to bank in Central Ohio.

On behalf of our entire team, we value your membership and are honored you've chosen us as your financial partner.

In Partnership,



MARK DECELLO
President and CEO



A Letter from the Board Chairman

To the Member-Owners of KEMBA Financial Credit Union:

I am honored to serve as your Chairman of the Board of Directors. On behalf of our entire Board, I extend my appreciation for your membership and support of KEMBA Financial Credit Union.

It is both a distinction and a true pleasure to have the opportunity to help enrich your financial lives. 2023 was another year of economic flux and challenges that many of our members and associates battled. There are numerous opportunities and options when choosing your financial services, and we are honored that you allowed KEMBA the opportunity to continue serving you.

We take great pride in our portfolio of financial products and services, as well as our ability to create individualized solutions for all members at all life stages. Coupled with our financial education opportunities and advisement resources, we are confident we offer the best opportunities for your financial success.

Not only do we put emphasis behind your individual financial achievements, but it is at the heart of the credit union mission to also give back to our communities, creating enriched environments. KEMBA is dedicated to our Central Ohio communities and supports individuals, businesses, foundations, and schools. Through these partnerships we provide financial education, resources, and various tools to ensure your local communities and neighbors are given the best chance to succeed financially as well. Your Board of Directors hopes that you, as member-owners, are also proud of the contributions we make to improving the financial lives of everyone.

For our 91st year of business, your Board of Directors and Leadership team will continue to evaluate and implement the best ways to meet your financial needs and do what is in the best interest of our member-owners. Our ultimate goal is to meet your expectations and financial needs, while providing the highest quality and value.

Without your support, and that of our dedicated associates, the achievements of KEMBA Financial Credit Union would not be possible. We truly believe that we offer a better way to bank for you, your family, and your communities. We look forward to continuing to serve you.

Thank you for your business and for the confidence you have in KEMBA Financial Credit Union.

Sincerely,



DONNA J. FOLBERTH
2023 Board Chairman



Treasurer's Report

To the Member-Owners of KEMBA Financial Credit Union:

I am pleased to report that KEMBA Financial Credit Union remains a stable and secure financial institution and the one you can trust to always put your personal financial needs first.

In 2023, our assets grew by 8.3% and now total more than \$2.1 billion, which makes us the largest credit union headquartered in central Ohio and we remain the third largest in the state. KEMBA also added nearly 3,400 new members to the Cooperative.

Our capital remains strong and ended last year at 12.12% of our balance sheet, remaining well above the regulator's standard of a well-capitalized credit union, which is 7%. Our earnings remain strong and continue to support our asset growth.

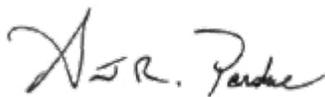
Our deposits increased by 3.7% in 2023 and we also returned more than \$34 million in dividends to our member-owners. In addition, we awarded \$3.3 million in cashback rewards to our Visa Platinum Rewards card holders, which was based on their 2023 credit card usage.

We saw strong loan growth results for 2023, ending the year with an increase of \$110 million or 7.4% over our 2022 results. Additionally, we are proud to report that in 2023 our loan delinquencies and loan losses remained in check, and we ended the year with a loan delinquency ratio of 0.54% and a net charge off ratio of 0.45%.

This Treasurer's Report contains information extracted from the financial audit performed by independent auditors, Plante Moran, PLLC. Their audit was conducted in accordance with auditing standards generally accepted in the United States of America. It is their opinion that the Credit Union's financial statements present fairly, in all material respects, the financial position of KEMBA Financial Credit Union as of December 31, 2023.

In conclusion, I'd like to thank my Board colleagues and the Associate Directors for their hard work and dedication as Credit Union volunteers. In addition, thank you to the Credit Union's associates for their endless commitment to service and meeting the financial needs of the membership. Likewise, I would like to thank you, our member-owners, for your patience, trust, understanding, and support for another successful year.

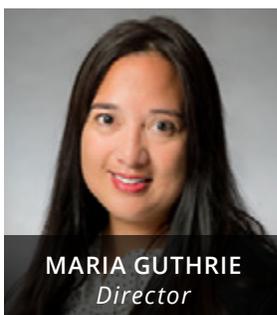
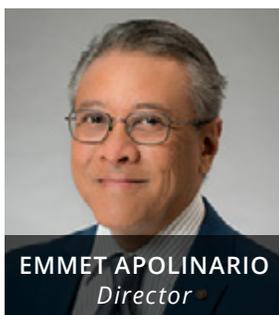
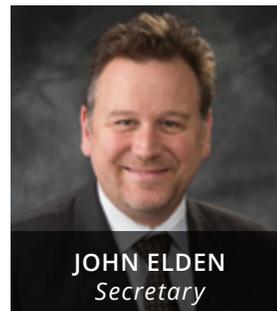
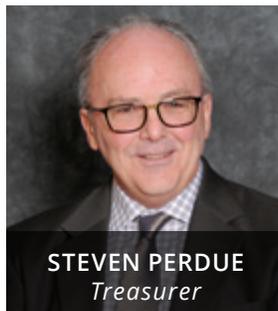
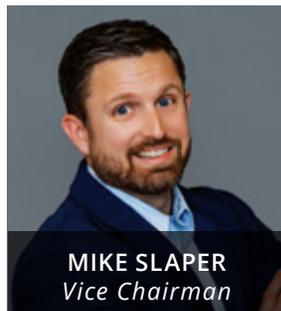
Sincerely,



STEVEN R. PERDUE
Board Treasurer



Board of Directors



EXECUTIVE STAFF

MARK DECELLO	<i>President and Chief Executive Officer</i>
KEN BLEVINS	<i>Chief Technology Officer</i>
DAWN BRAHMA	<i>Chief Sales Officer</i>
MARCO CAPALINO	<i>Chief Marketing Officer</i>
DONNA GRIMMETT	<i>Chief Financial Officer</i>
SHERNETTE HENRY	<i>Chief Human Resources Officer</i>
DOUG LA TOUR	<i>Chief Risk Officer</i>
BRENT MCCOY	<i>Chief Credit Officer</i>
AMY PETERMAN	<i>Chief Operating Officer</i>

Balance Sheet

(In thousands)

ASSETS	2023	2022
Cash and Equivalents	\$ 120,836	\$ 98,194
Investment Securities	310,043	278,734
Time Deposits with Other Financial Institutions	3,791	3,790
Total Loans	1,598,473	1,487,954
(Net Allowance for Credit Loss)	-12,537	-5,005
Accrued Interest Receivable	9,245	7,598
Net Property and Equipment	38,514	36,249
Share Insurance Deposit	16,038	15,120
FHLB Stock	3,521	4,462
Membership Capital at Corporate Credit Unions	1,137	1,137
Other Assets	39,097	37,284
Total Assets	\$ 2,128,158	\$ 1,965,517

LIABILITIES & EQUITY	2023	2022
Share and Certificate Accounts	\$ 1,733,433	\$ 1,671,057
FHLB Borrowing	115,379	42,443
Accrued and Other Liabilities	42,963	35,666
Total Liabilities	1,891,775	1,749,166
Members' Equity	236,383	216,351
Total Liabilities and Equity	\$ 2,128,158	\$ 1,965,517

Income Statement

(In thousands)

INTEREST INCOME	2023	2022
Loan Income	\$ 88,744	\$ 63,721
Investment Income	15,269	5,628
Total Interest Income	\$ 104,013	\$ 69,349

INTEREST EXPENSE	2023	2022
Members' Shares and Savings Accounts	34,513	\$ 12,016
Borrowed Funds	4,729	1,046
Total Interest Expense	39,242	13,062
Net Interest Income	64,771	56,287
Provision for Credit Losses	(8,751)	(1,039)
Net Interest Income	\$ 56,020	\$ 55,248
<i>After Provision for Credit Losses</i>		

NON-INTEREST INCOME	2023	2022
Fees and Charges	\$ 21,892	\$ 21,439
Other	5,167	4,231
Total Non-Interest Income	\$ 27,059	\$ 25,670

NON-INTEREST EXPENSE	2023	2022
Compensation	\$ 29,309	\$ 27,239
Operating Expenses	30,921	26,229
Occupancy	3,145	2,730
Total Non-Interest Expense	\$ 63,375	\$ 56,198

Net Income	\$ 19,704	\$ 24,720
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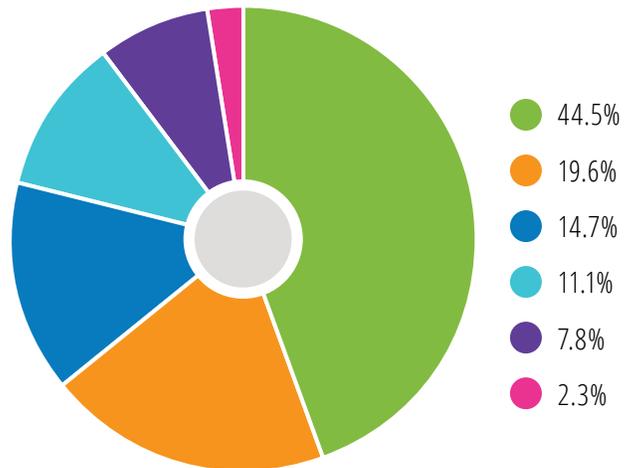
Financial Highlights

(In thousands)

LOAN PORTFOLIO MIX

● Auto and Personal Loans	\$ 712,050
● First Mortgages	313,879
● Business Loans	235,362
● Home Equity Loans	177,076
● Credit Cards	124,088
● Student Loans	36,018

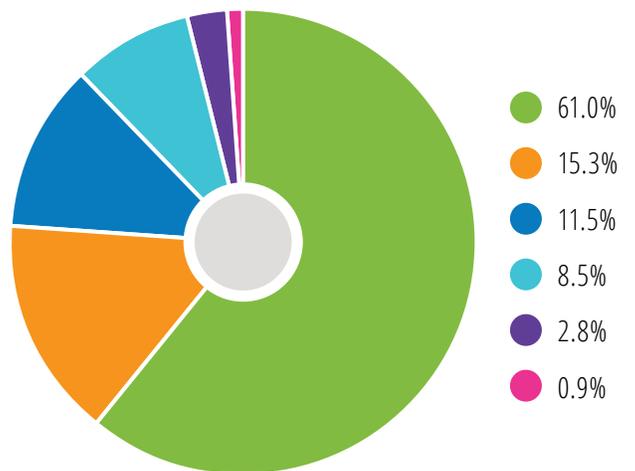
Total **\$ 1,598,473**



LOAN PRODUCTION

● Auto and Personal Loans	\$ 278,337
● Home Equity Loans	70,012
● Business Loans	52,508
● First Mortgages	38,973
● Credit Cards	12,603
● Student Loans	3,921

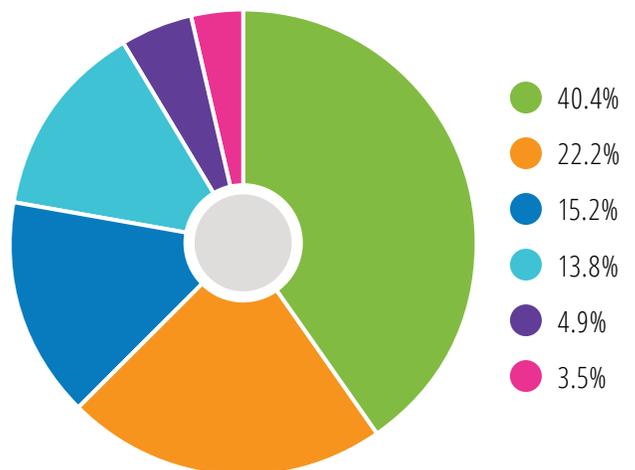
Total Gross Loans **\$ 456,355**



DEPOSIT PORTFOLIO MIX

● Money Market	\$ 699,532
● Certificates	384,571
● Checking and Health Savings	264,323
● Share Savings	240,006
● IRA Savings / IRA Certificates	84,905
● Brokered Certificates	60,096

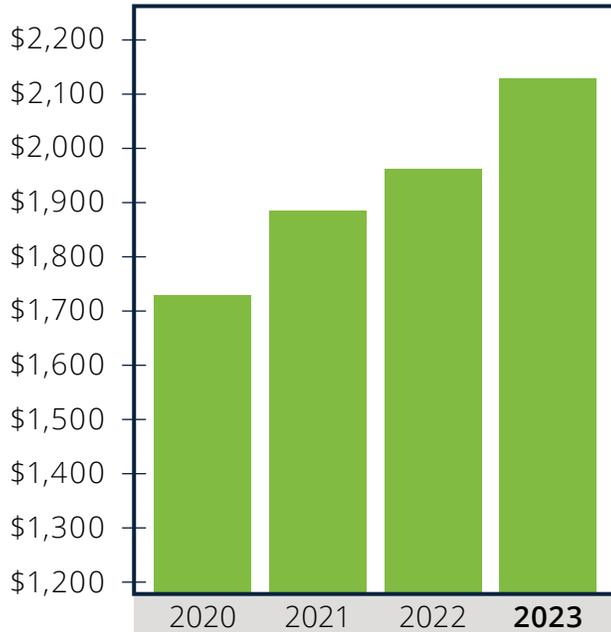
Total **\$ 1,733,433**



Financial Highlights

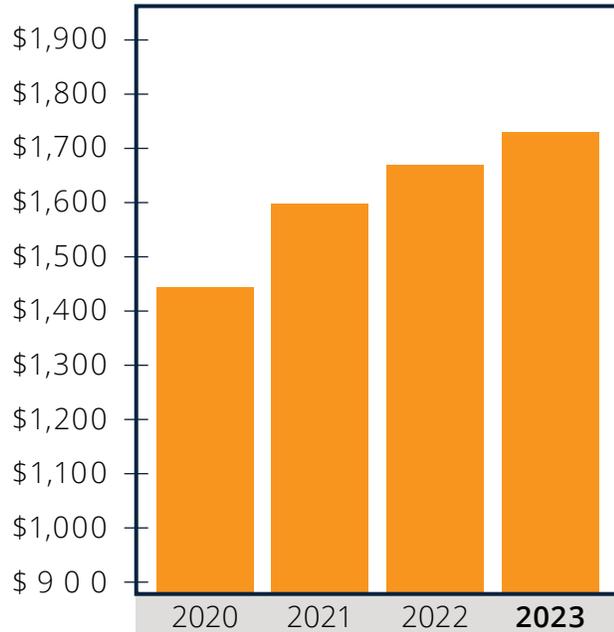
ASSET GROWTH

(In millions)



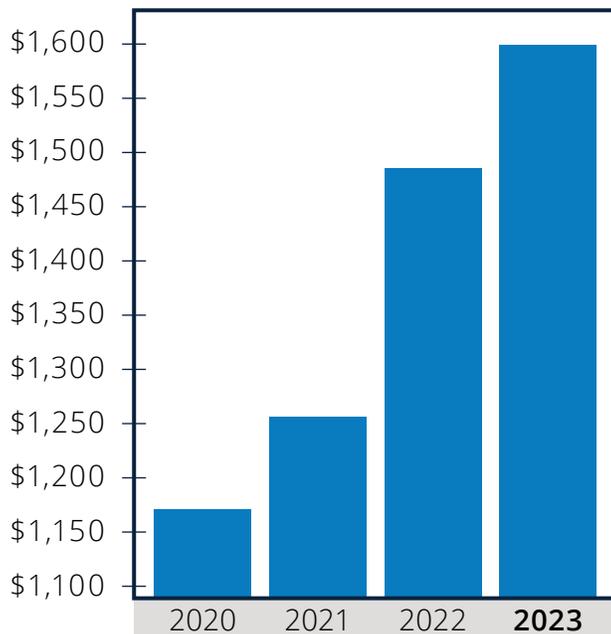
DEPOSIT GROWTH

(In millions)



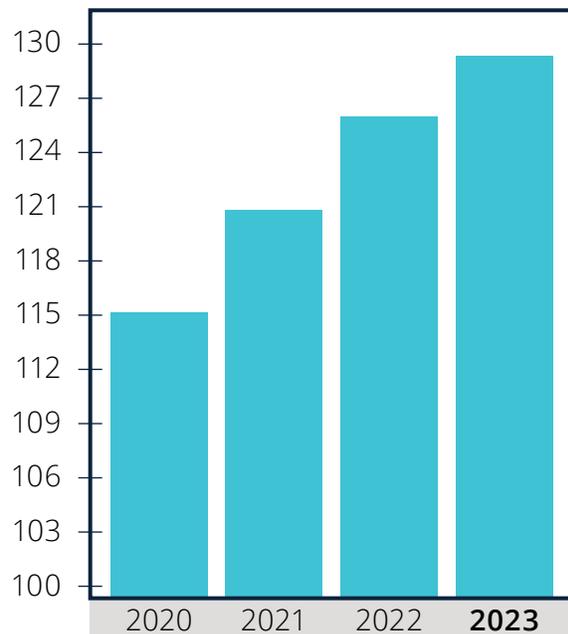
LOAN GROWTH

(In millions)



MEMBERSHIP GROWTH

(In thousands)



Member Testimonials

“
**Great
place to
bank!!!!**
”
- SAM W.

“
Excellent Credit Union! The people working there offer excellent customer service. David Whitesides was outstanding person to take care of your financial requirements! Highly recommend dealing with these folks.
”
- MICHAEL G.

“
I've been working with Hannah Morrissey to close my brother's accounts, establish Estate accounts and work through all the red tape that these events bring about. She has been so patient with all my questions. She has walked me through the process and provided information for attorneys to try to close all the required activities. I've been a member over 40 years and continue to be impressed with the service KEMBA provides.
”
- SUSAN K.

“
I firmly believe in giving praise when it's deserved, and Heidi Henderson certainly deserves being called out for providing an incredible customer experience. Her assistance in getting a HELOC in place then helping again with wire transfers to the developer and home builder we're working with was invaluable. Heidi exemplifies what customer service is about, and associates like her are why working with a local financial company is always a great choice. She was friendly, efficient, knowledgeable, and kept me updated throughout the process. Y'all have a great team member in Heidi.
”
- MARK E.

“
[Clintonville Branch] is an excellent branch. Many benefits and resources here. The service from the tellers and advisors is excellent! Their service always lets me feel confident and safe to hold my finances there.
”
- "PLUS SIGN"

DEPOSIT & LOAN PRODUCTS

- Certificates
- Checking Accounts
- Christmas Club Accounts
- Health Savings Accounts
- Home Equity Loans
- Individual Retirement Accounts
- Lines-of-Credit
- Money Market Accounts
- Mortgage Loans
- New and Used Vehicle Loans
- Platinum Rewards Credit Card
- KEMBA Visa Signature® Credit Card
- Savings Accounts
- Student Loans
- Unsecured Loans
- Vacation Savings Accounts
- Youth Accounts

CONVENIENCE SERVICES

- 24-Hour ATM Deposit Access
- ATM and Debit Cards
- Card and Account Alerts
- Digital Wallet
- Direct Deposit and Payroll Deduction
- More than 50,000 surcharge-free ATM's nationwide
- More than 5,500 Shared Branching locations nationwide
- eStatements
- Instant Access Telephone Banking
- Digital Banking with Remote Deposit
- Bill Pay
- Safe Deposit Boxes
- Online Mortgage and Consumer Loan Applications
- Speed eSign (Electronic Loan Document Authorization)

MEMBER BUSINESS SOLUTIONS

- Business Loans
- Business Digital Banking
- Credit Cards
- Checking Accounts
- Commercial Real Estate Loans
- Lines-of-Credit
- Merchant Services
- Money Market Accounts
- Savings Accounts
- SBA Lending



Letter from the Auditor

To the Board of Directors
KEMBA Financial Credit Union

At your request, we have completed the audit of KEMBA Financial Credit Union's financial statements as of and for the year ended December 31, 2023.

Our audit of the statements of financial condition, operations, comprehensive income (loss), members' equity, and cash flows was conducted in accordance with auditing standards generally accepted in the United States of America. Our full report, which expresses an unmodified opinion on the financial statements, has been submitted to the finance committee.

Our full report may be reviewed at the main office of the credit union at 555 Officenter Place, Gahanna, Ohio.

Plante & Moran, PLLC

February 29, 2024



KEMBA FINANCIAL CREDIT UNION

A better way to bank

BELLEFONTAINE BRANCH

1161 S. MAIN STREET
BELLEFONTAINE, OH 43311

CLINTONVILLE BRANCH

4311 N. HIGH STREET
COLUMBUS, OH 43214

GAHANNA BRANCH

110 N. HAMILTON ROAD
GAHANNA, OH 43230

GROVE CITY BRANCH

4141 HOOVER ROAD
GROVE CITY, OH 43123

NEW

HAMILTON QUARTER BRANCH

6080 HAMILTON ROAD N.
WESTERVILLE, OH 43081

HILLIARD BRANCH

5555 RENNER ROAD
COLUMBUS, OH 43228

LEWIS CENTER BRANCH

34 EVERGREEN AVENUE
POWELL, OH 43065

PICKERINGTON BRANCH

941 HILL ROAD
PICKERINGTON, OH 43147

POWELL BRANCH

4078 POWELL ROAD
POWELL, OH 43065

REYNOLDSBURG BRANCH

6230 E. BROAD STREET
COLUMBUS, OH 43213

WESTERVILLE BRANCH

622 N. STATE STREET
WESTERVILLE, OH 43082

WHITEHALL BRANCH

4220 E. BROAD STREET
COLUMBUS, OH 43213

VIRTUAL BRANCH

614.235.2395
SERVICE@KEMBA.ORG

Who We Are

