



SOUTH CAROLINA
FEDERAL
CREDIT UNION®

2024 ANNUAL REPORT

Insured by NCUA



CHAIRMAN'S REPORT

South Carolina Federal Credit Union had an outstanding year in 2024, demonstrated by our strong financial performance, positive member feedback, and exemplary reputation in the communities we serve.

The credit union is guided by a volunteer board of directors that works closely with the senior leadership team to establish and review organizational policies. It has been my privilege to serve as board chairman this year, helping to ensure the credit union's financial strength, safety, and continued growth.

One indicator of our success is external recognition, particularly from local media. We received numerous accolades in 2024, including:

- *Berkeley Independent* and *Goose Creek Gazette* – Best Credit Union
- *Charleston City Paper* – Best Financial Institution and Best Mortgage Company
- *Charleston Living Magazine* – Best Credit Union
- *Charleston Regional Business Journal* – Best Credit Union and Best Mortgage Company
- *Forbes* – Best In-State Credit Union (ranked #2 in South Carolina)
- *Lowcountry Parent* – Best Bank/Credit Union
- *Moultrie News* – Best Credit Union and Best Mortgage Company
- *Mount Pleasant Magazine* – Best Credit Union
- *Summerville Journal Scene* – Best Credit Union

These awards are a testament to the dedication of our employees, whose hard work drives these achievements.

The strength of South Carolina Federal comes from our incredible employees, who bring a passion for service to everything they do. By fostering a supportive workplace, we enable our team to deliver outstanding member care, a commitment recognized by the Best Place to Work awards we received in 2024, including:

- Twelfth time Best Place to Work in South Carolina from the South Carolina Chamber of Commerce; fifth in the large employer category
- Ninth time Best Credit Union to Work For in the United States by *American Banker*; second overall, first in South Carolina, and first among credit unions with assets over \$1 billion

- Seventh time Glassdoor Best Places to Work; twelfth in the small and medium business category

At South Carolina Federal, one of our top priorities is providing best-in-class member service. To ensure we treat our members with care and kindness while helping them meet their financial goals, we regularly solicit feedback. We use tools like the Net Promotor Score® (NPS), provided by Member Loyalty Group, to measure member loyalty and predict future performance.

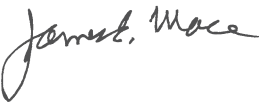
Our 2024 NPS data reflects our dedication and commitment, and I am pleased to report that:

- South Carolina Federal's NPS exceeds all average industry scores and surpasses banking industry benchmarks.
- Our member experience scores are higher than the credit union industry average.
- Service in our Contact Center and financial centers is recognized as best-in-class by Member Loyalty Group, with scores exceeding 75% of credit unions nationwide.

We also analyze Google reviews to measure satisfaction, gaining valuable insights from candid member feedback. For the fourth consecutive year, all of our financial centers maintained 4+ star ratings throughout 2024. Thank you to everyone who shared their experience. We encourage you to continue sharing feedback to ensure you receive the best possible service.

I am deeply grateful to my fellow board members, volunteer advisors, and every employee at South Carolina Federal. Your efforts and dedication ensure we continue to set the standard as both a trusted financial institution and a top employer.

Here's to another year of growth and success for South Carolina Federal!



BRIGADIER GENERAL J. EMORY MACE, USA-RET.
Chairman, Board of Directors

PRESIDENT'S REPORT

At South Carolina Federal Credit Union, our mission has always been clear: to serve you, our members. As a member-owned financial institution, we are committed to supporting you and your families by offering convenient access, innovative products, and best-in-class service to simplify your financial life.

In 2024, we continued to deliver on this promise, achieving significant milestones that enhance how we serve our communities. We expanded our footprint in the Upstate, redesigned our Foundation website, and introduced contactless credit cards. Here are a few of our most noteworthy achievements:

- Opened two new financial centers in the Greenville area, bringing our total to five locations in this market.
- Launched a new website for our Foundation, featuring a modern design that showcases our community involvement.
- Introduced contactless credit cards and added new features to our ATMs to improve your banking experience.

Continuing to grow in the Upstate remains a priority for our credit union. We opened two new financial centers in the Greenville area, one in Five Forks and one in Thornblade. We now have 30 financial centers across the state to serve our members no matter where they live.

Another important milestone for us was redesigning the South Carolina Federal Credit Union Foundation's website. The new site is more modern and user-friendly, it better aligns with our brand, and it highlights what we are doing in our communities. It also features upcoming events, the charities and organizations we support, and ways our members can get involved.

To enhance convenience and security for our members, we introduced contactless credit cards to make using your card easier than ever. We also added new features to our ATMs, including contactless cash. We are committed to continuously enhancing your banking experience while ensuring your accounts remain safe and secure.

In 2024, we continued to receive a 5-star rating from Bauer Financial, which we have held for 56 consecutive quarters. This top-tier rating from an independent research firm reflects our healthy balance sheet and conservative approach to financial management, ensuring your credit union remains secure and resilient.

Since our founding over 85 years ago, we have been dedicated to serving our members and our communities. As your financial needs evolve, we are committed to adapting and supporting you every step of the way.

Thank you for being a valued member of the South Carolina Federal family. It is our privilege to serve you, and we look forward to growing together in the years ahead.



SCOTT WOODS, CPA, CIA, MBA

President and Chief Executive Officer

SUPERVISORY COMMITTEE REPORT

On behalf of the South Carolina Federal Credit Union Supervisory Committee, I am pleased to present the annual audit report for the year ended December 31, 2024.

By law, credit unions are required to have a Supervisory Committee, which is responsible for the oversight of all financial activities of the credit union, including the assessment of management practices required to safeguard South Carolina Federal's assets. At South Carolina Federal, five volunteers, appointed by the credit union board, serve to meet the goals and objectives of the committee.

Specifically, the committee must determine the sufficiency of the following:

1. Policies and procedures required to safeguard against errors and omissions and to avoid conflicts of interest.
2. The proper execution of policies, plans, and procedures by credit union management.
3. Internal controls necessary to ensure the financial soundness and stability of the credit union.
4. Financial reports and accounting data prepared in a timely manner which properly reflect operations and results.

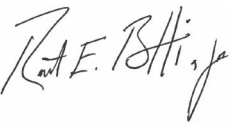
The committee utilizes the services of both internal and external audit personnel. The committee regularly meets with the credit union's Audit Services department to ensure that the department is performing appropriate operational, compliance, and financial audits.

Additionally, the committee meets with independent (external) auditors and federal regulatory examiners to review findings and recommendations, which provide reasonable assurances for adequate safeguarding of credit union assets.

In accordance with NCUA regulations, an independent audit is conducted annually of the credit union's financial reporting. The committee engaged the services of Doeren Mayhew CPAs and Advisors to perform the 2024 Financial Statement Audit. The committee has reviewed the audit and is pleased to report that the auditors have issued an unmodified opinion of the credit union's 2024 financial statements.

Based upon the committee's review of internal and independent external audits, reports of examinations by regulators, and the committee's own observations, the committee has concluded that South Carolina Federal has institutional practices and policies in place, which are sufficient to ensure that the membership's assets are safeguarded by the credit union.

The volunteer members of the Supervisory Committee are grateful for the opportunity to serve the members of South Carolina Federal. We will continue to perform our duties to maintain the trust and confidence members have placed in us.



ROBERT E. BENDETTI, JR., CPA
Chairman, Supervisory Committee

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

As of December 31, 2024 and 2023

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 200,408,576	\$ 166,738,211
Interest bearing deposits	12,896,000	17,114,000
Held-to-maturity investments	41,366,909	70,002,955
Loans to members, net of allowance for credit losses	1,947,267,423	2,002,226,685
Federal Home Loan Bank (FHLB) stock	10,708,900	10,512,600
Accrued interest receivable	6,545,045	6,371,929
Credit union owned life insurance (COLI)	48,565,485	47,262,317
Split-dollar life insurance (SDLI)	85,361,746	83,987,852
Prepaid and other assets	33,353,347	31,219,680
Property and equipment, net	124,056,276	114,911,784
Goodwill	2,235,689	2,933,954
National Credit Union Share Insurance Fund (NCUSIF) deposit	18,306,148	19,358,533
TOTAL ASSETS	\$ 2,531,071,544	\$ 2,572,640,500

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LIABILITIES AND MEMBERS' EQUITY		
Liabilities:		
Members' shares and savings accounts	\$ 1,969,040,750	\$ 1,987,576,687
Borrowed funds	212,535,714	248,214,286
Accrued expenses and other liabilities	36,050,630	45,009,044
Total liabilities	2,217,627,094	2,280,800,017
Commitments and contingent liabilities		
Members' equity:		
Undivided earnings	299,013,762	277,409,795
Equity acquired through merger	14,430,688	14,430,688
Total members' equity	313,444,450	291,840,483
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 2,531,071,544	\$ 2,572,640,500

CONSOLIDATED STATEMENTS OF INCOME

Years ended December 31, 2024 and 2023

	2024	2023
INTEREST INCOME		
Loans to members	\$ 109,751,578	\$ 94,700,429
Investments	8,789,721	10,772,782
Total interest income	118,541,299	105,473,211
INTEREST EXPENSE		
Members' shares and savings accounts	7,150,240	5,232,176
Borrowed funds	8,146,488	4,568,990
Total interest expense	15,296,728	9,801,166
Net interest income	103,244,571	95,672,045
Provision for credit losses	9,050,000	6,050,000
Net interest income after provision for credit losses	94,194,571	89,622,045
NON-INTEREST INCOME		
Fees and service charges	23,550,622	23,039,342
Interchange income	17,925,633	18,235,497
Other income	3,437,654	3,060,323
Insurance income	2,504,451	2,748,742
COLI and SDLI income	2,677,062	2,554,857
Commission on investments services	2,393,215	2,350,942
Total non-interest income	52,488,637	51,989,703
NON-INTEREST EXPENSE		
Compensation and benefits	66,300,559	61,150,256
Office operations	31,629,799	29,978,512
Office occupancy	9,141,914	8,255,393
Other expense	6,707,518	6,405,074
Professional and outside services	5,106,694	4,138,829
Loan servicing	4,084,732	4,471,631
Advertising costs	2,108,025	1,961,025
Total non-interest expense	125,079,241	115,982,407
NET INCOME	\$ 21,603,967	\$ 25,629,341

ANNUAL MEETING MINUTES

MONDAY, APRIL 22, 2024
2:00 P.M.

ATTENDEES

BOARD OF DIRECTORS:

Mary L. Whited, CPA, Treasurer and Acting Chairperson
BG J. Emory Mace (Ret.), Chairman (*absent*)
COL Kelvin L. Brown, Vice Chairman (*absent*)
Joseph E. Bolchoz, Jr., Secretary
Richard I. Buckner, Member
J. Ralph Cathey, Member
Joseph S. Daning, Member

SUPERVISORY COMMITTEE:

CAPT R. Patrick Flynn (Ret.), Esq., Chairman
Robert E. Bendetti, Jr., CPA, Vice Chairman
COL Robert P. Spafford, Secretary
Matthew Alexander, Member
Joseph S. Daning, Board Liaison

VOLUNTEER ADVISORS:

Michelle P. Kelley, Esq.
COL Linda J. Riedel
Kevin Eichelberger

MANAGEMENT:

Scott Woods, CPA, President and CEO
Joe Grech, CFO
Trey Gantt, COO
Leslie Norris, CHRO
Brad Williams, CTO
David Dulaney, SVP, Lending Services
Kevin Kosco, SVP, Retail Sales and Service
Leon Frazier, VP, Regional Sales, Retail Sales and Service
Nikki Thompson, SVP, Audit Services
Kristy Vasquez, SVP, Marketing

TRANSCRIBING:

Natalie Geiger, Executive Administrator
to the President and CEO

SOUTH CAROLINA FEDERAL CREDIT UNION 2024 ANNUAL MEMBERSHIP MEETING

South Carolina Federal Credit Union held its 88th Annual Membership Meeting on April 22, 2024, in the operations center of South Carolina Federal Credit Union, 6265 Rivers Avenue, N. Charleston, SC. Ms. Mary Whited, Acting Chairperson in the absence of Board Chairman Brigadier General J. Emory Mace (Ret.), called the meeting to order at 2:00 p.m. She asked everyone to rise for the Pledge of Allegiance, led by Mr. Joseph Daning, followed by the invocation led by Mr. Joseph E. Bolchoz, Jr. Attendees who received an agenda and the 2023 Annual Report in advance were then asked to be seated for the business meeting.

Ms. Whited asked if a quorum of the membership was present. Mr. Bolchoz confirmed a quorum, and Ms. Whited declared the 2024 Annual Membership Meeting officially in session. Ms. Whited welcomed members to the meeting, introduced herself as the Treasurer and Acting Chairperson, and subsequently introduced the members of the Board of Directors, Supervisory Committee, Volunteer Advisors, and the president and CEO.

Ms. Whited requested a motion to approve the minutes of the annual membership meeting held April 24, 2023. Mr. Bolchoz moved to approve the minutes, and Mr. Daning seconded. The motion carried.

Ms. Whited then invited Mr. Cathey to provide the **Treasurer's Report**, on her behalf, and share the 2023 year-end figures with the membership. Mr. Cathey shared the following:

- **Dividends Paid to Members:** South Carolina Federal paid \$5.2 million in dividends to members in 2023, compared to \$3.0 million in 2022. This was a 73% increase, which was a result of deposit rates increasing throughout the year.
- **Deposit and Loan Growth:** Deposits decreased by 6.5%, while loans increased by 10.5%.
- **Asset Growth:** Assets are all tangible property or rights such as loans, investments, cash, and receivables owned by the credit union. Assets increased by .4%, or \$11.5 million, and ended 2023 with \$2.57 billion in assets.

ANNUAL MEETING MINUTES (continued)

- **Delinquency:** Delinquency represents the percentage of borrowers who are late paying back their loans. Our delinquency increased from .29% at year-end 2022 to .47% in 2023.
- **Net Worth:** Net Worth, also known as members' equity, represents accumulated earnings of the credit union that are set aside to guarantee the safety and security of member deposits. Net Worth is measured as a percent of total assets. Net Worth increased from 10.62% at year-end 2022 to 11.34% at year-end 2023. This is a very strong number and is well within federal regulations and within the capital plan established by the board to ensure the safety of member deposits.

This concluded the Treasurer's Report, and the floor was returned to Ms. Whited, Acting Board Chairperson.

Ms. Whited thanked Mr. Cathey for providing the Treasurer's Report and turned the floor over to CAPT R. Patrick Flynn (Ret.) for the **Supervisory Committee Report**, found on page three of the 2023 Annual Report. The Supervisory Committee engaged the services of Doeren Mayhew CPAs and Advisors to perform the 2023 Financial Statement Audit for South Carolina Federal. The committee reviewed the Audit Report by Doeren Mayhew and confirmed that the auditors issued an unmodified opinion of the credit union's 2023 financial statements. Based on the committee's review of the internal and independent external audits, reports of examinations by regulators, and the committee's own observations, the committee concluded that South Carolina Federal has institutional practices and policies in place, which are sufficient to ensure the membership's assets are safeguarded by the credit union. The volunteer members of the Supervisory Committee are grateful for the opportunity to serve the members of South Carolina Federal. This concluded the report of the Supervisory Committee, and the floor was returned to Ms. Whited, Acting Board Chairperson.

Ms. Whited thanked CAPT Flynn for his report and asked if there was any unfinished business, but there was none. Ms. Whited asked if there was any new business. Hearing none, she turned the floor over to Mr. Woods to recognize the charities of the **South Carolina Federal Credit Union Foundation**.

Mr. Woods stated the Foundation was established in 2013, and its mission is to support charitable and educational efforts related to basic human needs, through contributions and volunteerism, for the betterment of the communities served by South Carolina Federal Credit Union. As of the end of 2023, the Foundation had donated over \$1.9 million to help people in need throughout the communities we serve.

Charities supported in 2023 included:

- The South Carolina Chapter of the Alzheimer's Association
- The Lowcountry, Midlands, Spartanburg, and Florence Chapters of the American Red Cross
- The Boys & Girls Clubs of the Pee Dee Area
- Lowcountry Food Bank and Harvest Hope Food Bank
- MUSC Children's Hospital, Prisma Health Children's Hospital of the Midlands and Upstate, and McLeod Children's Hospital

The amounts pledged in 2023 were shared as follows:

- Credit union employees donated \$89,399 to external charities.
- Credit union employees also pledged \$28,969 to the Employee Relief Fund, of which \$17,500 was distributed.
- The credit union pledged \$60,000 as its corporate match to external charities. Including reimbursed and direct expenses, the corporate total was \$61,500 in actual donations.
- Credit union employees also donated an additional \$38,397 through special promotional fundraisers.
- Member contributions totaled \$21,437.
- The grand total of pledges and donations was \$239,703 for 2023.

The floor was returned to the Ms. Whited, Acting Board Chairperson. Ms. Whited asked if there was any additional new business. Hearing none, she turned the floor over to Mr. Cathey, Nominating Committee Chair, to give the **Nominating Committee Report** and election results. At the end of 2023, two positions on the Board were open for renewal. An announcement was placed in our members' September 2023 statements;

ANNUAL MEETING MINUTES (continued)

however, no nominations were received from the membership. Based on the individuals' qualifications, their commitment to service to South Carolina Federal Credit Union and in accordance with Article 6, Section 3 of the Credit Union bylaws, the Nominating Committee recommended Mary L. Whited, CPA, and COL Kelvin L. Brown to serve on the Board of Directors, each for a three-year term to expire in April 2027. In accordance with Article 5, Section 1 of the Credit Union bylaws, Mary L. Whited, CPA, and COL Kelvin L. Brown were elected by acclamation to the Board of Directors of South Carolina Federal. This concluded the report, and the floor was returned to Ms. Whited, Acting Chairperson, for the Chairman's Report.

Ms. Whited extended appreciation to the members in attendance and stated it was her honor to serve on the Board of Directors and give the **Chairman's Report** in the absence of Brigadier General J. Emory Mace (Ret.).

The Board of Directors, Supervisory Committee, and Volunteer Advisors for South Carolina Federal are dedicated to helping this credit union maintain fiscal soundness and ensure we continue to provide superior member service. Additionally, our volunteer leaders are grateful for the opportunity to oversee an incredible organization and work closely with a leadership team who shares the same commitment to excellence.

The year 2023 was one in which we won a number of awards from local and national media, including:

- Best In-State Credit Union from *Forbes*
- Best Financial Institution from the *Charleston City Paper*
- Best Credit Union from *Charleston Living Magazine*
- Best Credit Union from the *Moultrie News*
- Best Credit Union from *Mount Pleasant Magazine*
- Best Credit Union and Best Mortgage Company from the *Charleston Regional Business Journal*

In addition to being honored as a Best Credit Union, we also received several Best Place to Work awards in 2023:

- For the eleventh time, we were named a Best Place to Work in South Carolina from the South Carolina Chamber of Commerce.
- For the eighth time, we were named a Best Credit Union to Work For in the United States by *American Banker*.
- For the sixth time, we were included in Glassdoor's Best Places to Work list.
- For the first time, we were named a Best Place to Work by the *Moultrie News*.

Another highlight from 2023 was our Net Promoter Score (a measurement of member loyalty), which remained higher than the industry average, indicating that our members are consistently pleased with the level of service they receive from our credit union. We are honored that their comments reflect they would recommend us to their friends and family.

To ensure we have a comprehensive understanding of member satisfaction, we also monitor our Google reviews, which are authentic and candid ratings of the credit union. In 2023, all of our financial centers maintained ratings of four stars or higher on Google.

On behalf of the Board of Directors, Supervisory Committee, and Volunteer Advisors, Ms. Whited congratulated the South Carolina Federal team on another tremendous year and thanked her fellow volunteer leaders for another year of sound governance. Ms. Whited also extended her gratitude to the members of South Carolina Federal for trusting us with their financial wellbeing. At this time, the floor was returned to Mr. Woods to present the **President's Report**.

Mr. Woods reintroduced himself as the president and CEO of South Carolina Federal and extended his appreciation to the members in attendance at our 2024 Annual Meeting.

Mr. Woods shared the most significant accomplishments from 2023, such as opening our first financial center in Myrtle Beach, which provided us with a brick-and-mortar presence in a rapidly growing market. In the Upstate, we opened a new financial center

ANNUAL MEETING MINUTES (continued)

in Spartanburg and our third financial center in the Greenville area. We look forward to growing our presence in these markets and finding new ways to serve so many communities across South Carolina.

In addition to our geographical expansion in 2023, we continued to invest in the online experience we offer our members by launching an online account opening application that allows individuals to join our credit union or open a new account from the comfort of their homes. We also began accepting loan applications online, which allows individuals to apply for a home or auto loan when and where it is most convenient.

Another significant achievement for us in 2023 was launching our new scfederal.org website, with a complete redesign that makes it easier to log into Online Banking, find important information, and access helpful resources.

Looking ahead to 2024, South Carolina Federal remains well-positioned to navigate the economic environment and ensure that the finances of our members are safe and secure. The leadership of South Carolina Federal takes a conservative financial approach and maintains more than the required regulatory capital, which allows us to weather and absorb changes in a dynamic economic environment. In addition to clean CPA audits and Federal examinations, we continue to receive a 5-star rating from Bauer Financial, an independent research firm that rates the strength of banks and credit unions. A 5-star rating, which we have earned for 52 consecutive quarters, is considered “superior” and is the highest rating an organization can achieve.

In 2024, South Carolina Federal will continue to:

- Maintain financial safety and soundness
- Provide members with unparalleled service, support their journey toward financial wellness, and offer comprehensive financial solutions for their current and future needs
- Grow our footprint across the state to connect with even more members
- Invest in our technology to ensure members have convenient access to their accounts at home or on the move

Mr. Woods shared that South Carolina Federal remains a thriving and trusted financial institution in large part to the hard work and positive attitudes of our employees who continuously embody the credit union philosophy of “people helping people.” He recognized the Board of Directors, Supervisory Committee, and Volunteer Advisors of South Carolina for their commitment and relentless efforts to serve our members and employees well. Our volunteers dedicate dozens of hours each month, without compensation, to ensure South Carolina Federal is operated in a safe and sound manner and that we are able to meet the members’ needs today and into the future.

In closing, Mr. Woods thanked the members for being part of the South Carolina Federal family, conveyed that he was honored to serve them, and extended his appreciation for their loyalty to the credit union and willingness to recommend us to their friends and family.

Mr. Woods asked the membership if there were any comments or questions. A member echoed the appreciation extended to the employees and Board and asked about the expansion of South Carolina Federal into different markets across South Carolina. Mr. Woods responded to the question and also spoke about deepening our relationships in our existing markets.

There being no further business to discuss, the floor was returned to Ms. Whited, Acting Chairperson who thanked the members again for their membership and attendance at the 2024 Annual Meeting. Ms. Whited then requested a motion to adjourn the meeting. Mr. Buckner moved to adjourn, and Mr. Daning seconded. Ms. Whited declared the meeting adjourned at 2:23 p.m.

Respectfully submitted,



JOSEPH E. BOLCHOZ, JR.
Secretary, Board of Directors

MARY L. WHITED, CPA
Acting Chairperson, Board
of Directors

LEADERSHIP

BOARD OF DIRECTORS

BG J. Emory Mace (Ret.), Chairman
COL Kelvin L. Brown, Vice Chairman
Joseph E. Bolchoz, Jr., NCVE, Secretary
Mary L. Whited, CPA, Treasurer
Richard I. Buckner, Member
J. Ralph Cathey, Member
Joseph S. Daning, Member

SUPERVISORY COMMITTEE

Robert E. Bendetti, Jr., CPA, Chairman
COL Robert Spafford, Vice Chairman
Matthew Alexander, Secretary
CAPT R. Patrick Flynn (Ret.), Esq., Member
Joseph S. Daning, Board Liaison

VOLUNTEER ADVISORS

Michelle P. Kelley, Esq.
Kevin Eichelberger
COL Linda J. Riedel



**SOUTH CAROLINA
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CREDIT UNION®**

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