

Sowing Seeds for the **FUTURE**



2023 ANNUAL REPORT

Your savings federally insured to at least \$250,000 and backed by the full faith and credit of the National Credit Union Administration, a U.S. Government Agency.



**EASTMAN
CREDIT
UNION®**
ECU BESIDE YOU

CHAIRMAN AND CEO'S REPORT

At Eastman Credit Union, we are committed to building a solid foundation for the future of our members. That's why, in 2023, we invested in cultivating opportunities for tomorrow through technological advancements, community growth, and expansion. We celebrate the milestones achieved and strategic decisions made, all of which are integral to our vision of sowing seeds for a robust and sustainable future.

In 2023, assets grew 7%, to a total of \$8 billion, and membership increased by 20,000, ending the year with over 325,000 members. ECU experienced another extraordinary year of loan growth and added \$599 million, or an increase of 9%, to the loan portfolio.

Here's a look at some of the highlights from 2023:

- Announced a \$16 million Extraordinary Dividend, totaling \$193 million returned to members since 1998
- Achieved the highest ever Happy Member Index Score of 87.8% on the annual member survey and received a Net Promoter Score of 84.2%.
- Received approval to extend our field of membership into additional counties in Tennessee and Virginia
- Developed a conceptual design for future branches that will be more welcoming and engaging for our members
- Began construction of the West Elk Branch in Elizabethton, TN
- Implemented multiple digital banking and online account opening enhancements
- Started deploying new software platforms in our Call Center, Lending, and Data Analytics divisions
- Commenced business development efforts in the new field of membership to develop new business relationships and ensure we meet the needs of these communities
- Added deposit capability to several ATMs and replaced ATM buildings throughout our service area
- Contributed more than \$800,000 to 264 charitable and community organizations including \$500,000 to the City of Kingsport to help with renovations for Bays Mountain Park and Planetarium
- Received the United Way of Northeast Tennessee 2023 Regional Leadership in Philanthropy Award
- Surpassed 1,000 employee threshold

With a net worth of 13.91%, ECU remains strong and steadfast in the communities we serve. We are thankful for your extraordinary support and dedication! We look forward to growing with you and the communities we call home!

Sincerely,



E. Wayne Kirk
Chairman



Kelly F. Price
President & Chief Executive Officer



EASTMAN CREDIT UNION CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

As of December 31, 2023 and 2022 (unaudited)

	2023	2022
ASSETS:		
Cash and Cash Equivalents	\$ 872,465,119	\$ 921,394,385
Investments (Net)	59,886,472	69,190,706
Loans to Members (Net)	6,892,988,025	6,302,508,646
Premises & Equipment (Net)	92,797,329	93,631,802
Other Assets	99,291,513	95,079,916
Total Assets	\$ 8,017,428,458	\$ 7,481,805,455
LIABILITIES AND RESERVES:		
Member Shares	\$ 2,172,062,632	\$ 2,591,509,344
Member Certificates	3,176,108,932	2,077,943,380
Share Drafts	1,087,734,643	1,069,375,854
Insured Money Market Accounts	384,221,484	691,843,477
Interest & Dividends Payable	16,056,285	15,000,095
Other Liabilities	70,166,701	71,956,411
Members' Equity	1,111,077,781	964,176,894
Total Liabilities and Reserves	\$ 8,017,428,458	\$ 7,481,805,455

CONSOLIDATED INCOME STATEMENT

For the years ended December 31, 2023 and 2022 (unaudited)

	2023	2022
INCOME:		
Interest on Loans	\$ 320,114,542	\$ 253,343,508
Interest on Investments	39,618,997	20,562,384
Total Income	359,733,539	273,905,892
COST OF FUNDS:		
Dividends on Share Accounts	23,157,464	22,845,137
Interest on Deposit Accounts	89,828,059	30,164,725
Interest on Borrowed Funds	-	-
Total Cost of funds	112,985,523	53,009,862
Net Interest Income	246,748,016	220,896,030
Less: Provision for Loan Losses	14,720,000	10,700,000
Net Interest Income After Provision	232,028,016	210,196,030
Less: Net Operating Expenses	79,057,900	75,301,941
Net Income	\$ 152,970,116	\$ 134,894,089



BOARD OF DIRECTORS



Jeff W. Anderson



Gary A. Bass



Kristie J. Hammonds



J. Andrew Hatfield, Jr.



E. Wayne Kirk,
Chairman



Kyle P. Macione



Brian K. Miller



Kelly F. Price,
President/CEO



Norris P. Sneed,
Vice Chairman



Jennifer L. Stewart,
Secretary/Treasurer

Audit Committee

Jeff W. Anderson
J. Andrew Hatfield, Jr.
Kyle P. Macione, *Chairman*
Brian K. Miller

Compensation & Management Development Committee

Gary A. Bass
Kelly F. Price
Norris P. Sneed, *Chairman*
Jennifer L. Stewart

Credit Committee

Lisa A. Broadwater
Rhonda J. Conley
Dolly T. Linkous
J. Adam Walton

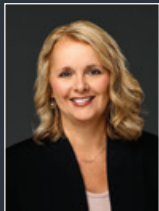
Directors Loan Committee

E. Wayne Kirk
Kelly F. Price
Norris P. Sneed

Finance Committee

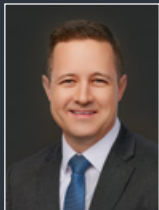
Tonja R. Fish
E. Wayne Kirk, *Chairman*
Kyle P. Macione
Kelly F. Price
Norris P. Sneed
Jennifer L. Stewart

EXECUTIVE TEAM



Pictured left to right

Russell G. Ayscue, *Chief Information Officer*
Darrell E. Dinsmore, *Chief Administrative Officer*
Tonja R. Fish, *Chief Financial Officer*
Dolly T. Linkous, *Chief Lending Officer*
Jeremiah E. Lounds, *Chief Operating Officer*



Pictured left to right

Mark E. Millwood, *Chief Human Resources Officer*
Kelly F. Price, *President/Chief Executive Officer*
Matthew S. Smith, *Chief Marketing & Analytics Officer*
Matthew H. Wimberley, *Chief Legal Officer & General Counsel*

TREASURER'S REPORT

The economic environment presented challenges for all financial institutions in 2023. ECU's financial results for the year ending December 31, 2023, were very positive. Assets increased by 7% to \$8 billion. Total loans grew \$599 million to a total of \$6.9 billion. Mortgage and home equity loans grew \$270 million or 8%, consumer loans grew \$182 million or 8%, business loans grew \$128 million or 20%, and Visa loans grew \$19 million or 14%. Total deposits grew \$389 million or 6%. Shares and IMMA balances declined \$419 and \$308 million, respectively. Meanwhile checking account balances grew \$18 million and investment certificates increased \$1.1 billion or 53%.

Return on assets (ROA) from continuing operations remained strong at 2.21%. ROA, after declaration of a \$16 million extraordinary dividend, was 2.00%. ECU's ROA compared favorably to peer institutions. Effective management of gross margin and net operating expenses were the key drivers of ROA in 2023.

Net worth was 13.91% for year-end 2023 after the extraordinary dividend, an increase from 12.97% at year-end 2022. The increase in the net worth ratio is primarily attributed to a strong ROA. Total equity was \$1.1 billion, an increase of \$147 million from the previous year. Net worth remains exceptionally strong by regulatory standards.

As described above, 2023 was an exceptional year for ECU. All financial institutions continue to face ongoing economic, regulatory, and competitive challenges; however, ECU remains well positioned to continue to offer a full line of attractive products, services, and convenience to current and potential members.

CREDIT COMMITTEE REPORT

LOANS	TOTAL in Millions	GROWTH in Millions	GROWTH Percentage
Consumer	\$2,379	\$182	8%
Mortgage	3,286	198	6%
Home Equity	327	72	28%
Visa	152	19	14%
Member Business Loans	783	128	20%
TOTAL	\$6,927	\$599	9%

AUDIT COMMITTEE REPORT

The Audit Committee is appointed by the Board of Directors to assist the Board in fulfilling its oversight responsibilities related to the integrity of the financial statements, the Credit Union's system of internal controls, and the independence and performance of the Credit Union's internal and external auditors. Review of audits performed by ECU's internal and external auditors helps fulfill the Audit Committee's oversight responsibility. Based on these reviews, the Audit Committee believes ECU continued to operate in a safe and sound manner in 2023.

ECU Branches

City/State	Address	Hours (Monday – Friday)
Abingdon, VA	159 Cook Street	7:30 am – 5:30 pm
Blountville, TN	1911 Highway 394	7:30 am – 5:30 pm
Bristol, TN	1237 Volunteer Parkway	7:30 am – 5:30 pm
Bristol, VA	16501 Highlands Center Boulevard	7:30 am – 5:30 pm
Duffield, VA	127 Comfort Drive (US Highway 58)	7:30 am – 5:30 pm
Gate City, VA	265 Jones Street	7:30 am – 5:30 pm
Gray, TN	384 Roy Martin Road	7:30 am – 5:30 pm
Greeneville, TN	845 West Andrew Johnson Highway	7:30 am – 5:30 pm
	3811 East Andrew Johnson Highway	7:30 am – 5:30 pm
Hallsville, TX	710 West Main Street	7:30 am – 5:30 pm
Johnson City, TN	113 Broyles Drive	7:30 am – 5:30 pm
	255 Marketplace Boulevard	7:30 am – 5:30 pm
	421 North State of Franklin Road, Suite 400	7:30 am – 5:30 pm
	4309 North Roan Street (Boones Creek)	7:30 am – 5:30 pm
Jonesborough, TN	301 West Jackson Boulevard	7:30 am – 5:30 pm
Kingsport, TN	130 West Ravine Road (Holston Valley Hospital)	10:00 am – 4:00 pm
	170 Wendover Drive (Colonial Heights)	7:30 am – 5:30 pm
	201 South Wilcox Drive	7:30 am – 5:30 pm
	225 Clinchfield Street	7:30 am – 5:30 pm
	2021 Meadowview Lane	7:30 am – 5:30 pm
	2631 East Stone Drive	7:30 am – 5:30 pm
	4325 West Stone Drive (Allandale)	7:30 am – 5:30 pm
	Eastman Chemical B147 (James C. White Drive)	7:30 am – 5:30 pm
Longview, TX	2002 West Loop 281	7:30 am – 5:30 pm
	3066 North Eastman Road	7:30 am – 5:30 pm
	3188 Nealy Way (Mortgage Lending Center)	8:00 am – 5:30 pm
	304 Central Avenue	7:30 am – 5:30 pm
Mount Carmel, TN	166 Main Street	7:30 am – 5:30 pm
Norton, VA	730 Commonwealth Drive (Mortgage Lending Center)	8:00 am – 5:00 pm
Piney Flats, TN	5928 Highway 11 East	7:30 am – 5:30 pm
Rogersville, TN	4003 Highway 66	7:30 am – 5:30 pm
Pigeon Forge, TN	190 Community Center Drive, Suite 104 (Mortgage/Business Lending Center)	By Appointment Only

Toll-Free Nationwide
800.999.2328

ecu.org

