COREPLUS CREDIT UNION
cpcu
Smart Banking. Community Trusted.

Ray Currier - President

Jean Swift - Chair

Board of Directors:

Jean Swift, Chair
Nancy Bulkeley, Vice Chair
Louis Fusaro, Sr., Treasurer
David Moorehead, Secretary
Kyle Dykes, Director
Jesse Luis, Director
Selma Ward, Director

We All Hear You ...

and are Ready to Help You Achieve Your Financial Goals!

Ashley Main
Call Center Manager
Call Center

Maria Shea
Branch Manager
East Lyme

Melissa Pray
Senior Member Service Representative
Groton

Keith Fields
Branch Manager
Foxwoods

Tracy Lewis
Branch Officer
Norwich

Valerie Guiliano
Branch Manager
Pawcatuck

Justin Croteau
Branch Manager
Plainfield

Nicole Winston
Branch Manager
Waterford

Thank You for an Award-Winning Year!

In 2023 CorePlus was voted The Day's ***Best of the Best Credit Union***, as well as The Commercial Record's ***Best of 2023 Gold*** and ***2023 Top Lender***.

2023 TOP LENDER The Commercial Record

The Commercial Record BEST OF 2023 GOLD

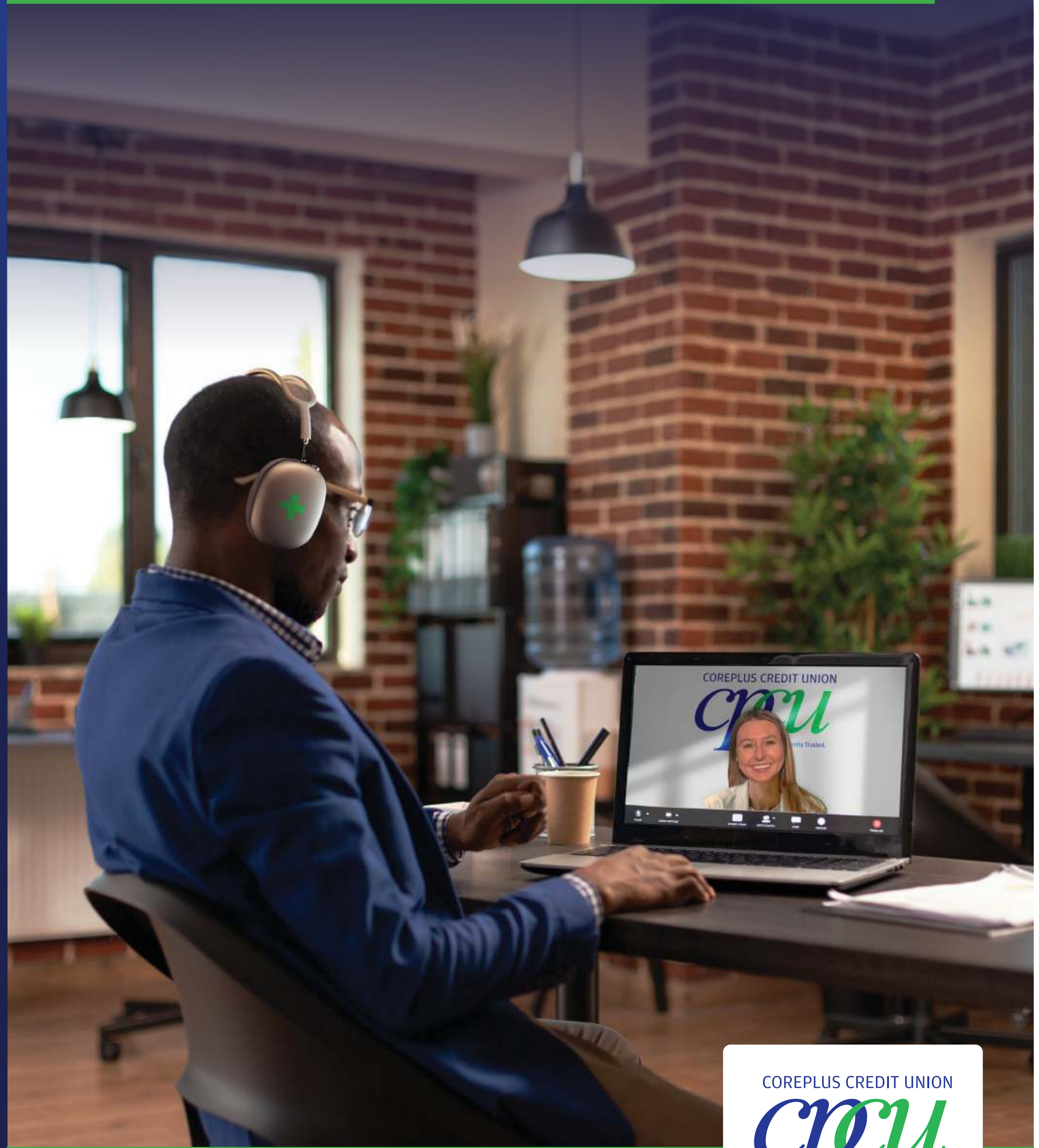
Readers' Choice Awards Best of the best The Day · theday.com 2023

CorePlus.org | **860-886-0576** **800-724-0779** | 202 Salem Turnpike, Norwich, CT 06360 | NCUA

On the cover: Ashley Main, CPCU Call Center Manager

We Hear You.

CorePlus is tuned in to your financial needs.



2023 Annual Report to our members + community

COREPLUS CREDIT UNION
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Smart Banking. Community Trusted.

Letter from the Board Chair and President

Dear Members, At CorePlus we're proud of our history and humble beginnings. We owe much gratitude to the twenty-seven individuals who gathered in 1936 with a total of $15 to start what is known today as CorePlus Credit Union. Fast forward eighty-eight years, and your credit union has grown to over 29,000 members and $335 million in assets.

CorePlus celebrated another historic milestone in 2023, as we congratulated President/CEO Nicholas K. Fortson on his year-end retirement. Nick became CorePlus' fourth CEO in 2014, and his fiscal prowess created strong results over his tenure. Thanks to Nick's leadership, CorePlus ended 2023 well-capitalized, with a net worth ratio of 8.52% and robust earnings of $1.5 million for the year.

The interest rate environment created both opportunities and challenges for CorePlus and our members throughout 2023. With inflation remaining above the 2.00% target rate, the Federal Open Markets Committee raised interest rates another 100 basis points in 2023, bringing the Federal Funds Rate to a range of 5.25%- 5.50%. This was excellent news for members looking for a return on their deposits. Conversely, members seeking to borrow money were met with the highest rates since before the Great Recession.

We have all experienced the impact of higher costs on our household budgets. As a result of increased expenses, members drew down savings throughout the year. Members with excess savings tapped into their balances to pay in full for larger purchases rather than finance at current market rates. This caused tighter-than-normal liquidity for many financial institutions, including CorePlus. Members' deposits increased by a modest 0.90%, largely attributed to share certificate growth of 37%. Less liquidity in the market brought forth the competitive deposit pricing that savers had been waiting for. Share certificate pricing in our local market has topped 5.00%. Our overall cost of deposits increased 63% year-over-year.

The demand for loans remained strong, with overall member lending up 4.18% for the year. Ongoing demand for auto loans offset a significant slowdown in mortgage lending activity, a result of persistently elevated home prices and higher mortgage lending rates.

> ***We hear you*** when you say that member-facing technology and information security are important to you.

CorePlus listens to its members, and we hear you when you say that member-facing technology and information security are important to you. We made these areas a top priority in 2023 when we began preparing for the introduction of features including online video chat, co-browsing, an online appointment scheduler, and mobile wallets from Apple Pay, Samsung Pay, and Google Pay. All of these services will be launched by mid-2024.

> ***We hear you*** when you say you're seeking outstanding member service; in order to deliver it, we invest in our employees and their professional development.

We hear you when you say you're seeking outstanding member service; in order to deliver it, we invest in our employees and their professional development. Our members deserve to interact with knowledgeable employees who demonstrate care and interest in helping with their financial needs. CorePlus delivered over 1,200 hours of training content to our hourly and management employees in 2023. In addition, several employees attended credit union specific schools to further their professional knowledge and work towards earning accreditations in their particular areas of expertise. This professional development increases job satisfaction, provides opportunities for upward mobility, and reflects an overall positive workplace culture at CorePlus. These beneficial results were reflected in the Hartford Courant's Top Workplace Awards, which included CorePlus in these honors for a third consecutive year.

> ***We hear you*** when you recommend agencies for us to assist.

We recognize that our credit union is only as strong as our membership. We believe it is our obligation to give back and support non-profit social service agencies that fill the needs of people who are struggling. We hear you when you recommend agencies for us to assist. In 2023 CorePlus reinvested 4.59% of our net income into the community, which was a 3.15% increase from 2022. In addition to monetary donations, our team logged 400 hours of service with 63 organizations to make our community a better place. In conjunction with this annual report, we are releasing our first-ever Community Impact Report to highlight our support and volunteerism in the towns and cities we serve.

Thank you for choosing to be a CorePlus member. By choosing CorePlus, rather than a national bank or fintech lender, you're not only receiving the benefits of membership but also keeping our local community strong. We appreciate you and we look forward to serving your financial needs through all your life stages.

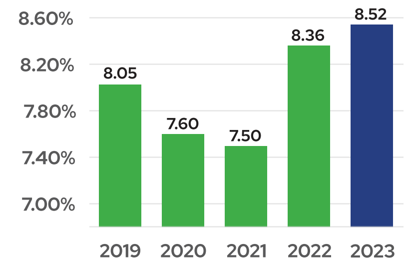
CorePlus Federal Credit Union - Statement of Financial Condition

(For The Years Ended December 31, 2023 and 2022)	2023	2022
Assets		
Cash	$ 7,766,180	$ 4,396,771
Investments	59,542,752	60,307,301
Loans to Members (Net)	238,284,935	228,726,849
Purchased Loans	18,801,736	27,542,180
Other Assets	10,219,173	10,047,937
Total Assets	$ 334,614,776	$ 331,021,038
Liabilities and Members' Equities		
Liabilities		
Members' Shares and Savings Accounts	293,417,444	290,788,838
Non-Member Deposits	3,875,000	7,552,000
Borrowed Funds	12,000,000	10,000,000
Accrued Expenses and Other Liabilities	2,759,735	1,961,805
Total Liabilities	312,052,179	310,302,643
Members' Equities		
Regular Reserves	2,931,294	2,931,294
Undivided Earnings and Other Accounts	19,631,303	17,787,101
Total Members' Equities	22,562,597	20,718,395
Total Liabilities and Equity	$ 334,614,776	$ 331,021,038

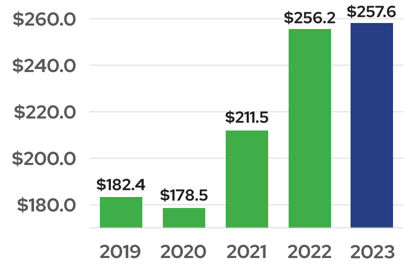
CorePlus Federal Credit Union - Statement of Income

(For The Years Ended December 31, 2023 and 2022)	2023	2022
Income		
Income on Loans	$ 12,788,846	$ 9,998,005
Income on Investments	1,835,200	565,648
Other Income	3,743,079	6,676,285
Total Income	18,367,125	17,239,938
Expenses		
Employee Compensation and Benefits	5,691,447	4,896,603
Office Occupancy and Operations	2,250,571	2,306,189
Other Expenses	4,441,529	3,354,958
Provision for Loan Losses	2,321,077	856,068
Total Expenses	14,704,624	11,413,818
Net Income Before Dividends	3,662,501	5,826,120
Members' Dividends	2,136,491	768,526
Net (Loss) Income	$ 1,526,010	$ 5,057,594

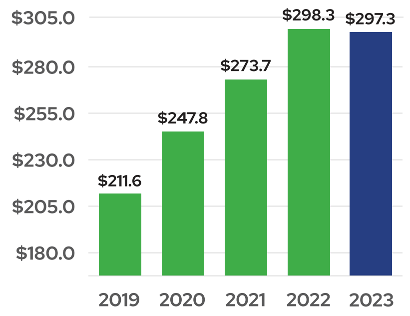
Net Worth Ratio



Total Loans (in millions)



Total Shares and Deposits (in millions)



	2023	2022
Member Growth	1.32%	5.41%
Share Growth	0.90%	6.62%
Loan Growth	4.18%	30.62%
Change in Equity	8.90%	-5.75%
Asset Growth	1.09%	9.78%
Percentage of Income Returned to Members in the Form of Dividends	11.63%	4.46%
Loans Made YTD	$90,502,802	$122,603,324
# of Loans made YTD	3,683	4,707
# of Share Accounts	44,648	44,253
# of Certificate Accounts (all)	2,552	1,983
# of Loan Accounts	14,669	14,756
# of Members	29,357	28,975

2023 ANNUAL REPORT

Improving people's lives with creative solutions

SCIENT Federal Credit Union®

Services

SAVINGS & CHECKING PROGRAMS

- Share Savings Accounts
- Free Checking with eStatements
- Checking Plus Account
- MySci Savings and Checking Accounts
- Regular and Premium Money Market Accounts
- Share Certificates
- Change Maker Savings Account
- Club Accounts
- Individual Retirement Accounts (IRAs)
- Coverdell Education Savings Accounts

CONSUMER LOANS

- Vehicle Loans
- Signature Personal Loan
- Personal Line of Credit
- Consumer Visa® Card*
- Business Visa® Card*
- Deposit Secured Loan
- Education Loans
- Executive Reserve Line of Credit

MORTGAGE & EQUITY LOANS

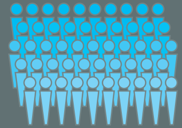
- Fixed-Rate Mortgages
- Adjustable-Rate Mortgages
- SMARTChoice Mortgages
- No-Closing-Cost Mortgages
- Fixed-Rate Home Equity Loans
- Home Equity Line of Credit

ACCESS YOUR ACCOUNTS ANYWHERE, ANYTIME

- Mobile App with Mobile Deposit
- Online Banking
- Free Unlimited Online Bill Payment
- Free Account Alerts via email or text
- Free ATM Transactions at over 30,000 CO-OP® Network ATMs Nationwide
- Free Account Transactions at over 5,000 CO-OP® Shared Branches Nationwide
- Payment Access via Apple Pay®, Samsung Pay™, Android Pay™

*Through Elan Financial Services

2023
by the numbers



19,537
Total Members

$49,475,502
Auto Loans Made

$27,278,931
Mortgage Loans Made

$3,867,610
Consumer Loans Made

Letter from the Board Chair & President/CEO

Thank you for this opportunity to serve and to address you on behalf of the Scient staff, the Leadership team, and the Board of Directors. As always and most importantly, I'd like to recognize and appreciate the efforts of the entire Scient staff for their dedication and diligence throughout yet another challenging year. On behalf of the Board of Directors, I'd like to particularly thank and recognize the Scient Leadership Team for their unwavering dedication in managing the credit union through an unpredictable at best and most challenging economic environment, while still guiding and mentoring the staff throughout the year. We truly are fortunate to have them — our All-Star cast of players, leading us! As well, I offer a huge and heartfelt thank you to you all, the members of our Scient family, for your support and trust.

On the 2023 financial front, we report loan originations of just over $80 million, deposit balances over $280 million, and net income of just over $1.5 million. Our total assets climbed almost 4% to just over $350 million. Scient's provision for credit loss expenses reflect the outstanding efforts and performance of our Collections team.

With sustained profitability over the last eight years, Scient continues to invest in innovative technologies to enhance our services enabling members to seamlessly conduct business in-person as well as online and mobile. Overall, our 2023 initiatives met and exceeded our plan expectations. In 2023, we upgraded our banking systems, including online bill pay, home banking, and mobile banking, to provide you with top-notch products and services. Scient's new Online Banking tools offer enhanced presentation and interfaces, as well as more features to help you with your financial needs.

Throughout the year, Scient remained committed to its presence in the community, increasing its engagement and outreach in the local community through financial education programs, event sponsorships, and food drives, to name a few. We will continue to look for additional opportunities to be strong community partners in meaningful ways. Also to note, the All-Star Leadership Team also provided fun and engaging events to appreciate the staff throughout the year.

Finally, we thank you for your membership and look forward to improving our member's lives with creative solutions. Wherever you are, we are with you to help meet your financial needs.

Karen Walters
Board Chair

Chris Maynard
President & CEO

Treasurer's Report

The credit union continued to operate profitably and added to its capital reserves during the year. Scient earned $1.51 million (of which $1.58 million was received from the sale of Visa B stock shares). Scient produced a Return on Assets (ROA) of 43 basis points. Net Worth was negatively impacted by one-time, $1.1 million CECL (Current Expected Credit Losses) adjustment to undivided earnings as required by the Financial Accounting Standards Board (FASB). Net Worth at year end 2023 aggregates to $30.9 million, an increase of $400 thousand from 2022. Scient continues to be classified under current regulations as 'well-capitalized'. Assets at year-end were $355.7 million, up $13.3 million, or 3.9% over the prior year.

Scient's success shows in its results:

- $80.6 million in loans to members were granted in 2023 and $297.6 million in loans were outstanding as of year-end. Scient's Interest Income on loans for the year was $12.0 million, a $2.7 million, or 28.9% increase, from the prior year.
- $281.6 million was on deposit at the credit union as of year-end, a 4.7% decrease from the prior year. Over $4.0 million in interest was paid on deposits held at Scient in 2023.

Operating expenses increased year-over-year by 4.3%, or $358 thousand, driven by inflation and core processor conversion-related costs. The provision provided for credit losses of $856 thousand was slightly above budget by $46 thousand. In addition, Scient now services $20.2 million of member real estate loans and $14.5 million of auto loans that it has participated in other credit unions.

Scient continues to work closely with its members experiencing financial difficulties. Scient's loan restructuring program at year-end extended to 30 members, with 4 approved for the program in 2023. The collections department, working with members, recovered $174 thousand in previously charged-off loans in 2023.

Scient's liquidity, or cash position, remains well managed. Scient tapped into its borrowing lines to replenish cash due to deposit run-off experienced in 2023. Borrowings outstanding at year-end were $43 million. Scient had $35.9 million in unused lines of credit for liquidity at year-end.

As Treasurer and a Scient Board member for many years, I would like to personally thank each and every member for making Scient Federal Credit Union what it is today. We truly value you, our members/owners, and appreciate our continued relationship as your credit union.

Sincerely,

Adam Smogowicz
Treasurer

Statements of Financial Condition

ASSETS	2023*	2022*
Cash & Cash Equivalents	$18,679,587	$4,199,327
Interest Bearing Deposits	$1,952,002	$301,311
INVESTMENTS		
Available for Sale	$24,246,903	$25,743,476
Held to Maturity	$170,705	188,219
Loans to Members Net Allowance for Loan Losses	$294,978,579	$296,637,211
Accrued Interest Receivable	$1,009,123	$892,270
Prepaid & Other Assets	$9,344,518	$9,121,610
Property & Equipment	$2,835,302	$2,726,527
NCUSIF Deposit	$2,476,402	$2,578,924
TOTAL ASSETS	**$355,693,122**	**$342,388,875**

LIABILITIES & MEMBER EQUITY	2023*	2022*
LIABILITIES		
Members' Share & Savings Accounts	$281,623,085	$295,409,567
Borrowed Funds	$43,000,000	$18,000,000
Accounts Payable & Accrued Liabilities	$4,163,560	$3,134,809
Total Liabilities	**$328,786,645**	**$316,544,376**
MEMBER EQUITY		
Regular Reserve	-	-
Undivided Earnings	$30,931,283	$30,522,647
(Accumulated Other Comprehensive Loss)	($4,024,806)	($4,678,148)
Total Member Equity	**$26,906,477**	**$25,844,499**
TOTAL LIABILITIES & MEMBER EQUITY	**$355,693,122**	**$342,388,875**

Statements of Income

	2023*	2022*
INTEREST INCOME		
Loans to Members	$12,000,620	$9,306,690
Investments	$1,121,171	$663,821
Total Interest Income	**$13,121,792**	**$9,970,511**
INTEREST EXPENSE		
Members' Shares & Savings	$4,032,073	$1,211,404
Borrowed Funds	$1,553,901	$349,524
Total Interest Expense	**$5,585,974**	**$1,560,928**
Net Interest Income	**$7,535,818**	**$8,409,583**
Provision for Loan Losses	$855,601	$428,487
NET INTEREST INCOME After Provision for Loan Losses	**$6,680,218**	**$7,981,096**

	2023*	2022*
NON-INTEREST INCOME		
Miscellaneous Operating Income	$849,252	$919,253
Fees & Service Charges	$995,753	$871,213
Gain on Sale of Loans, Net	$5,999	$8,093
Total Non-Interest Income	**$1,851,004**	**$1,798,559**
	$8,531,222	**$9,779,655**
NON-INTEREST EXPENSE		
Compensation & Employee Benefits	$4,567,053	$4,270,681
Office Operating & Occupancy	$2,013,676	$2,093,762
Loan Service Expense	$1,000,753	$873,462
Other Operating	$742,809	$1,018,845
Other	($1,303,672)	($989,064)
Total Non-Interest Expense	**$7,020,619**	**$7,267,686**
NET INCOME (LOSS)	**$1,510,602**	**$2,511,969**

**Unaudited –*
Audited financial statements as of 6/30/23 & 6/30/22 are available upon request.

Board of Directors

Karen Walters
Board Chair

Grace Vandal
Vice Chair

Adam Smogowicz
Treasurer

Brian Oat
Secretary

Glenn Wilcox
Director

Jeff Mastracchio
Director

Travis Williams
Director

Steve Caldwell
Associate Director

Barbara Paul
Associate Director

Supervisory Committee

Alex Bancroft
Rosalia Gonzales
Mark Topliff
Grace Vandal
Harry Watson, Jr.

Officers & Directors

Chris Maynard, President and CEO
John Belanger, Vice President of IT
Irv Hagewood, Vice President of Collections
Shana Heon, Vice President of Finance & Accounting
Janice Mapel, Vice President of Human Resources
Shalin Peck, Vice President of Operations
Matthew Sosnowski, Vice President of Member Services and Marketing
Nicholas Breton, Vice President of Lending

Supervisory Committee Report

The primary responsibility of the Supervisory Committee is to serve as a means of checks and balances at the Credit Union. We are comprised of a group of dedicated volunteers appointed by the Board of Directors. It is our responsibility to ensure that Scient Federal Credit Union establishes and maintains appropriate policies, procedures, and internal controls that safeguard members' assets and privacy and fulfill the credit union's financial and regulatory responsibilities.

There were numerous internal audits that were performed this past year conducted by CPA firm, Doeren Mayhew, on the Credit Union's Policies, Procedures, and Regulatory requirements. The frequency of these audits is based upon a Risk Assessment that is reviewed at least annually and updated as needed throughout the year to maintain a high level of compliance. These audits help us to identify any potential concerns or issues and have them addressed before they become a bigger problem.

Based on our activities and the results of our recent exam, the Supervisory Committee believes that the Credit Union is performing appropriately to sustain a safe and secure future; and that it is well-managed with a strong commitment to serving its membership of 19,537. As your representatives, the Supervisory Committee will continue to perform oversight activities so that we are confident members' financial interests and privacy is well protected as we move forward in the new year.

I wish to thank my fellow committee members and the Doeren Mayhew team for their hard work and outstanding support during this past year. In addition, I would like to thank the credit union's compliance/risk manager, Courney Burns, for her invaluable assistance to the committee.

On behalf of the entire Committee, we appreciate the opportunity to serve you and look forward to a secure and successful 2024. We want to ensure that our members are happy with our products, services, and staff at all times as the Credit Union continues to grow.

We urge you to contact any member of the credit union's staff, management, or board with any comments or questions that you might have. You may also report any issues anonymously to the Supervisory Committee through the "Report It" link located on the Credit Union website.

Thank you,

Alex Bancroft
Chair of the Supervisory Committee

SCIENT
Federal Credit Union®

Corporate and Main Office
60 Colver Avenue
Groton, CT

Pfizer Groton, CT
445 Eastern Point Road
Building 220
Amenities Corridor
Groton, CT

New Haven, CT—*Postal*
50 Brewery Street
New Haven, CT

New London, CT
243 Bank Street
New London, CT

Improving people's lives with creative solutions

scientfcu.org