



MAKING A DIFFERENCE

2023 Annual Meeting Report



CHAIRMAN'S MESSAGE

Together with our dedicated Board of Directors, I am proud to share that 2023 marked another successful chapter in our 80-year history. We have continued our journey of service, growth, and making a difference by staying true to our mission of "Members. Value. Community."

We are proud to report that our commitment to serving our members remained steadfast. In 2023, we shared our success by providing active members a Bonus Dividend on shares and a loan interest rebate to our borrowers, paying out more than \$1,000,000 into share accounts. Over the past 16 years, the bonus dividends and loan interest rebates we've provided to members have totaled \$15.4 million, demonstrating our unwavering commitment to being With You.

One of the cornerstones of our success lies in our dedication to giving back to the communities we serve. Last year, we were pleased to award \$100,000 in With You grants to 34 schools in the St. Louis and Chicago metro areas. These grants furthered educational opportunities, empowering the next generation of leaders within our communities. Since the inception of the With You grant program in 2020, the Scott Credit Union Community Foundation has awarded more than \$205,000 to educational institutions, making a tangible difference in the lives of countless students and educators.

As we marked our 80th anniversary in 2023, our employees celebrated by committing to complete 80 Acts of Kindness in our communities. Our employees

far exceeded this goal by completing an astounding 104 Acts of Kindness in 41 communities. Moreover, all SCU departments and 24 branches participated in various projects.

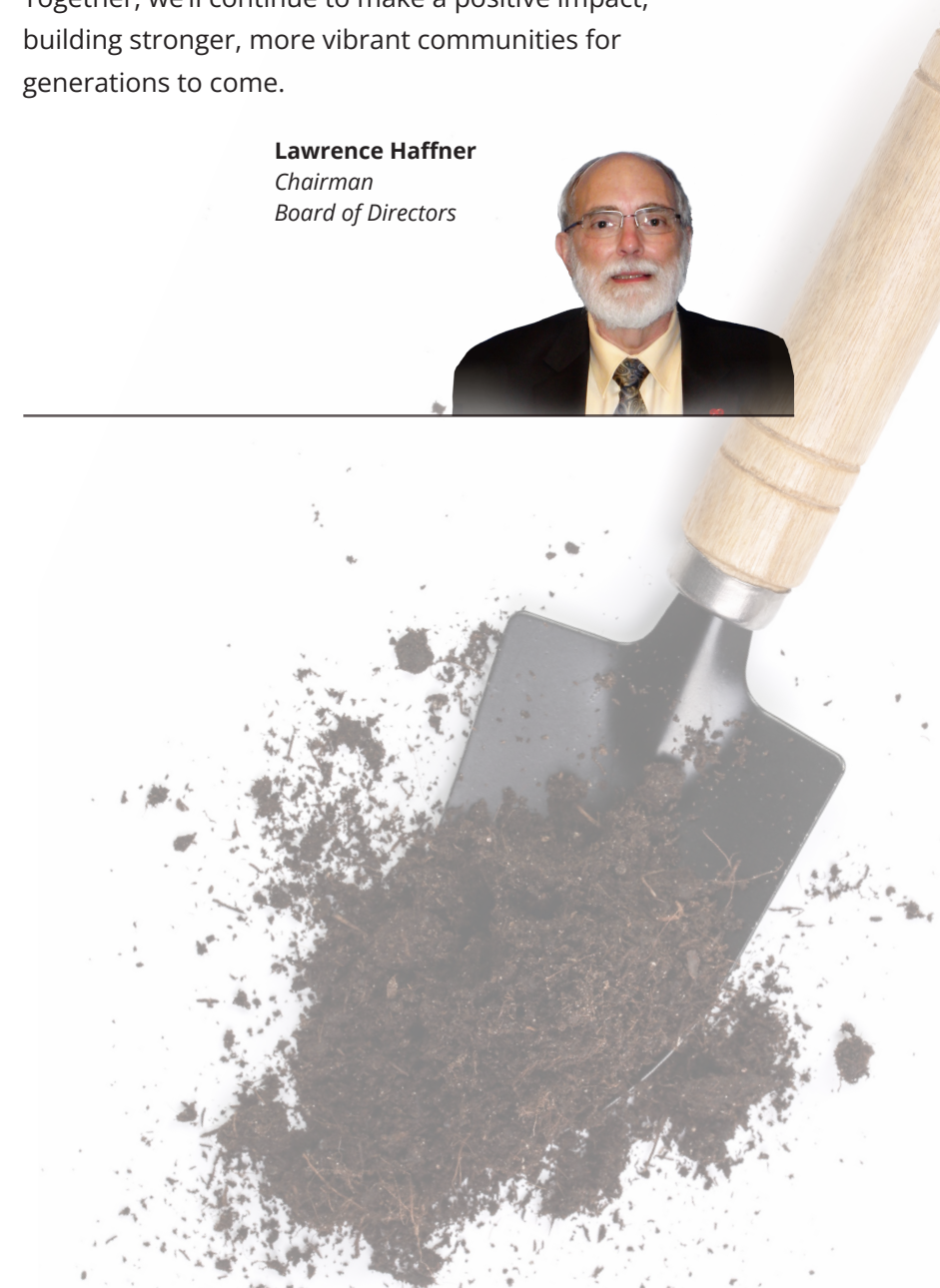
The initiative commenced with planting trees in collaboration with Heartland Conservancy. From there, our employees supported other organizations, including serving meals at the Ronald McDonald House Charities of St. Louis, providing essential diaper supplies to Metro East Diaper Bank, and providing household items and assisting in preparing houses at the Veterans Community Project. Our partnership with the KMOV Surprise Squad continued to flourish as we provided joy and support to local families in need.

In addition to our philanthropic endeavors, we expanded our financial literacy initiatives to empower individuals of all ages within our community. Our comprehensive financial literacy program now includes a free financial education video series titled "Who Knew? SCU." We also partnered with Banzai, which provides free financial coaching and resources, equipping individuals with the knowledge and tools necessary to achieve financial wellness and success. Furthermore, we have continued our partnership with the St. Louis Cardinals through our Budgeting Buddies program to deliver financial literacy education to students, fostering financial empowerment and responsibility from an early age.

As we look to the future, we remain steadfast in our commitment to serving our members and communities with excellence. We extend our deepest gratitude to you,

our members, for your unwavering trust and support. Your loyalty drives us forward, and we're honored to be with you every step of the way on your financial journey. Together, we'll continue to make a positive impact, building stronger, more vibrant communities for generations to come.

Lawrence Haffner
Chairman
Board of Directors



PRESIDENT'S LETTER

In the past year, we have been able to learn and grow together, and our commitment to our vision of Building Better Financial Futures continues to be an inspiring force shaping our future.

The credit union's strategic priorities serve as a framework to guide the organization's initiatives and activities. These priorities support our distinct vision by outlining Scott Credit Union's value proposition for our members. These endeavors serve as a guiding force as we extend the credit union's legacy in helping employees, members, and communities achieve financial success.

In 2023, we launched an improved website (scu.org) and a new product, CashBack Checking. This product provides members the opportunity to earn CashBack Rewards on debit card purchases each month as an alternative to our existing interest-bearing accounts. In addition, we raised a record amount of money for the Scott Credit Union Community Foundation through the annual employee campaign, golf tournament, and debit card transactions from members, with a portion of those transactions supporting the Foundation.

Additionally, on the employee front, our Diversity, Equity and Inclusion Council prepared for the launch of five Employee Resources Groups, we reinstated our annual Family Event, and added the inaugural Service Excellence Summit, allowing all employees to come together in the fall to celebrate the credit union's culture of service excellence. These events were the first in-person, all-company events since January of 2020, and we were thrilled to see everyone face-to-face again.

We set out to conduct 80 Acts of Kindness in 2023 to celebrate 80 years of serving members, delivering value, and serving communities. We wouldn't be where we are today without the trust of our neighbors, so it is important for us to continue to give back and show our appreciation for them

and the communities. Because of the kindness of SCU employees, there are stocked food pantry shelves, lunches for school children, diapers for babies, pet supplies for furry friends, beautified green spaces, and brightened days for seniors and people with developmental disabilities. We surpassed the goal of 80 Acts by completing over 100 Acts of Kindness to organizations that provide invaluable resources to people in our communities.

To further our support in the community, we contributed financial donations of over \$150,000 and volunteered over 1,100 hours to a variety of community efforts and charitable causes – in addition to the Acts of Kindness. Over the past 16 years, we've donated over \$4 million, and our employees have volunteered more than 25,000 hours to causes in both Illinois and Missouri.

We were honored to again be named a Top Workplace for the 10th time in 12 years. On the list of similar-sized employers in St. Louis, we ranked 45 and were the top credit union. And an equally great success story: more than 93% of our workforce participated in the survey.

We were proud to continue the tradition of providing a bonus dividend and loan interest rebate; in 2023, we gave over \$1 million to members.

We finished 2023 with regulatory capital at \$160.5 million, which is 9.14% of assets. This is above the 7.00% regulatory standard that is considered well-capitalized. Our net earnings for 2023 were \$9.3 million. Our assets at the end of 2023 were at \$1.74 billion. Membership in 2023 decreased 2.28% from 2022 to 148,814 members.

As we embark upon 2024, I look forward to SCU's continued focus on our mission, our shared vision, and our commitment to even greater achievements.

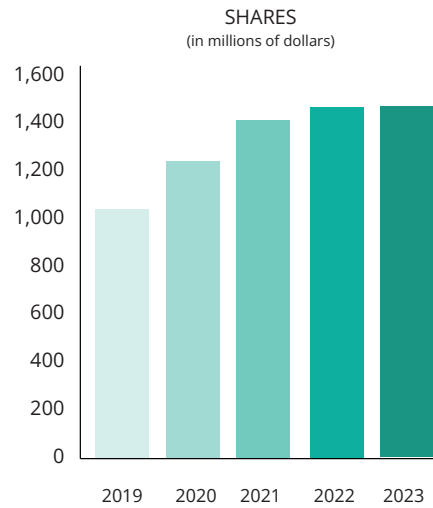
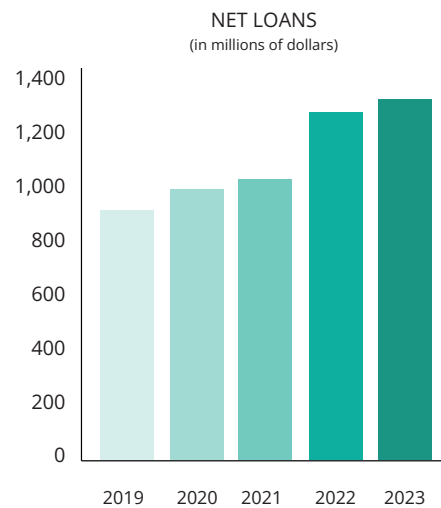
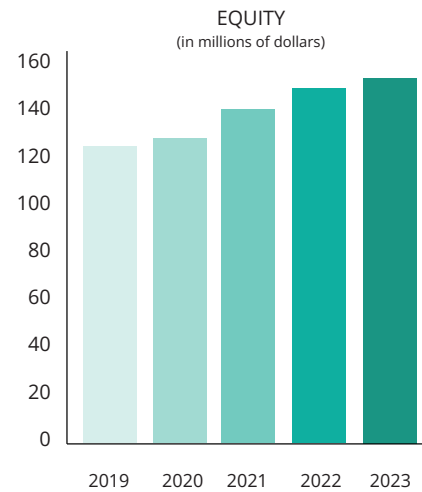
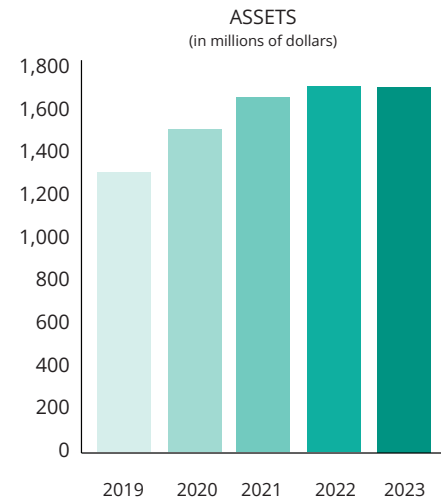
This annual report offers acknowledgment and gratitude for the hundreds of dedicated staff and our committed Board of Directors who volunteered in 2023, and our thousands of members who make these efforts possible. Together, we are making a difference.

Thank you.

Frank M. Padak
President & CEO



FIVE-YEAR PERFORMANCE



	2023	2022	2021	2020	2019
Total Assets	\$1,741,583,732	\$1,751,826,315	\$1,647,347,103	\$1,455,808,260	\$1,268,134,426
Total Shares	\$1,544,494,933	\$1,557,613,786	\$1,482,255,291	\$1,280,764,292	\$1,085,495,611
Total Members	148,814	152,284	149,197	144,174	144,353
Dividends Paid	\$14,843,193	\$5,945,016	\$5,797,938	\$7,787,548	\$8,538,583
Loans Net	\$1,252,729,482	\$1,346,463,176	\$1,109,004,931	\$1,031,460,610	\$976,632,254
Number of Loans Granted	13,686	23,889	21,338	21,447	20,226
Amount of Loans Granted	\$495,968,879	\$784,394,668	\$675,139,044	\$627,590,334	\$487,167,943
Number of Loans	74,865	80,478	76,498	78,398	81,687
Gross Income	\$105,927,388	\$85,116,297	\$73,300,247	\$69,267,730	\$68,599,112
Net Interest Margin	\$46,080,706	\$45,870,776	\$44,237,627	\$30,805,819	\$30,862,281
Net Income	\$9,313,135	\$8,623,402	\$7,683,502	\$4,504,230	\$8,331,540

BALANCE SHEET

(Dollars in Thousands)

ASSETS	2023	2022
Cash and cash equivalents	\$ 19,142	\$ 20,867
Equity securities	1,936	1,816
Available-for-sale debt securities, at fair value (amortized cost \$162,674, net of allowance for credit losses \$0 and amortized cost \$179,657)	147,176	159,749
Held-to-maturity debt securities, net of allowance for credit losses of \$0 (fair value \$21,723 and \$23,986)	22,407	25,199
Other investments	155,182	66,678
Federal Home Loan Bank (FHLB) stock	10,277	2,751
Loans held-for-sale	529	898
Loans receivable, net of allowance for loan losses	-	1,346,463
Loans receivable, net of allowance for credit losses of \$13,812	1,252,729	-
Accrued interest receivable	4,500	4,151
Premises and equipment, net	33,977	35,251
National Credit Union Share Insurance Fund deposit	14,622	14,867
Assets acquired in liquidation	136	276
Goodwill	8,271	8,271
Right-of-use assets	3,335	4,423
Other assets	67,365	60,166
Total Assets	\$ 1,741,584	\$ 1,751,826

LIABILITIES AND MEMBERS' EQUITY

Liabilities

	2023	2022
Share and savings accounts	\$ 1,544,495	\$ 1,557,614
Borrowed funds	25,000	35,000
Interest payable	1,563	577
Lease liabilities	3,335	4,423
Accrued expenses and other liabilities	23,514	22,325
Total liabilities	\$ 1,597,907	\$ 1,619,939

COMMITMENTS AND CONTINGENT LIABILITIES

Members' Equity

Undivided earnings	\$ 155,173	\$ 147,792
Accumulated other comprehensive loss	(15,499)	(19,908)
Equity acquired from acquisitions	4,003	4,003
Total members' equity	\$ 143,677	\$ 131,887

Total Liabilities and Members' Equity

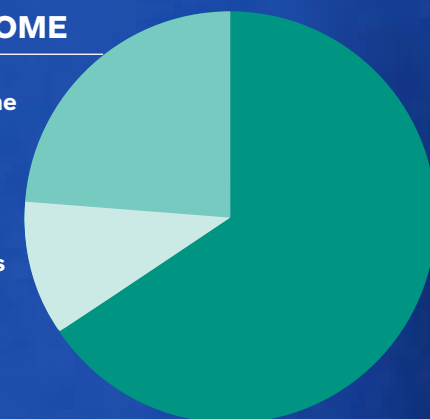
\$ 1,741,584 **\$ 1,751,826**

2023 SOURCES OF INCOME

Other Income
\$23,408,772
22.10%

Investments
\$14,971,682
14.13%

Loans
\$67,546,934
63.77%



INCOME STATEMENT

(Dollars in Thousands)

	2023	2022
Interest Income		
Interest on loans receivable	\$ 67,547	\$ 55,039
Interest on investments	14,972	6,685
Interest income	82,519	61,724
Interest Expense		
Dividends on share and savings accounts	14,843	5,945
Interest on borrowed funds	7,565	2,252
Interest expense	22,408	8,197
Net Interest Income	60,111	53,527
Provision for Credit/Loan Losses	14,030	7,657
Net Interest Income After Provision for Credit/Loan Losses	46,081	45,870
Non-Interest Income		
Service charges	10,693	10,559
Card income	9,714	10,308
Other non-interest income	2,026	1,772
Commission income	555	754
Equity/Trading securities profits, net	211	-
Gain on disposition of assets acquired in liquidation, net	195	-
Gain on disposition of premises and equipment, net	15	-
Non-interest income	23,409	23,393
Total Net Income	\$ 69,490	\$ 69,263

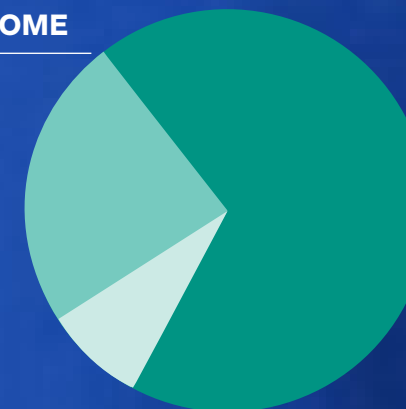
	2023	2022
Non-Interest Expense		
Compensation and employee benefits	\$ 29,689	\$ 28,326
Operations	16,536	16,399
Occupancy	4,643	4,512
Loan servicing	4,333	4,270
Professional and outside services	2,621	3,850
Education and promotion	2,355	2,506
Equity/Trading securities losses, net	-	97
Other gains and losses, net	-	676
Loss on disposition of premises and equipment, net	-	4
Total non-interest expense	\$ 60,177	\$ 60,640
Net Income After Expenses	\$ 9,313	\$ 8,623

2023 DISTRIBUTION OF INCOME

Dividends &
Interest
\$22,408,207
21.15%

Members'
Equity
\$9,313,135
8.79%

Operating Expenses
\$74,206,046
70.05%



LEADERSHIP

BOARD OF DIRECTORS

Lawrence Haffner
Chairman

Jacob Curtis
Vice Chairman

Michele Gehlbach
Secretary

Frank Padak
Treasurer

Jessica Haugen

Joy Hayward

Debbie Lane

LaJuan Miller

Christopher Sobrino

ASSOCIATE DIRECTORS

Lucrecia Cordon-Springer

Nathan Richard

Angela Stewart

EMERITUS DIRECTOR

William "Pete" Hostetter

EXECUTIVE OFFICERS

Frank Padak
*President &
Chief Executive Officer*

Scott Seidl
Executive Vice President

David Bressler
Chief Lending Officer

Joanne Hernandez
Chief Operating Officer

Carla Lambrecht
Chief Information Officer

Scott Peters
Chief Financial Officer

Val Rhoden-Kimbrough
*Chief Human Resources
Officer*

Michelle Wazlawek
Chief Marketing Officer

LOCATIONS

Home Office

101 Credit Union Way
Edwardsville, IL 62025

Affton

9100 Gravois Road
St. Louis, MO 63123

Ballpark Village

6 Cardinal Way
Suite 130
St. Louis, MO 63102

Breese

301 N. 4th Street
Breese, IL 62230

Chicago

Jesse Brown
VA Branch
820 S. Damen Ave.
Suite 1408
Chicago, IL 60612

Collinsville

1100 Belt Line Road
Collinsville, IL 62234

Columbia

1000 Eleven South
Suite 2A
Columbia, IL 62236

Crestwood

9792 Watson Road
St. Louis, MO 63126

East Belleville

2020 N. Belt East
Belleville, IL 62221

Edwardsville

1067 S. State Route 157
Edwardsville, IL 62025

Evergreen Park

9059 S. Kedzie
Evergreen Park, IL 60805

Fairview Heights

555 Lincoln Highway
Fairview Heights, IL 62208

Ferguson

10797 New Halls Ferry Road
St. Louis, MO 63136

Highland

12455 State Route 143
Highland, IL 62249

Ladue

8866 Ladue Road
Suite 100
St. Louis, MO 63124

Lebanon

107 E. Schuetz Street
Lebanon, IL 62254

Mascoutah

1248 W. Main Street
Mascoutah, IL 62258

O'Fallon

712 W. Highway 50
O'Fallon, IL 62269

Scott AFB

302 W. Winters Street
Scott AFB, IL 62225

Trenton

28 W. Broadway
Trenton, IL 62293

Troy

501 Edwardsville Road
Troy, IL 62294

Waterloo

1019 N. Illinois Route 3
Waterloo, IL 62298

West Belleville

4807 W. Main Street
Belleville, IL 62226

Wood River

570 Wesley Drive
Wood River, IL 62095





Member Contact Center:
(618) 345-1000 or (800) 888-4728

Scott Credit Union is an Equal Opportunity Employer.



Federally Insured by NCUA