

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 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

Greer – 1445 Hwy 101 South

Simpsonville – 307 Harrison Bridge Road

Spartanburg – 240 East Blackstock Road

Greenville at Butler Rd – 1270 East Butler Road

Greenville at Augusta – 1111 Augusta Street



2023 Annual Report



Message from the Board Chair

It's my distinct pleasure to welcome the members of our board, our dedicated staff, and the valued members who are joining us today to the 69th CPM Annual Meeting.

CPM opened its doors in 1955. Back then, the only location was an old construction shed at the Charleston Paper Mill. The simple mission of its founders was to empower members and our community with opportunities for a brighter financial future.

Fast forward to the year 2023, we continue to live our vision and values. CPM has 11 branches throughout the state of South Carolina. We provide over 1,100 surcharge-free ATMs in South Carolina. Additionally, we have over 65,000 nationwide – more than Wells Fargo and Bank of America combined. We remain financially strong, continuing our record of earning a 5-star rating from the independent rating firm Bauer Financial. We are also proud to announce that we reclaimed our 4.9-star rating in our digital banking app.

In 2023, we raised the bar and continued to reach each goal we set for ourselves, resulting in a record-breaking year. We added over 1,280 net new members and increased our total membership to 63,186. We remained dedicated to assisting our members and achieved \$403,989,311 in total loans. Your continued trust in us resulted in a record deposit growth of \$555,237,095.

2023 is a testament of CPM's dedication to enhance our services and elevate the credit union experience.

When we say that Carolina People Matter, we include every employee. We are proud to announce that in 2023, CPM was recognized once again as one of the Best Places to Work in South Carolina. This achievement is a testament of the daily kindness shown to the fine people who work with us. Thank you for your commitment and for your character.

CPM is committed to encouraging the pursuits of our young adult members. We are happy to report that \$7,500 in scholarship funds were awarded to six promising CPM students. Our best wishes go to the students as they continue their education.

The mission to empower members and our community with opportunities for a brighter financial future hasn't changed, but the size and scope of CPM have certainly evolved. I guess you could say good news really travels! Our members have spread the word that CPM is truly a testament that "Carolina People Matter!" Thank you for joining us today as we work together to build an even brighter future. Together, we can continue to build a credit union that empowers our members to thrive.



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, 2023. In this report, we present the unaudited calendar 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 2023 report.

Sincerely,



Ardith Rossignol, Supervisory Committee Chair



Comparative Balance Sheets >>>

	<u>2022</u>	<u>2023</u>
Gross Loans	369,705,970	403,989,311
Allowance for Loan Loss	<u>(1,827,723)</u>	<u>(5,358,772)</u>
Net Loans	367,878,247	398,774,529
Cash/Investments	172,067,672	177,268,906
Net Fixed Assets	18,949,596	18,529,422
Total Other Assets	<u>23,943,261</u>	<u>25,827,179</u>
Total Assets	<u>582,838,776</u>	<u>620,400,036</u>
Accrued Dividends	6	353
Accrued Expenses/Accounts Payable	<u>5,918,667</u>	<u>9,605,294</u>
Total Liabilities	5,918,673	9,605,647
Total Shares	523,566,042	555,237,095
Undivided Earnings	55,356,441	57,015,636
Other Comprehensive Equity	<u>(2,002,380)</u>	<u>(1,458,341)</u>
Total Shares and Members Equity	576,920,103	610,794,389
Total Liabilities and Equity	<u>582,838,776</u>	<u>620,400,036</u>

Statement of Income >>>

	<u>2022</u>	<u>2023</u>
Interest on Loans	14,459,631	20,224,570
Interest on Investments	<u>2,074,021</u>	<u>3,117,327</u>
Total Interest Income	<u>16,533,652</u>	<u>23,341,897</u>
Dividends	1,283,976	4,646,210
Cost of Borrowed Funds	<u>0</u>	<u>61,188</u>
Total Interest Expense	<u>1,283,976</u>	<u>4,707,398</u>
Net Interest Income	15,249,676	18,634,499
Provision for Loan Losses (PLL)	<u>(767,819)</u>	<u>(2,580,558)</u>
Net Interest Income after PLL	<u>14,481,857</u>	<u>16,053,941</u>
Non-Interest Income	16,119,253	14,416,098
Total Operating Expenses	25,682,402	27,911,719
Non-Operating Gains/Losses	<u>57,646</u>	<u>(32,947)</u>
Net Income	<u>4,976,354</u>	<u>4,525,373</u>

***“Times Are
Challenging
But We
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

Supervisory Committee Members

Ardith Rossignol, Chair
Victoria Montgomery, Secretary
John Brisini
Cameron Duthie

Year in Review >>>

Since we last met:

- We built on our success as a SC Best Places to Work, and since winning we rolled out the Calm app to staff, held our best employee day ever, and added even more support for our formal career progression programs.
- To better serve our members, we launched residential construction lending with a program that offers construction financing which transitions to permanent financing. We have our first loan that has already transitioned, and several more will follow right behind it.
- We redesigned our parking lot and traffic flow at the Port Royal branch. Our new lot includes a go-around lane making it a lot easier for our members to exit.
- Mike mentioned we are back at 4.9 stars for our digital banking. Even with that rating we are not satisfied. We did not think our online account opening was good enough. We wanted best in state. We are underway with the project to deliver on best in state. We have work to do, but on this new platform we can now get there.
- Fraud and account takeover attempts have been just terrible. We will never text you a code and ask for it. We are underway with numerous solutions to better protect our members and the credit union. We've got solutions with AI. We've got solutions with biometrics. We've got solutions that identify synthetic ID fraud. We are turning on new systems and tuning new systems just as fast as we can, and the staff is very excited to have these new tools.
- About a year ago we partnered with other CUs to offer a low-friction loan which was decided and funded in seconds. The experience and the member response has been an eye opener for us. FinTechs have been leading at delivering low-friction experiences and it is important we learn what works and what doesn't as we develop our own low-friction experiences.
- We are about a year into using an AI algorithm to help us decision most consumer loans. We are still early in that journey, and still tuning, but we love the speed and consistency of this tool, and we will be doing lots more with it this year.

That is a lot about what is new. What is always so impressive to me about the people I work with is their ability to run business as usual while at the same time reinventing the business. Their attitude and their skillset is our great strength. Lots of CUs are merging to achieve "scale". I used to think about scale in terms of the necessary asset size of a CU to thrive. I now think of scale in terms of the capability of the people in the organization to adapt and thrive in new and rapidly changing environments.

When faced with a challenge, our team is quick to say "we got this" and then they make things happen. Because of them we have the scale needed to survive and thrive, and for their talent, their energy, and their enthusiasm, I am incredibly grateful. They are our scale.

On behalf of the entire staff, we are incredibly grateful to our volunteers. They are unpaid and I can't begin to tell you how much time they give the credit union and how very engaged they are. The amount of material we send them before a Board meeting is incredible, and they also attend committee meetings, CPM functions, conferences, and League events. They are also involved with many other community organizations. They are role models in giving back to their communities, and we deeply appreciate them for that.



Thank you,



James Gergen
Chief Executive Officer