



Together

▶ CREDIT UNION

Achieve it.



2019 ANNUAL
REPORT

LETTER FROM YOUR CEO ►

In 2019 I asked members and employees to embrace significant change, and was energized to find excited members and motivated employees eager to fortify our future. Together, we had a record year thanks to their support of the Credit Union and their faith in our vision for a healthy, sustainable organization poised to serve generations to come.

It was truly a busy year for your Credit Union as we celebrated 80 years of serving as an advocate for our members, a partner for our communities, and a quality leader in the financial services industry. We received incredible recognition being named “Best in State Credit Union” for Missouri by Forbes Magazine, which was based on consumer ratings on overall recommendations and satisfaction, as well as on trust, terms and conditions, branch services, digital services and financial advice. Additionally, the St. Louis Post-Dispatch recognized us as a 2019 Top Work Place.

Through product and service innovation as well as exceptional member service, we achieved our highest member experience

scores to date. From our first-time auto buyers program to our student loan refinance program, we launched new products that placed members on a path of financial independence. Equally important, we enhanced investment offerings, including a very popular “chase your term” CD, and experienced our largest deposit growth in the past decade.

As your “Hometown, Home Loan Provider™,” the Credit Union continued to see gains in assisting more members realize their dream of home ownership. In 2019, we originated 1,882 mortgage loans, the largest number ever in one year. Additionally, our members benefitted with more than \$121,000 in closing cost rebates from HomeAdvantage®, a free service the Credit Union affords members to help save time and money on real estate transactions.

To further improve our efficiency and member service, we embraced ever-evolving banking technologies (Fintech) to set ourselves apart as a quality leader. In 2019, we launched an in-house fraud prevention program and within five months, employees captured 171 incidents of fraud, saving members in excess of \$815,000 in fraudulent transactions. Preparation efforts for our core banking system conversion (March 2020) ramped up through the year, while simultaneously, we enhanced our mobile and online banking platforms to provide a more consistent experience across all mobile devices.

After two years of research and planning, our year culminated with the launch of a new brand name in November, *Together Credit Union*®. The Together name aligns our brand to our vision and values and is unique in the market. As we look to the future, one unifying brand name best positions the Credit Union for strategic growth. We are excited about the opportunities and the awareness the new name has brought the organization, and are equally excited about the warm reception among members both new and long-term.

As your trusted financial partner, we are building our legacy through change. Change that empowers and inspires our members to live their best life. We accomplished a lot this past year, and will continue to evolve the Credit Union as the needs of our members change, but we will always keep the heart of our mission in our thoughts and actions.



ROBERT MCKAY
President/CEO





LETTER FROM YOUR CHAIRMAN

All of us, together.

It's the way the Credit Union has done business since 1939 when eight Anheuser-Busch employees pooled their money – less than one hundred dollars – to form our credit union. This commitment to the financial well-being of their co-workers and family members has stood the test of time, and continues to inspire the Credit Union today.

In 2019, your Credit Union celebrated its 80th anniversary, helping hundreds of thousands of members achieve their goals and live their best lives. Home ownership. A new vehicle. College savings. Debt consolidation. Convenient services for better money management. Member goals differ, but the Credit Union's resolve to serve each them is the same. Your Credit Union is here for you, every day.

Credit Union employees celebrated this milestone anniversary as they do every day, living out the Credit Union Core Values – Value Diversity, Act with Integrity, Serve with Excellence,

and Take Ownership. They celebrated with 80 acts of kindness within the communities served and they hosted 30 financial literacy workshops and seminars focused on managing personal finances, understanding credit, home buying and budgeting. The Credit Union continued its rich history of awarding scholarships to college-bound high school seniors who are members of its Young Adult Financial Group, and it collected donations, awarded grants, and proudly served those with needs at numerous non-profit organizations, collectively volunteering in excess of 1,500 hours in the community. Truly all of us, *together*.

In early 2019, after reviewing significant research, member and potential member feedback, and a comprehensive brand strategy designed to lead the Credit Union growth well into the future, your Board of Directors unanimously voted to approve a monumental change for the Credit Union – literally a change in name only. The Anheuser-Busch Employees' Credit Union, American Eagle Credit Union and Purina Credit Union

brand names were to have one unified name: A name that simply and specifically reflects the Credit Union's essence as a member-owned cooperative. A name not tied to an individual company or corporation. A name that states how the Credit Union does business and helps members. In November 2019, the new Together Credit Union® brand launched. It is an exciting time to be a member.

Recently, I spoke with an employee, who mentioned she was helping second- and third-generation families. To know our Credit Union has – and continues to have – strong, lasting impact on members' lives is awe-inspiring.

It truly is an honor to serve you on behalf of the board of directors, management, and staff. Thank you for your continued trust.

RON KRAUS
*Chairman of the
Board of Directors*

Your Credit Union's Supervisory Committee is pleased to report the Credit Union has achieved another year of solid financial integrity and accountability.

The Supervisory Committee is responsible for monitoring management practices to ensure the safety of members' assets; overseeing the accuracy of financial statements; and fairly representing the Credit Union's financial condition. It also serves in an oversight role for the Board, the internal audit department, Credit Union management, and the external auditor (BKD LLP).

After careful review, our external auditor expresses an opinion on the Credit Union's financial statements, based on accepted auditing practices. In addition, routine audits of the Credit Union are conducted by State and Federal representatives and the Credit Union's internal audit department continues to evaluate procedural, accounting, and financial controls and assess compliance with policies and regulations.

The Credit Union is operating for the benefit of its members, as intended. Any member who feels an existing problem unsolved after communicating with Credit Union management may write to the Chairman of the Supervisory Committee at PO Box 13268, Saint Louis, MO 63157.

The Supervisory Committee looks forward to serving you in 2020, and will continue to review and act on all internal and external audit and control issues in a timely manner. Thank you for the trust you place in us and for allowing us to partner with you for your financial needs, now and in the future.



MARK HARRIS

Chairman of the Supervisory Committee

▶ SUPERVISORY COMMITTEE REPORT

Board of Directors

Ron Kraus,
Chairman
Mark Harris,
Vice Chairman
Jeffrey Knapper,
Secretary/Treasurer
Michael Chapman
Andrew Dierkes
James Fugel
Beth Rickmann
Sara Stobbs
Brock Tuffli

Board Associates

Clinton Laughlin
Julia Mize

Board Emeritus

Charles R. Klauke
Fred Kuhn

Supervisory Committee

Mark Harris,
Chairman
Charles R. Klauke
Clinton Laughlin
Julia Mize

Management

Robert McKay,
Chief Executive Officer
Pier Y. Alsup,
Chief Community Engagement Officer
Michael Dougherty,
Chief Lending Officer
Ronald Kampwerth,
Chief Financial Officer
Tom Kraus,
Chief Operating Officer
Reggie Swanigan,
Chief Information Officer
Claire Trunko,
Chief People Officer

In Memoriam of Fred Kuhn

In 2019, your Credit Union lost a long-time board member and friend, Fred Kuhn. A retired employee of Anheuser-Busch, Fred lived by the brewery's manifesto, "Bringing People Together for a Better World." Voted to a position on the Credit Union Board of Directors in 2004, Fred served until his passing. He will be remembered as a kind and thoughtful leader, exemplifying the Credit Union core values: Serve with Excellence,

Value Diversity, Take Ownership, and Act with Integrity.

To honor his legacy, the Credit Union created the Fred Kuhn Award, designed to recognize an individual employee making significant contributions in his

or her community. The 2019 inaugural award was presented to Pamela Lambkins, Branch Manager, in recognition of her efforts coordinating several financial literacy workshops after identifying a great need for education and resources in her branch community. Pamela serves on the Credit Union Diversity and Inclusion Council and is a 2019/2020 fellow in St. Louis Business Diversity Initiative Fellow Program.



PAMELA LAMBKINS
FRED KUHN AWARD
RECIPIENT



▶ 2019 AWARDS & RECOGNITIONS

CUNA

1ST PLACE (REGIONAL)
DESJARDINS ADULT FINANCIAL
EDUCATION AWARD

American Credit Union Mortgage Association

TOP CREDIT UNION
FIRST MORTGAGE PRODUCER
FOR THE ST. LOUIS MARKET (IN 2018)

CUNA

2ND PLACE (REGIONAL)
DORA MAXWELL SOCIAL RESPONSIBILITY
COMMUNITY SERVICE AWARD

St. Louis Post-Dispatch

TOP WORKPLACE

Forbes Magazine

BEST CREDIT UNION
IN MISSOURI

St. Louis Business Journal

CORPORATE PHILANTHROPY
AWARD FINALIST

2019 FINANCIAL STATEMENT

Assets (dollars in thousands)	2019	2018
Loans to members	\$1,550,608	\$1,475,332
Less allowance for loan losses	(\$12,615)	(12,640)
Net Loans	1,537,993	1,462,692
Investments	91,471	70,484
Interest bearing deposits	83,389	62,810
Cash and due from banks	13,128	13,564
Property and equipment	52,488	52,367
Share insurance deposit	14,657	14,240
Federal Home Loan Bank stock	4,419	3,394
Interest receivable	5,104	5,012
Other Assets	22,858	22,620
TOTAL ASSETS	1,825,507	1,707,183

Liabilities & Members' Equity

Shares and other savings accounts	1,574,386	1,489,236
Long term debt	45,000	35,000
Other liabilities	18,206	15,475
Total Liabilities	1,637,592	1,539,711
Regular reserves	2,491	2,491
Undivided earnings	185,625	167,201
Accumulated other comprehensive income (loss)	(201)	(2,220)
Total Members' Equity	187,915	167,472
TOTAL LIABILITIES AND MEMBERS' EQUITY	1,825,507	1,707,183

Income (dollars in thousands)	2019	2018
Interest on loans to members	\$71,071	\$66,608
Interest on investments and interest bearing deposits	4,638	3,527
Total Interest Income	75,709	70,135
Dividend and interest expense	14,321	9,298
Net Interest Income	61,388	60,837
Provisions for loan losses	10,485	12,300
Net Interest Income after Provision for loan losses	50,903	48,537
Service and fee income	28,266	23,515
GROSS INCOME	\$79,169	\$72,052

Expenses

Salaries and employee benefits	34,047	31,520
Net occupancy expense	3,864	4,141
Office operating expense	2,858	3,148
Data processing expense	5,702	5,211
Loan expenses	7,956	7,399
Other (see note)	10,225	7,944
Total Non-Interest Expenses	64,652	59,363
NET INCOME	14,517	12,689

Note: Included in "Other" for 2019 and 2018 are recoveries from a 2017 lawsuit settlement that the Credit Union agreed to in principal which arose from the Credit Union's repossession procedures. To date, the credit union has recovered approximately 57% of the lawsuit settlement.

TOGETHER FOUNDATION

Formed in 2016, the Credit Union's Foundation celebrated another successful year of supporting the dreams and aspirations of members and the communities we serve in the St. Louis area. Focused on providing financial education and empowerment opportunities, the Foundation awarded the following grants and scholarships in 2019:

\$10,000 GRANT to URBAN LEAGUE OF METROPOLITAN ST. LOUIS in support of a new financial literacy program for Head Start students and parents.

\$5,000 GRANT in support of BUILDING FUTURES, a nonprofit that helps youth learn how critically think, invent, and create sustainable solutions for their every day, real-world problems in order to lead better, healthier lives.

\$10,000 GRANT to the HISPANIC CHAMBER OF COMMERCE OF METROPOLITAN ST. LOUIS in support of its High School Hispanic Leadership Institute, a skills-based leadership training program with the goal to develop the next generation of Hispanic leaders in the St. Louis community.

TEN \$1,500 SCHOLARSHIPS to COLLEGE-BOUND SENIORS.



THE AMERICAN EAGLE CREDIT UNION FOUNDATION REBRANDED TO TOGETHER FOUNDATION IN JANUARY 2020.

SERVING OUR COMMUNITIES

For our 2nd Annual Day of Giving, more than 300 Credit Union employees volunteered for service projects to help 23 community organizations aiding those in need in the St. Louis Metropolitan area.

DAY OF GIVING



Credit Union employees and members donated more than 1,000 school supply items on behalf of KidSmart's Push for Pencils Community-wide School Supply Drive.

KIDSMART PUSH FOR PENCILS



Credit Union employees collected 300+ pounds of food on behalf of St. Louis Area Foodbank. After delivering the non-perishable goods, Credit Union employees then packed over 5,900 pounds of food for families in need at the Volunteer Center.

ST. LOUIS AREA FOODBANK



Amber Higginbotham, a senior personal service counselor at our branch in Jacksonville, FL, personally hosted a Christmas drive benefitting approximately 120 seniors living in Lanier Rehabilitation Center, a Skilled Nursing Facility. She also collected additional gifts for 44 seniors who were known not to have visitors.

LANIER REHAB CENTER



Our Tampa branch delivered breakfast and school supplies to teachers at Sheehy Elementary School.

SHEEHY ELEMENTARY





423 Lynch Street
St. Louis, MO 63118

togethercu.org

314.771.7700
877.325.CU4U

Federally insured by NCUA. We do business in accordance with the Federal Fair Housing Law and the Equal Credit Opportunity Act. Together Credit Union is an independent financial institution, chartered by the state of Missouri, which is owned and operated by its membership. NMLS #401252

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