

# ALWAYS BY YOUR SIDE

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## 2022 ANNUAL REPORT

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**EASTMAN  
CREDIT  
UNION®**  
ECU BESIDE YOU

*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.*

# CHAIRMAN AND CEO'S REPORT

At Eastman Credit Union, extraordinary is in everything we do, and this year was no different. 2022 was another remarkable year full of growth, exceptional service, and new milestones, all of which wouldn't be possible without you, our loyal members.

In 2022, assets grew 5%, to a total of \$7.48 billion, and membership increased by 20,643, ending the year with over 304,000 members. ECU experienced another extraordinary year of loan growth and added \$792 million, or an increase of 14%, to the loan portfolio.

## ***Here's a look at some of the highlights from 2022:***

Announced another \$15 million Extraordinary Dividend, totaling \$177 million returned to members since 1998

Continued to surpass 80% happy members on the annual member survey and received a Net Promoter Score of 87.3%

Expanded the Field of Membership, extending service capabilities to new areas and counties in Tennessee

Named as a 2022 Top Performer by our Mystery Shop provider in the following categories: Competitive Comparison, Referral Rating, Emotional Connection, and Use of Name

Received a ranking of 17<sup>th</sup> among the Top 100 Performing Credit Unions nationwide by S&P Global Market Intelligence

Reached an outstanding membership milestone, surpassing 300,000 members worldwide

Opened a new, innovative branch in downtown Kingsport, TN, offering drive-through and curbside services

Purchased property for a future branch location in Elizabethton, TN

Opened a new full-service branch in Hallsville, TX

Partnered with Banzai!, an online financial literacy program, to help educate members and the youth in our communities about real-world finances

Held multiple events across our field of membership, including shred days and virtual seminars to educate members on various financial topics

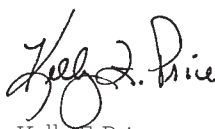
Contributed more than \$940,000 to 180 charitable and community organizations

With a net worth of 12.97%, ECU remains strong and steadfast in the communities we serve. We are able to achieve this high standard because of our dedicated members and our commitment to putting you first in all that we do. We look forward to being part of your journey in the years to come because, after all, ECU is always by your side.

Sincerely,



E. Wayne Kirk  
*Chairman*



Kelly F. Price  
*President & Chief Executive Officer*





## TREASURER'S REPORT

Financial results for the year ending December 31, 2022 were very positive. Assets grew \$358 million or 5%, while member deposits grew \$209 million or 3%. This level of deposit growth compares favorably with peer averages.

Total loans grew \$792 million or 14% to a total of \$6.3 billion as of December 31, 2022. Mortgage and home equity loans grew \$286 million or 9%, consumer loans grew \$328 million or 18%, business loans grew \$160 million or 32%, and Visa loans grew \$18 million or 15%. Loan losses in 2022 remain at low levels.

Of the \$209 million in deposit growth, \$219 million or 9% was in member shares. Checking account balances grew \$99 million or 10%, IMMA account balances declined \$36 million or 5%, and investment certificates declined \$73 million or 3%.

Return on assets (ROA) from continuing operations was 2.01%. ROA, after declaration of a \$15 million extraordinary dividend was 1.81%. The interest rate environment in 2022 was again challenging for all financial institutions. Strong post-pandemic consumer spending, supply chain disruptions, and labor shortages resulted in the Federal Reserve aggressively increasing short term interest rates during 2022. The Federal Reserve increased the Federal Funds target rate (or range) during seven consecutive meetings in 2022 from a historic low mark to a fifteen-year high. Even with the challenge of a rapid increase in short term interest rates and the result of an inverted yield curve, ECU's ROA compared favorably to peer institutions. Effective management of gross margin and operating expenses, coupled with low loan losses, and steady non-interest income were the key drivers of ROA in 2022.

After a Board declared Extraordinary Dividend of \$15 million, net worth was 12.97% on December 31, 2022, an increase from 11.73% as of year-end 2021. The increase in the net worth ratio is attributed to a strong ROA and lower than anticipated asset growth. Total equity was \$964 million, an increase of \$133 million from the previous year. Net worth remains exceptionally strong by regulatory standards.

As described above, 2022 was an exceptional year for Eastman Credit Union. Though all financial institutions will face ongoing economic, regulatory, and competitive challenges, ECU is 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	\$2,197	\$328	18.0%
Mortgage	3,088	237	8.0%
Home Equity	254	49	24.0%
Visa	134	18	15.0%
Member Business Loans	655	160	32.0%
<b>TOTAL</b>	<b>\$6,328</b>	<b>\$792</b>	<b>14.0%</b>

## 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 2022.

# EASTMAN CREDIT UNION CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED BALANCE SHEET

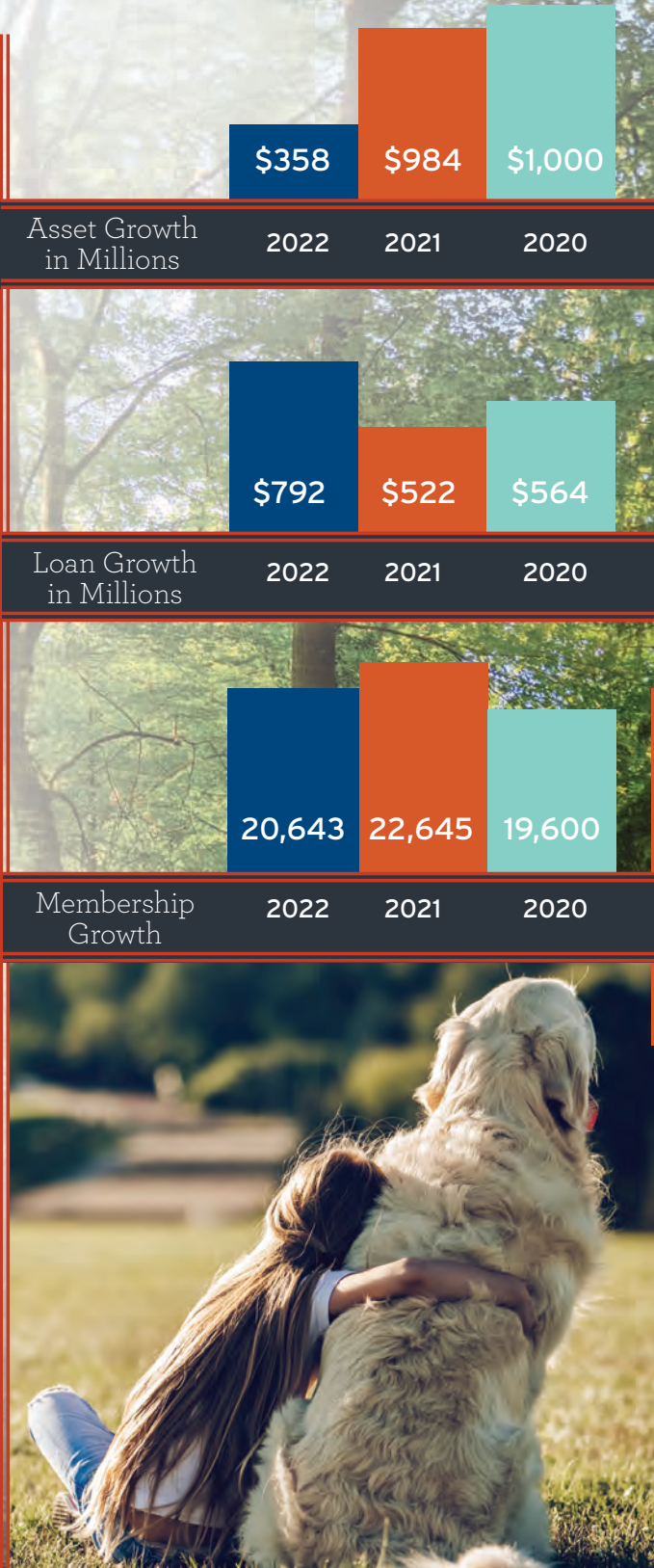
As of December 31, 2022 and 2021 (unaudited)

	2022	2021
<b>ASSETS:</b>		
Cash and Cash Equivalents	\$ 921,394,385	\$ 1,416,376,550
Investments (Net)	69,190,706	15,097,626
Loans to Members (Net)	6,302,508,646	5,515,171,591
Premises & Equipment (Net)	93,631,802	91,820,745
Other Assets	95,079,916	85,136,863
<b>Total Assets</b>	<b>\$ 7,481,805,455</b>	<b>\$ 7,123,603,375</b>
<b>LIABILITIES AND RESERVES:</b>		
Member Shares	\$ 2,591,509,344	\$ 2,372,353,818
Member Certificates	2,077,943,380	2,150,604,305
Share Drafts	1,069,375,854	969,826,008
Insured Money Market Accounts	691,843,477	728,074,839
Interest & Dividends Payable	15,000,095	15,000,040
Other Liabilities	71,956,411	56,519,418
Members' Equity	964,176,894	831,224,947
<b>Total Liabilities and Reserves</b>	<b>\$ 7,481,805,455</b>	<b>\$ 7,123,603,375</b>

## CONSOLIDATED INCOME STATEMENT

For the years ended December 31, 2022 and 2021 (unaudited)

	2022	2021
<b>INCOME:</b>		
Interest on Loans	\$ 253,343,508	\$ 229,335,016
Interest on Investments	20,562,384	1,645,800
<b>Total Income</b>	<b>273,905,892</b>	<b>230,980,816</b>
<b>COST OF FUNDS:</b>		
Dividends on Share Accounts	22,845,137	21,300,365
Interest on Deposit Accounts	30,164,725	35,799,601
Interest on Borrowed Funds	-	190
<b>Total Cost of funds</b>	<b>53,009,862</b>	<b>57,100,156</b>
<b>Net Interest Income</b>	<b>220,896,030</b>	<b>173,880,660</b>
Less: Provision for Loan Losses	10,700,000	2,700,000
<b>Net Interest Income After Provision</b>	<b>210,196,030</b>	<b>171,180,660</b>
Less: Net Operating Expenses	75,301,941	70,944,513
<b>Net Income</b>	<b>\$ 134,894,089</b>	<b>\$ 100,236,147</b>





# BOARD OF DIRECTORS



Jeff W. Anderson



Gary A. Bass



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*



Jennifer N. Wolfe

## Audit Committee

Jeff W. Anderson  
Kyle P. Macione, *Chairman*  
Jennifer N. Wolfe

## 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

## Finance Committee

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



# EXECUTIVE TEAM

## (Back Row)

Mark E. Millwood, *Chief Human Resources Officer*  
Kevin D. Hill, *Chief Brand Officer*  
Jeremiah E. Lounds, *Chief Operating Officer*  
Matthew H. Wimberley, *Chief Legal Officer & General Counsel*  
Darrell E. Dinsmore, *Chief Administrative Officer*  
Russell G. Ayscue, *Chief Information Officer*

## (Front Row)

Tonja R. Fish, *Chief Financial Officer*  
Kelly F. Price, *President/CEO*  
Dolly T. Linkous, *Chief Lending Officer*



## 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
	Highway 149, Kodak Boulevard	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  
Internet Access  
[www.ecu.org](http://www.ecu.org)

