



Annual Report

Credit Union 1

Brand Story

Our interests, passions and pursuits are what make each of us who we are. At Credit Union 1, our first love just happens to be banking. But we're not just interested in your financial goals. We're invested in solutions that help you achieve them. From our powerful mobile app to our personalized in-branch banking services, you will have both the financial tools at your fingertips and the fine folks of our member-owned credit union in your corner.

Positioning Statement

Credit Union 1 is the only financial institution that delivers the personal, hands-on support of a community credit union with the tech-forward convenience of a global bank.



Combined Mission/Vision

Deliver a personalized and convenient banking experience that helps create a brighter financial future for your community.

The Values That Guide Us

Be Great

We take pride in what we do, so we do it well. We bring our A-game wherever we go to give our members an exceptional and supportive banking experience when and where they need it.

Be Engaged

We don't believe in one-size-fits-all. We listen attentively, understand thoroughly, and create solutions collaboratively to set our members up for long-term success.

Be Open

We embrace big ideas and new perspectives to stay focused on the future while staying true to who we've always been.

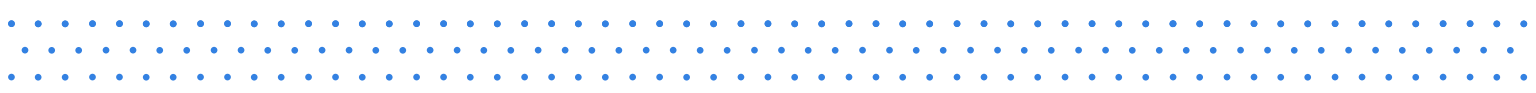
Be Nice

We're all for one, and one for all. By fostering kindness, embracing open-mindedness, and investing in our community, we're proud to help create a better future for everyone.



Table of Contents

CU1's Brand Story	1
Mission, Vision, and Core Values	2 & 3
Chairman's Report	4 & 5
President's Report	6 & 7
2023 Year in Review	8
Community Investment	9 & 10
Credit Union 1 At a Glance	11
Financials	12 & 13
Executive Team & Board of Directors	14





Chairman's Report

Bob Eberhardt, Chairman

As we reflect on the challenges and uncertainties that unfolded in the financial services industry

throughout in 2023, Credit Union 1 stood resilient in the face of external factors beyond our control. We can all try to be Monday morning quarterbacks or arm-chair economists, but no one can truly predict the future of inflation, interest rates, unemployment or consumer spending.

We have witnessed the Federal Reserve implementing 11 rate increases during the 2022-2023 cycle; four of those coming in 2023. Will the Fed revise its rates in 2024? The answer is "Yes", but no one knows whether up or down, or even of equal importance, when.

Those rate increases directly affect our members, influencing both borrowing and lending. Auto loans have more than doubled, reaching over 8% and 30-year mortgage rates have surged from 3.4% to 7%. While these challenges make lending more complex for financial institutions industry-wide, one year CD rates have risen from 0.3% to 4.5%, offering a positive outcome for savers.

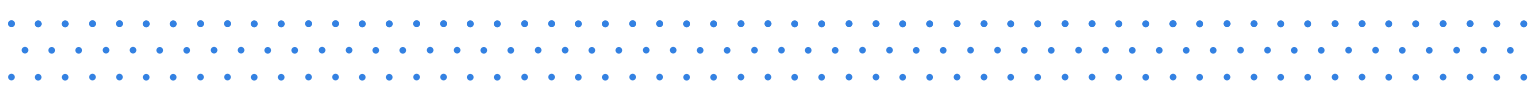
Amid these external factors, Credit Union 1 remains steadfast in its commitment to our primary goals –



Providing unparalleled service to our members and fostering continued growth.

In focusing on our mission, these are a few of our key achievements in 2023:

- We expanded Credit Union 1 through our **strategic mergers** with the Midwest Carpenters & Millwrights Federal Credit Union (Hobart, IN) and Kankakee Terminal Belt Credit Union (Kankakee, IL). Welcome to the Credit Union 1 family!
- We continue to embrace the **digital era** and actively have guided an average of 2,000 members monthly towards our online banking platform – enhancing accessibility and convenience.
- We successfully launched our **financial wellness** programs to members including Notre Dame student-athletes, and in collaborations with Cook County, the University of Illinois-Chicago, Emory University, and Emory Healthcare, showcased our commitment to the financial well-being of our members with over 1,800 users averaging 15 minutes per session on the platform.
- Our **strategic partnership** with the University of Notre Dame Athletics has garnered national attention, providing us with the opportunity to obtain naming rights to the Credit Union 1 Amphitheatre and becoming the Title Partner for the West Coast Conference Men's and Women's College Basketball Championship. Creating awareness of the CU1 brand helps attract new members that can benefit financially, making our communities stronger.



Chairman's Report

Bob Eberhardt, Chairman

As we look ahead to 2024, Credit Union 1 is poised for controlled growth that aligns with our strategic vision, reinforcing our brand and geographic presence. Recognized as a strong financial institution by both state and federal supervisory regulators, we remain committed to providing excellent service to our members and team members, as Credit Union 1 was once again recognized as a top workplace for the Chicagoland and Las Vegas markets.

I extend my gratitude to my fellow Board Members, Todd and his entire leadership team for their dedication to our strategic vision. And a special appreciation to our employees, the true face of Credit Union 1, for setting us apart and contributing to our success.

In closing, I express sincere appreciation to our 110,000+ members across the country. Your trust is the foundation of Credit Union 1, and we look forward to a healthy and prosperous 2024. Thank you!

Bob Eberhardt

Chairman, Credit Union 1 Board of Directors

Welcome KTBCU and MCMFCU Members!





President's Report

Todd R. Gunderson, CEO/President

As we reflect on the past year, we are delighted to share the achievements and recognitions that defined 2023 as an outstanding success. While it's challenging to capture the entirety of last year's endeavors in a single report, we aim to convey the immense pride that every member of the CU1 family takes in serving our member-owners, team members, and communities to the best of our abilities. The success of 2023 is a testament to the dedication and contributions of the incredible people we are privileged to serve.

A heartfelt thank you is extended to all Credit Union 1 members for their unwavering support. We also express gratitude to our Board of Directors, CU1 Executive Team, and the many outstanding team members who played pivotal roles in making 2023 a banner year for Credit Union 1.

Our esteemed CU1 team, which I consider the finest group I have ever worked with, showcased their passion for service and tireless commitment throughout 2023. They have dedicated themselves to delivering the highest level of service to our 100,000+ members and growing, continually presenting ideas to enhance our operations. CU1 is grateful to the communities we serve, reciprocating the warm welcome with our commitment to supporting these markets financially and through volunteerism, embodying the CU1 vision of "driving family and community success."

In 2023, CU1 expanded its reach by merging with two institutions: Kankakee Terminal Belt Credit Union based in Kankakee, Illinois, and Midwest Carpenters Millwrights Federal Credit Union (MCMFCU) located in Hobart, Indiana. These mergers brought CU1 an additional 17,000 members,

30 team members, \$8 million in capital, and \$105 million in asset size. These strategic gains contribute to our operational efficiency, cost reduction, and an expanded geographic footprint, fortifying Credit Union 1's strength and security.

The MCMFCU merger highlights CU1's ongoing commitment to partnering with membership bases tied to large select employee groups, complementing our existing strong partnerships with the State of Illinois and Cook County Employees and numerous other select employment groups.

Credit Union 1 thrived in 2023, with membership growth standing out as a strong indicator of our performance. Despite the many financial institution options available to our members, we experienced another solid year of new member-owners.

In the face of unprecedented prime interest rate hikes, reaching 8.5% by year-end, CU1 not only weathered the storm but flourished. While larger banks saw significant losses in deposits, CU1 achieved nearly \$103 million in deposit growth, driven by outstanding deposit rates. Our CU1 High-Yield Savings Account (HYSA) led the way with a remarkable 67% deposit growth, surpassing the previous year by \$72 million. Positioned at our strongest financially,



CU1 aimed to elevate the member experience in 2023,

introducing the "You asked, we listened." survey feedback process for all members to share their experiences.



President's Report

Todd R. Gunderson, CEO/President

Your invaluable feedback enabled us to implement new call center technology and adjust staffing hours to better serve our membership. CU1 will continue to survey your membership experience and use that feedback to make banking with CU1 an easy, hassle-free experience to meet your financial needs.

Throughout the year, CU1 extended millions in loans to our members to help purchase homes, autos, and fund business needs, contributing to a robust net income for 2023. This success elevated our Net Worth, or rainy-day fund, to 9.04% of assets—an increase from the 8.24% of the previous year, placing CU1 well above the regulatory threshold for a well-capitalized credit union, typically defined as 7% net capital.

In 2023, Credit Union 1 elected to implement a robust Artificial Intelligence (AI) strategy to better serve the needs of our members and modernize the overall member experience. Our chatbot named Luna was our first AI implementation, and we have since expanded Luna's "role" to serve as our interactive voice assistant (IVA) for members calling in. As Luna learns, it will recognize where members need the most help, allowing our in-person staff to provide increased support and offering our members a pathway for self-service, making access to their accounts or CU1 products available 24/7/365.

Credit Union 1 was excited to unveil the Credit Union 1 Amphitheatre in Tinley Park in 2023. The venue serves as a fantastic community hub for all of Chicagoland and builds on our partnerships with University of Notre Dame Athletics and University of Illinois Chicago to support spaces and activities that bring people together, bringing joy to members' lives.

CU1 is eager to use this significant stage to highlight how credit unions are the stable, community-focused solution for everyone, especially in times of economic uncertainty.

Looking ahead to 2024, we are excited about the new technology implemented in 2023 that will continue to enhance CU1's efficiency as a financial institution. Our commitment to improving members' user experience remains unwavering, whether online, on the phone, or in person. As we continue to advance with technology, it is essential to underscore the core of exceptional service originates directly from our CU1 team members. Our team comprises exceptional individuals who, together with advanced technology, contribute to a continuously evolving service platform. This commitment is our daily endeavor as we strive to deliver excellence to our valued CU1 membership base.

Your support is deeply appreciated. The outstanding success of Credit Union 1 is a direct result of the loyalty and support that you, the members, have generously given us over the years. We eagerly anticipate exceeding your expectations and financial needs in 2024 and beyond.

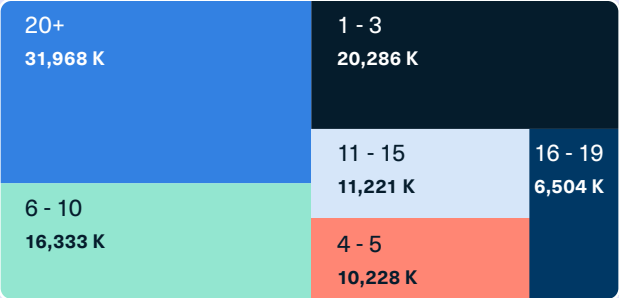
Todd R. Gunderson, CEO/President



2023 Year in Review

Credit Union 1's top priority will always be to support the financial success of the individuals, families, and communities we serve. The past year brought economic challenges due to the continued rise of inflation, but CU1 focused on strategic growth that expands our footprint and our ability to give members the best possible rates, products, and services.

Additionally, CU1 has continued to enhance our Digital and Mobile Banking experiences, to ensure that members have easy access to their funds for everyday banking. CU1 is grateful to our members, and we appreciate your continued business as we strive to help you reach your financial goals. Here are some key figures we would like to call out that represent your credit union's successes in 2023.

<p>\$17.3MM</p> <p>Total Financial Benefit to Members*</p>	<p>96,540</p> <p>Total Number of Members</p>	<p>70,868</p> <p>Digital Banking Users</p>	<p>\$1.7 B</p> <p>Total Assets</p>																
<p>2</p> <p>Total Number of Completed Mergers</p> <p>(Kankakee Terminal Belt Credit Union, Midwest Carpenters and Millwrights Federal Credit Union)</p>	<p>333</p> <p>Employees Empowered to Serve Members</p>	<p>Members by Tenure Range (Years)</p>  <table border="1"> <tr> <td>20+</td> <td>31,968 K</td> <td>1 - 3</td> <td>20,286 K</td> </tr> <tr> <td>6 - 10</td> <td>16,333 K</td> <td>11 - 15</td> <td>11,221 K</td> </tr> <tr> <td></td> <td></td> <td>4 - 5</td> <td>10,228 K</td> </tr> <tr> <td></td> <td></td> <td>16 - 19</td> <td>6,504 K</td> </tr> </table>		20+	31,968 K	1 - 3	20,286 K	6 - 10	16,333 K	11 - 15	11,221 K			4 - 5	10,228 K			16 - 19	6,504 K
20+	31,968 K	1 - 3	20,286 K																
6 - 10	16,333 K	11 - 15	11,221 K																
		4 - 5	10,228 K																
		16 - 19	6,504 K																

*Direct financial benefits to members during the 12 months ending December 2022 as defined in the CUNA Membership Benefits Report for Credit Union 1.



Community Investment

Credit Union 1 proudly supports numerous organizations throughout the year to help improve our communities.



As an official UIC Banking Partner, we have committed \$750,000 in scholarship money over the duration of our partnership. The Credit Union 1 Scholarship gives high-achieving students access to a University of Illinois at Chicago education, helping transform the lives of UIC Students, and in turn, the greater Chicago community.

Congratulations to the 2023 Credit Union 1 Scholarship recipients.

College of Business Scholarship

- **Cesar Lomeli-Pulido**
Senior
Streamwood, IL
Civil Engineering
- **Lucio Chaidez**
Junior
Belvidere, IL
Civil Engineering
- **Carlos Rios**
Junior
Aurora, IL
Civil Engineering
- **Lydia Vulich**
Junior
Willow Springs, IL
Civil Engineering
- **Avisekh Pokhrel**
Senior
Chicago, IL
Civil Engineering
- **Kevin Phillips**
Junior
Elmhurst, IL
Civil Engineering
- **Edwardo Serrano**
Junior
Chicago, IL
Civil Engineering
- **Jimena Adame**
Senior
Aurora, IL
Civil Engineering
- **Ismael Sanchez**
Senior
Franklin Park, IL
Civil Engineering
- **Christian Lemus**
Senior
Cicero, IL
Civil Engineering
- **Hanan Alghizi**
Senior
Skokie, IL
Civil Engineering
- **Oscar Sotelo-Cepeda**
Junior
Joliet, IL
Civil Engineering
- **Genesis Rivera-Rodriguez**
Junior
Oswego, IL
Civil Engineering

College of Medicine Scholarship

- **Deneb Zavala**
Freshman
Chicago, IL



College of Business Scholarship

- **Gráinne Giblin**

Senior
Crestwood, IL
Marketing

- **Jacob Sas**

Senior
Hoffman Estates, IL
Finance

- **Julien Vergara**

Junior
Winthrop Harbor, IL
Marketing

- **Brian Eke**

Junior
Chicago, IL
Finance



In 2022, we announced our partnership with the Golic Family Foundation, a charitable organization started by notable University of Notre Dame alumnus, former NFL player and veteran sportscaster Mike Golic and his family. Together, CU1 and the Golic Family Foundation offered \$100,000 in grants to local nonprofits serving the South Bend community and beyond in 2023.

Quarter 1 - 3 recipients received \$5,000 each and Quarter 4 recipients received \$12,500 each.

1st Quarter Grant Recipients

- Marian High School
- Mishawaka Food Pantry
- Beacon Resource Center
- Bikes for Kids
- Youth Service Bureau of St. Joseph County

2nd Quarter Grant Recipients

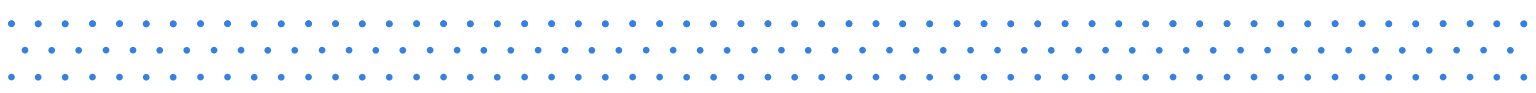
- First Tee
- Potawatomi Zoo
- Camp Millhouse
- Children's Museum of South Bend
- Tywckenham Hills Community Pool

3rd Quarter Grant Recipients

- Michiana Partners for Parkinson's
- St. Joseph High School
- Boys and Girls Club of St. Joe county
- Girl Scouts of Northern Indiana
- Meow Mission

4th Quarter Grant Recipients

- Ronald McDonald House
- Salvation Army



Credit Union 1 At a Glance

333

Total Number of Employees

101

Team Members Hired in 2024

13

Paid Holidays

8,058

Employment Applications
Received in 2023

130

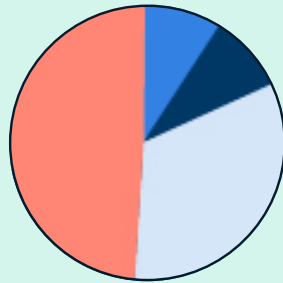
Employees with 5+ Years
of Service

4,760

Credit Unions in the
United States

Organization Culture Diversity

- 9% Baby Boomer
- 9% Gen Z
- 33% Gen X
- 49% Millennials



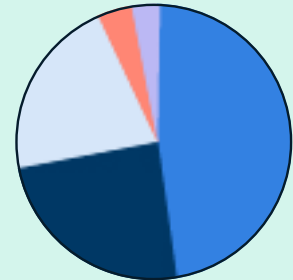
30%
Male

70%
Female

Organization Gender Makeup

Organization Culture Diversity

- 48% Caucasian
- 24% Hispanic
- 21% African American
- 4% Asian
- 3% Other



Financials

Statements of Financial Condition

December 31, 2023 & 2022 (unaudited)

Assets	2023	2022
Cash and Cash Equivalents	\$349,125,243	\$54,268,941
Interest-Bearing Time Deposits	\$4,078,056	\$14,578,707
Equity Securities	\$0.00	\$0.00
Securities Held-To-Maturity	\$47,634,997	\$70,667,789
Loans To Members (Allowance for Loan Loss)	\$1,193,091,978 \$(12,716,923)	\$1,338,621,843 \$(6,379,910)
Premises and Equipment, Net	\$20,862,106	\$25,253,121
Accrued Interest Receivable	\$5,039,647	\$4,651,176
Other Assets	\$91,913,564	\$84,316,724
Total Assets	\$1,699,028,668	\$1,585,978,392
Liabilities and Members' Equity		
Liabilities		
Accounts Payable & Accrued Liabilities	\$63,428,648	\$45,104,710
Accrued Dividend and Interest Payable	\$118,144	\$128,865
Borrowed Funds	\$65,379,487	\$70,000,000
Total Liabilities	\$128,926,279	\$115,233,575
Members' Equity		
Members' Shares	\$1,437,169,555	\$1,340,127,296
Reserves & Undivided Earnings	\$132,932,834	\$130,617,521
Total Members' Equity	\$1,570,102,389	\$1,470,744,817
Total Liabilities & Members' Equity	\$1,699,028,668	\$1,585,978,392
Net Worth Capital Ratio:	7.82%	8.24%

Financials

Statements of Income

Years Ended December 31, 2022 & 2021 (unaudited)

Interest Income	2023	2022
Interest on Loans	\$58,151,280	\$47,263,470
Interest on Securities	\$12,493,612	\$2,583,102
Total Interest Income	\$70,644,892	\$49,846,572
Interest Expense on Borrowed Funds	\$2,183,283	\$2,310,903
Interest Expense on Members' Share Accounts	\$16,387,048	\$4,676,092
Net Interest Income Before Provision for Loan Losses	\$52,074,561	\$42,859,577
Non-Interest Income		
Fee Income	\$9,945,792	\$10,709,857
Non-Operating Gains (Losses)	\$6,978,237	\$870,449
Other Income	\$10,494,006	\$12,795,023
Total Non-Interest Income	\$27,418,036	\$24,375,329
Non-Interest Expense		
Salaries & Fringe Benefits	\$39,217,611	\$32,316,855
Travel and Conference Expenses	\$1,455,872	\$988,034
Office Occupancy Expense	\$5,778,273	\$4,422,803
Office Operations Expense	\$12,274,814	\$9,569,084
Educational and Promotional Expenses	\$2,532,636	\$1,130,957
Loan Servicing Expense	\$4,434,959	\$4,935,001
Professional and Outside Services	\$2,736,341	\$2,863,472
Operating Fees	\$473,186	\$44,904
Miscellaneous Operating Fees	\$913,848	\$517,868
Total Non-Interested Expense	\$69,817,540	\$9,869,699
Net Income	\$9,857,633	\$9,869,699

Executive Team

Todd Gunderson, **President/CEO**

Scott McDonald, **CFO**

Paul Fichter, **CLO**

Michael Eck, **CMO**

Jeff Rothmeyer, **CLO**

Sue Heyen, **CHRO**

Kevin Allen, **CSO**

Michael Hirt, **CTO**

Board of Directors

Bob Eberhardt, **Chairman**

David Thurston, **Vice Chairman**

Todd Gunderson, **Treasurer**

Thomas Wells Jr., **Secretary**

Paul Simons, **Director**

Kent Yager, **Director**

Dan Long, **Director**

Rex Tolliver, **Director**

Hallie Olson, **Director**



Credit Union 1

