

Contact Center

800.255.1513

Monday - Friday: 8:00 AM to 6:00 PM

Saturday: 9:00 AM to 12:00 PM

Self Service 24-hour Phone Banking

800.366.4725

Self Service 24-hour Online Banking and Bill Pay

cpmfed.com & CPM Anytime Online Banking
& CPM Mobile Banking

Branch Network

North Charleston at Mill – 5600 Virginia Avenue

North Charleston at Park Circle – 1066 E. Montague Ave.

Summerville at Nexton® – 165 Brighton Park Blvd.

Beaufort – 3481 Trask Parkway

Port Royal – 100 Midtown Drive

Bluffton – 95 Buckwalter Place Blvd.

Orangeburg – 1174 Boulevard Street NE

Greenville at Butler Rd – 1270 East Butler Road

Greer – 1445 Hwy 101 South

Simpsonville – 307 Harrison Bridge Road

Spartanburg – 240 East Blackstock Road

Greenville at Augusta – 1111 Augusta Street



2019 Annual Report



Message from the Board Chair

The word that best describes CPM’s 2019 year in review is “progress.” CPM continues to have a strong foundation and was recognized again during 2019 as one of the “Top 200 Healthiest Credit Unions,” received 5-star ratings from Bauer and Bankrate as well as an A+ from Deposit Accounts.com. The management and staff entered 2019 knowing it would be one with challenges, yet they met each one with confidence. [We continue to confidently meet challenges today as we are currently in the midst of the COVID-19 pandemic. Our financial strength positions us to better support our staff and members and meet their needs during this time of uncertainty.]

CPM awarded 5 Russell Easterling Memorial Scholarships totaling \$6,000. The scholarships were well-deserved and appreciated by each recipient. We wish them much success.

Our Business Development Officer’s (BDO) continued to support their employee groups and communities with informative financial wellness seminars. The “First Time Homebuyers” and “Wills and Trusts” seminars were especially well attended. They will continue to find creative ways to provide opportunities for our members and communities to have a brighter financial future. They and Marketing also won a Diamond Award from CUNA for rebranding their materials to “Life Happens Money Matters.”

But most noteworthy - 2019 brought some major changes in CPM’s banking platforms. On May 6th, CPM shut down the old banking platform and we switched over to a new system called “Keystone.” There were many hours of testing and training before, during and after the conversion. It was a major project and went extremely well. But that was not all! CPM also changed the online banking and mobile banking platforms the same day. It was indeed a challenging, yet exciting time for all; but the new platforms have been remarkable, and our staff and members continue to rave about the new user-friendly systems.

2019 was, indeed, a year of progress and it was one that set the stage for years to come. Systems will change over the years, but it is the management and staff of CPM that truly stand out as the best of the best! The credit union movement is strong, and CPM is proud to be recognized for its innovation and success.



Sincerely,

Michael Chodnicki

Michael Chodnicki, Chair

*All One Team
All About the Member
Deliver Service and Value Every Day*



Message from the Supervisory Chair >>>

The Credit Union operates under the laws of the United States of America and is regulated by the National Credit Union Administration (NCUA), an agency of the federal government. Examiners of the NCUA make periodic examinations to ensure proper operation of the Credit Union. The Credit Union's Board of Directors appoints a Supervisory Committee responsible for safeguarding the Credit Union's assets and protecting the interests of the members. The Committee engaged the certified public accounting firm CliftonLarsonAllen LLP to perform an independent audit. In the opinion of the auditors, the Credit Union's Balance Sheet, which is not presented in this report, presents fairly, in all material respects, the financial position of the Credit Union as of September 30th, 2019. In this report, we present the unaudited year-end results. The Committee meets monthly to review independent and internal audits and to ensure the safety and soundness of the Credit Union. We are pleased to present the 2019 report.

Sincerely,



John Brisini, Supervisory Committee Chair



Comparative Balance Sheets >>>

	<u>2018</u>	<u>2019</u>
Gross Loans	218,748,257	236,809,889
Allowance for Loan Loss	<u>(1,498,304)</u>	<u>(1,578,724)</u>
Net Loans	217,249,953	235,231,165
Cash/Investments	102,632,655	112,956,939
Net Fixed Assets	21,452,756	22,476,496
Total Other Assets	<u>14,691,996</u>	<u>21,415,468</u>
Total Assets	<u>356,027,360</u>	<u>392,080,068</u>
Accrued Dividends	0	0
Other Accr Exps/Accounts Payable	<u>4,721,495</u>	<u>5,340,749</u>
Total Liabilities	4,721,495	5,340,749
Total Shares	310,756,040	343,662,646
Regular Reserve	4,481,474	4,481,474
Undivided Earnings	38,169,966	41,123,509
Other Comprehensive Equity	<u>(2,101,615)</u>	<u>(2,528,310)</u>
Total Shares and Members Equity	351,305,865	286,739,319
Total Liabilities and Equity	<u>356,027,360</u>	<u>392,080,068</u>

Statement of Income >>>

	<u>2018</u>	<u>2019</u>
Interest on Loans	9,689,996	11,043,453
Interest on Investments	<u>1,652,344</u>	<u>2,064,850</u>
Total Interest Income	<u>11,342,340</u>	<u>13,108,303</u>
Dividends	1,110,449	1,689,287
Cost of Borrowed Funds	<u>0</u>	<u>0</u>
Total Interest Expense	<u>1,110,449</u>	<u>1,689,287</u>
Net Interest Income	10,231,891	11,419,016
Provision for Loan Losses	<u>(871,903)</u>	<u>(1,503,377)</u>
Net Interest Income after PLL	<u>9,359,988</u>	<u>9,915,639</u>
Non-Interest Income	14,720,189	14,386,175
Total Operating Expense	19,632,412	21,327,122
Non-Operating Losses	<u>(41,958)</u>	<u>(21,148)</u>
Net Income	<u>4,405,807</u>	<u>2,953,544</u>

"Our growth allows us to remain strong."

Ralph Micalizzi, CFO

Board Members

Michael Chodnicki, Chair
 Randall Trigg, Vice Chair
 James Jeffries, Secretary
 Alicia Webb, Treasurer
 Herbert N. Glaze
 Ardith Rossignol
 Esther Wilkins

Associate Board Members

Ramón Nieves-Lugo
 Cynthia Keaton

Supervisory Committee Members

John Brisini – Chair
 Victoria Montgomery
 Ardith Rossignol
 Andrew Bowden, Jr.
 Dr. Richard Gough

Year in Review >>>

I am very proud to report our staff excelled in completing our top 3 priorities over the past year:

- (1) We completed the conversion of our core system in May of 2019. Our core is the system we use every day to support all deposit and consumer loan products, and a core conversion is the biggest project a credit union can undertake. We worked hard to make the change as seamless as possible to you. For example, we completed the conversion without requiring you to change any account numbers. The project started in 2016 when we crafted our plans as to how we would select and implement a new system. We completed most of our work to evaluate different systems in 2017, and by May 2018 we selected our new core and executed agreements. From then until May 2019 was a sprint, as we worked feverishly to ensure every penny in every member account and general ledger account mapped over properly, every data element mapped over, and that all functions worked as expected. The project scope included changing our hardware, peripherals, and software, and moving to a state-of-the-art data center.
- (2) We also completed the conversion of our digital banking platform in May of 2019. That is the second biggest project a credit union can undertake. As the results would be immediately apparent to all of our digital banking users, everything had to be just right. That project also started back in 2016, with a search in 2017, and with agreements executed in 2018. From then until May 2019 was another sprint and involved testing, testing, and more testing.
- We took our old core and old digital banking out of service the weekend of May 4, 2019. We held our breath the morning of May 6, 2019 as we went live on both our new core and our new digital banking platform for the first time! The digital banking conversion required members re-register and we appreciated your patience with that! We added lots of staff, offered extra hours of support, and helped a month of callers in the first week. By the second week we were back to answering the phones promptly and our regular users had moved over to our new platform and were enjoying our fast, reliable, and intuitive digital banking services with robust features including touch ID, facial recognition, snapshot views, improved eDeposit services, free credit scores, alerts, tools for budgeting and savings goals, external transfers, integrated bill pay, integrated check orders, integrated credit card controls, integrated credit card rewards, and more. Thank you to each of you taking the time to give us feedback on our digital banking experience, both before and after the conversion. We knew from your feedback that our prior platform did not measure up. We know you really like the new platform, which you awarded 4.8 stars in the Apple app store. We are proud our last 8 reviews were all 5-stars, but we are not done. We set our benchmark to deliver a best-in-state digital banking experience, and we are underway with many more enhancements.
- (3) We opened our newest branch at 1111 Augusta Street in Greenville in October 2019. This is a full-service branch on a busy corner in Greenville with a beautiful building, spacious lobby, ample parking, drive-up window, drive-up ATM, and safe deposit boxes. The real star of the show though is our staff! When you are in the neighborhood please stop in!

What are we focused on now? Supporting you during the pandemic. No one could be fully prepared for this, but we were fortunate in many respects:

- We entered the crisis with great financial strength. For many years we have been named a Top 200 Credit Union for financial strength, out of more than 5,000 credit unions. We are able to use that strength to help our membership during this time. While we enjoyed that accolade in years past it is not our goal to earn that recognition in 2020. We lengthened our drive-up hours, remodeled our branches to promote social distancing, waived lots of fees, and offered lots of loan extensions, forbearances, and payment suspension agreements. Those actions are not compatible with building up capital and winning awards. But it was never about the plaque on the wall. Our strength meant we could be there for you when you needed us, and now is that time.
- We were very good at work from home prior to the pandemic. Most CPM back office and contact center staff were already working from home most days prior to the pandemic. Most financial institutions had to scramble to operate remotely. We did not have that distraction, and that meant we could be fully focused on supporting you from day one.
- Digital banking became more important than ever, and we are thankful we completed our conversion to our very robust platform almost a year prior to the pandemic.
- We had drive-up lanes!
- Our biggest advantage was our staff. They were used to moving fast, putting members first, and dealing with a rapid rate of change. In hindsight, taking on the two biggest challenges a credit union can face, and tackling them at the same time had our staff ready for a challenge as big as the pandemic. They are champs and I am proud and thankful for every single one of them!

Be Well,



James Gergen

Chief Executive Officer