



ANNUAL REPORT

2020



CHAIRMAN'S REPORT

Ben Treadwell, Board Chairman

In the wake of the unprecedented COVID-19 pandemic this year, Sentinel Federal Credit Union continued to provide superior member service while helping to keep our members, staff and communities safe.

Our commitment to our membership was the driving force in the decisions our management team had to quickly make to adapt to the challenges we faced due to the pandemic. We appreciate your patience and understanding during this challenging year.

As we celebrate 65 years of excellence, you can feel secure knowing that Sentinel Federal Credit Union continues to remain safe, secure, and financially strong.

We thank you for your valuable membership and we renew our commitment to you, your family and your business.

TRIPLE CROWN BRANCH



BOARD OF DIRECTORS



Ben Treadwell
Chairman
(Term 2021)



Doug Dlugosz
1st Vice Chairman
(Term 2022)



James Ramp
2nd Vice Chairman
(Term 2022)



Bruce Curington
Secretary/Treasurer
(Term 2021)



Mary Stein
Director
(Term 2021)



Janelle Chase
Director
(Term 2022)



Dave Fisk
Director
(Term 2023)



Sara Frankenstein
Director
(Term 2023)



Julia Tan
Director
(Term 2023)

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee represents the interest of the membership as the “watchdog” of your Credit Union. It is responsible for maintaining oversight of our management and financial records to ensure that your Credit Union’s financial condition is fairly represented.

The areas of responsibility range from ensuring an annual audit is performed by an outside, independent accounting firm; reviewing internal controls to ensure all members receive fair, accurate and honest service; and investigating all membership complaints.

During the past year the National Credit Union Association examined our policies and procedures for compliance with applicable Federal and State laws. In addition, the Supervisory Committee administered the required annual audit to ensure your Credit Union continues to operate in accordance with industry standards.

This audit reports on financial stability and general operating performance as well as

the presence of suitable internal controls. Ketel Thorstenson conducted the year ending September 30, 2019.

As we conclude this year’s activities, the Supervisory Committee is confident that Sentinel Federal Credit Union is firmly established in sound financial practices and its management and staff is focused on your needs as valued members.

Our priorities for the coming year are to continue to provide a high level of support to you and the Board of Directors.

We want to commend our management and staff for continuing to provide professional and courteous service in meeting our members’ needs. It is a privilege to represent the general membership of Sentinel Federal Credit Union.

The committee always welcomes your suggestions and observations. Direct correspondence may be submitted to the Supervisory Committee at P.O. Box 700, Box Elder, SD 57719.

SUPERVISORY COMMITTEE



Colleen Fulton
Member



Dennisse Bedard
Member



Heidi Aker
Member

HAINES BRANCH



PRESIDENT'S MESSAGE

Keith Robbennolt, Chief Executive Officer

As Sentinel celebrates its 65th anniversary, I am please to inform you that our Credit Union continues to be financially strong. Even during the unprecedented times that COVID-19 has presented, Sentinel continues to operate profitably, while still meeting the needs of our members every day. I am so very proud of the Sentinel team and members alike, for their patience, resilience, and continued trust in our ability to meet the needs of our members.

When the COVID-19 pandemic descended upon us, management took swift action to ensure the safety of our staff and members. Most have probably noticed the additional precautions we have taken when entering our lobbies and drive-up tellers. During these times, the resiliency of our team and members shined as we all learned new ways to interact with the Credit Union. Through the use of our convenient drive-up tellers, Online

RADAR HILL ROAD BRANCH



Banking and Mobile App, we have been able to deliver the same level of service our members expect from the Sentinel team. We are all anxious to have this pandemic in our rearview mirror but know that the Sentinel team will continue to navigate this pandemic in the best interests of our members and staff.

Sentinel continues to evolve. Our focus on improvements to policies and procedures is paying off through positive results in audits and regulatory exams. We are constantly looking for enhancements in our product mix and promotions to assist our members, and help Sentinel remain financially strong so we can meet the needs of our members into the future.

I thank all our members for the opportunity to be your financial partner. All of us at Sentinel value your membership and your business!

SENIOR MANAGEMENT



Keith Robbennolt
President &
CEO



Dorothy Voorhees
Chief Financial
Officer



Jane Carlson
Chief Information
Officer



Peter Kottwitz
VP/Business
Loan Officer



Sheila Hanneman
VP/Consumer
Lending Manager



Levi Brunmaier
VP/Risk
Management Officer

*Our mission is to
maintain integrity
and protect the
financial future of
our member owners.*

FINANCIALS

Sentinel has realized significant growth in assets in 2019 and year-to-date 2020. Since year end 2018, Sentinel has realized total asset growth of 22.7%, with the greatest increase occurring in 2020. The CARES Act stimulus that was enacted by congress in response to the COVID-19 pandemic has had a dramatic impact on our total shares, which has been the key factor for Sentinel's asset growth thus far in 2020.

9,608

Total Members (2019)

10.53%

Net Worth Assets (2019)

Assets

(Millions)



Shares

(Millions)



WINNER BRANCH



FINANCIALS

Operating profits generated keeps Sentinel well capitalized, and ready to grow. The addition of commercial lending has helped Sentinel grow our loan portfolio and could be a catalyst for continued growth into the future. We have enhanced our credit philosophy, and it is expected that overall delinquencies and charged-off loans will diminish over time.



Net Worth

(Millions)



Loans

(Millions)



0.93%

Delinquent Loans to Loans
(2019)

0.28%

Net Loans Charged-Off
(2019)

PRODUCT ENHANCEMENTS

Mobile Banking App

- You can conveniently sign into your Sentinel account on your mobile device using fingerprint authentication, voice recognition, face recognition or a four-digit PIN.
- You can easily manage and protect your Sentinel Federal Debit Card and Credit Card from fraud. Not only can you lock and unlock your card any time, for any reason, using our app, you can also get text alerts that notify you when your card has been used for transactions.

CO-OP Shared Branch Network

- From coast to coast, you're welcome at branches and ATMs wherever you see the CO-OP logos. That covers a lot of territory — whether you're across town or traveling far from home for business or pleasure.

Checking Account

- If you are 15 to 17 years old and have proof of employment, you can open your

CUSTOMER BRANCH



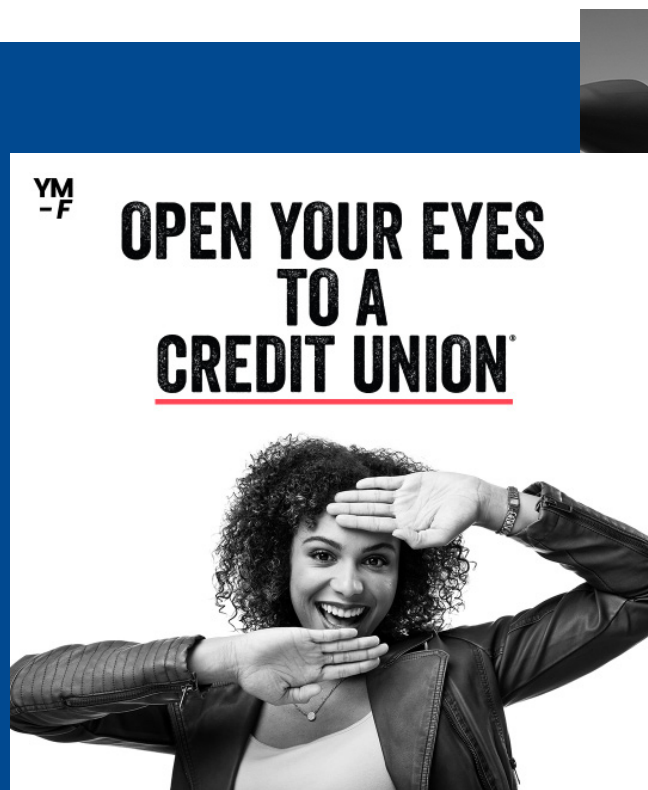
own Basic Checking Account. Just get your parents or guardian's permission stating it is ok for you to have your own account.

NXGEN

- We partnered with NXGEN. Learn how you can increase revenue in your business with NXGEN, a homegrown merchant service provider.

Home Equity Line of Credit:

- Our Home Equity Line of Credit is now better than ever! You've earned the equity in your home. Now, use it to put your home to work for you.



Open Your Eyes To A Credit Union

This campaign is a national campaign that we are participating in that helps bring awareness to all credit unions to help us grow our membership.



605.923.1405 • 888.923.1400
www.sentinelfcu.org

Ellsworth AFB • Box Elder • Rapid City
Custer • Hill City • Winner

Sentinel Federal Credit Union is an Equal Housing Lender and Federally Insured by NCUA.