



Servion, Inc.
2022-2023 Annual Meeting Minutes
February 20, 2024

Chairman Pierce called the Annual Meeting of the Servion, Inc. Stockholders to order at 10:35 a.m. Board of Directors present included (6) Phillip Kopischke, Patrick Pierce, Doug Ralston, Paul Dammann, Norm Creveling, and Mick Olson. Brad Crandall, CEO; Melanie Meier, CFO; represented the staff. Also in attendance were Shareholders that represented 19 Credit Unions. Dave Boden was absent.

QUORUM

Ralston certified that a quorum existed for the duly convened meeting.

MINUTES FROM LAST ANNUAL MEETING

No discussion.

MSC: DeJong, Dammann to approve the Minutes.

ELECTIONS

The Nominating Committee report was presented. A vote by acclamation was conducted to seat three candidates for three open seats. Mick Olson (TopLine Financial Credit Union), Norm Creveling (Wings Financial Credit Union), and Phillip Kopischke (SharePoint Credit Union) were re-elected for 3-year terms.

MSC: Harrington, Hart to elect the Directors via vote by Acclimation.

Chairman's Report

Pierce began by stating his excitement to guide Servion during this transformative time, centering on core values and service to the credit union members. He noted that navigating this challenging environment is the same for Servion and Credit Unions alike. Pierce stated that Servion is exploring ways to generate revenue beyond traditional means, reduce expenses, utilize resources wisely, and that the commitment to fiscal responsibility remains key. He noted that dividends were not paid this fiscal year but looks forward to doing so in the future and recognizing those owners that use Servion beyond just an investment opportunity. Pierce highlighted the average member satisfaction score, 5.77 out of 6, illustrating Servion's dedication to providing excellent service to the credit union members.

CFO Report

Meier reported on the financial challenges faced during the fiscal year. She noted some highlights and lowlights:

- Consolidated Revenue decrease of 36%
- Net Income loss of over \$3.9M resulting in a small decrease in stock value
- Usage fees paid out to the credit unions that use Servion of 7.8% of revenues
- Servicing portfolio growth in Mortgage and Commercial loans to \$9.3B
- \$425M in assets under management, including insurance, through Servion Financial Advisors

Meier stated that the “Be The Solution” culture was put to use to mitigate the losses while preparing for next year and beyond. She noted some of the biggest initiatives were to evaluate every expense, negotiate contracts to reduce fees, and review processes to ensure greater efficiencies.

CEO Report

Crandall reported that the organization’s commitment to its shareholders is not only to financial success, but also to the core values of the company. He noted that the media indicates that the economy is set for a longer recovery period, but Servion is preparing now to be well prepared when it does rebound.

Crandall highlighted the successes of each business unit including; the mortgage servicing portfolio growth to over \$6.1B, 76 new relationship with current and new partners, increase in Quality Control partners, new technology in Title, increased business in Financial Advisors due to the higher interest rate environment, and additional products and services for Commercial Lending Resources users.

MSC: Kopischke, Creveling to approve the Chairman, CEO, and CFO reports.

Declaration of Stock Value

The Stock Redemption price was declared at \$3,969.17.

Other Business

No discussion.

Adjournment

MSC: Ralston, Olson being no further business, to adjourn. The meeting was adjourned at 11:30 a.m.

Respectfully submitted,

Doug Ralston

Doug Ralston, Secretary