



*It's all
about We.*

2020 ANNUAL REPORT





SIXTY-NINTH

Annual Meeting

FEBRUARY 16, 2021

OUR MISSION

We are a nonprofit financial cooperative improving lives in our community.

OUR VISION

To value people over profit, proactively seek improvement, work passionately, exceed expectations, and make our community a better place.



LISTERHILL CREDIT UNION

Officials

*Listerhill Credit Union is a member-owned, member-focused, nonprofit cooperative operated by **you**.*

As a member, you have an equal share in the ownership of Listerhill, are eligible for dividends, and have access to a variety of comprehensive financial services. Plus, you get an equal say in elections for the Board of Directors and Supervisory Committee — no matter how much money you have in your account. Since we're all in this together, we work harder to keep our money **safe, secure, and growing**.

Officers & Directors

Larry Hester
CHAIRPERSON

Otis Dickerson
VICE-CHAIRPERSON

Bob Little
SECRETARY/TREASURER

MEMBERS:

Alex Godwin
Franklin Brown
Mark Linder
Mark Massey

Supervisory Committee

Joey Cantrell
CHAIRPERSON

MEMBERS:

Dr. Gale Satchel
Dr. David Craig

Associate Directors

Kevin Buttrum

Report

from the **BOARD OF DIRECTORS**

Throughout 2020, Listerhill Credit Union renewed our commitment to provide the best experience for members among credit unions nationwide. Even though our communities faced extraordinary physical, financial, and social challenges, Listerhill overcame numerous obstacles to exceed expectations and help our members get through the most unpredictable of circumstances. Because we recognize the importance of the banking experience to everyday stability, Listerhill is always working to maintain a consistent balance between providing safety and security, investing in people as well as technology to create better service experiences, and constantly improving how we operate to create the greatest return for the members we serve. We are pleased to share that others have recognized our efforts publicly. In 2020, Forbes magazine recognized Listerhill as the best credit union in Alabama and among the top 3.5 percent of financial institutions in the country based on member satisfaction, recommendation, and trust. Listerhill was also selected by Credit Union Journal as one of the “Best Credit Unions To Work For,” and for the first time ever, Listerhill received certification as a “Great Place To Work,” which is a globally-recognized commitment to serve as a premier employer.

SERVING OUR MEMBERS THROUGH HARDSHIP

Listerhill was built for times like 2020. Because we are committed to our members, Listerhill

also remains committed to our structure as a financial cooperative owned by and operated for the members of this credit union. Since the best experience is created by enhancing personal service, availability, and accessibility, Listerhill introduced several ways to address our members’ needs during the pandemic.

Even before the pandemic began to have an adverse effect on our local economies, Listerhill put together a “Here To Help” team – a group of employees whose focus was to serve members experiencing financial hardship due to the COVID-19 pandemic using a one-on-one review of their individual situations. This included waiving early withdrawal penalties on certificates, waiving penalties for early withdrawals from money market accounts and savings accounts, waiving non-sufficient funds or transfer fees, waiving fees for Skip-A-Pay, waiving late fees on loan, credit card, and mortgage payments, payment relief for loan, credit card, and mortgage payments for up to 90 days, and the halting of repossession or foreclosure.

Listerhill also placed a great deal of emphasis on Service and Safety during the pandemic. Through daily meetings of our pandemic team, we closely monitored updates from the state governments as well as the Centers for Disease Control (CDC) to make sure that the health, safety, and well-being of our staff and members were prioritized first. To help minimize risk, we installed plexiglass guards in every branch at service bars and desk areas, increased sanitation products and trained all staff on effective use, implemented the use of sanitation gloves for all employees handling cash, increased the intensity of daily cleaning and sanitizing of every location, and augmented

the frequency of cleaning and sanitation of all ATMs and Smart ATMs.

In 2020, Listerhill also expanded our network of Smart ATMs to include all branches in our service area. Smart ATMs can deliver full account services in the form of deposits, withdrawals, loan payments, account inquiries, transfers, and even cashing checks. Members can conveniently utilize these machines with or without their debit card, 24 hours daily, 7 days weekly. Also, if personal service is preferred, members can request and receive assistance from one of our friendly Tellers during normal business hours. These Smart ATMs proved invaluable when branch lobbies had to be closed during the first few weeks of the pandemic, and they also helped to facilitate account access when members needed to get their stimulus funds quickly.

Listerhill also continued to invest in an improved experience built around online and mobile interactions with our members and potential members by partnering with one of the industry leaders in financial technology. This service will also expedite the speed and improve the quality of service we can offer our members in digital account opening and loan applications. In addition, Listerhill’s ability to accept real-time mobile deposits was enhanced in 2020, providing members with added efficiencies and capabilities for service and convenience.

GIVING BACK TO OUR COMMUNITIES

Though 2020 provided many challenges to the daily operations of Listerhill, we were still able to provide the highest level of consumer loans

in our history through Loans That Pay You Back. Not only did we provide more auto, personal, and recreation loans than we ever have before, but we were able to put \$1.25 million back into our communities through cash givebacks direct to our members as part of the campaign.

2020 also saw the commencement of Kicks for Kids, funded by the Listerhill Foundation. This charitable effort is aimed at helping the community by providing brand new pairs of shoes to kids through partnerships with elementary schools in our service area. Working with the organization Shoes That Fit, Listerhill hopes to help local kids improve their self-esteem, boost physical activity, promote positive behavior, and increase attendance at the schools by providing new, brand-name athletic shoes to an entire grade or the entire school.

Listerhill also made significant financial contributions to twenty local elementary schools in 2020 through our School Blitz, which provided \$1,250 directly to schools who were not able to have fundraising activities due to the pandemic and who were chosen by branch managers or other local staff.

Throughout the year, Listerhill also continued to provide some of the best financial value for members through saving and borrowing rates among credit unions and banks in our service area. As members adopt more of their credit union's products and services, the value of membership is enhanced for all. In 2020, we grew to more than 96,000 members and \$1.04 billion in total assets. We provided \$315 million in new loans and member deposits grew by nearly \$160 million. This enabled us to return \$1.3 million in share dividends and \$7 million in interest on other member deposits for a total

of \$8.3 million directly to the membership in 2020. We were also able to add more than \$4.3 million to members' equity.

FORGING INTO THE FUTURE

Listerhill has never lost sight of the mission we started in 1952 – to help members save and borrow at the best rates possible while also being served by people you trust with the best services available anywhere. Sixty-eight years later, our goal is still to create the best possible experience through personalization, friendly service, convenience, and the integration of modern enhancements to create speed and efficiency, all without sacrificing quality or replacing people with technology. Instead, we are able to allocate our resources toward creating memorable relationships and adding value.

In 2020, Listerhill realized the opening of our first flagship location that will offer the complete service experience we have worked so diligently to build while also consolidating our two former locations on Woodward Avenue and bringing together team members to accommodate the increased demand. This convenient flagship branch is our first to feature complete Business Services, Mortgage Services, Consumer Services, and Financial Advisors outside of our Main Office. Additionally, the branch will feature enhanced capacity to serve members through five Smart ATMs with live teller assistance during business hours, six service bar stations, and twelve hoteling offices for providing more personal service with loans or opening accounts.

Listerhill also completed the total renovation of our branches at Cloverdale Road in Petersville and Highway 43 in Russellville. These branches not only reflect the modern design of our brand, but they also demonstrate the member-focused model of exceeding expectations with a combination of technology, innovation, and efficiency. We have replaced pneumatic tubes with Smart ATMs that are open 24/7 and more team members are now available to assist members with more detailed service requests.

Over the next several months, Listerhill will endeavor to broaden its impact and offer its cooperative value to other prospective members and communities by constructing flagship locations in Athens, Alabama and Spring Hill, Tennessee. We will soon break ground at the Athens location and look to complete the renovation of our existing branches in Rogersville and Haleyville, Alabama later this year.

In 2021, our members can expect us to continue investing in them through increasing the impact of the member experience, enhancing member value, and growing support for our local communities. Listerhill will never forget our core values nor forsake the mission we have set forth that lives and breathes in what we do every day. We are excited to share this cooperative process that allows our members and communities to benefit from the credit union that is owned by and operated for you. Thank you for your membership and patronage in Listerhill Credit Union.

It's All About We.

Larry Hester CHAIRPERSON

BALANCE SHEET DECEMBER 31, 2020

Assets	2020		2019	
Loan	\$690,793,792	66.1%	\$639,496,758	73%
Less: Allowance (Loan Losses)	(4,376,733)	-0.4%	(7,461,097)	-0.9%
Loans, Net	686,417,059	65.7%	632,035,661	72.1%
Cash	106,020,944	10.2%	123,742,553	14.1%
Investments	190,052,520	18.2%	66,703,660	7.6%
Accounts Receivable	13,140,514	1.3%	12,970,083	1.5%
Prepaid Expenses	11,319,400	1.1%	9,398,715	1.1%
Fixed Assets	27,515,622	2.6%	22,326,270	2.5%
NCUSIF Insurance Deposit	9,075,212	0.9%	7,659,080	0.9%
Other Assets	812,256	0.1%	1,192,852	0.1%
Total Assets	1,044,353,527	100%	876,028,874	100%

Deposits, Liabilities & Equity				
Shares	392,091,803	37.5%	342,017,001	39%
Draft Deposits	163,409,026	15.6%	125,423,735	14.3%
Certificates of Deposit	253,275,464	24.3%	271,643,311	31.0%
Money Market Accounts	119,108,784	11.4%	33,511,714	3.8%
IRA Accounts	27,691,285	2.7%	23,177,557	2.6%
Total Shares & Deposits	955,576,362	91.5%	795,773,318	90.8%
Total Liabilities (Accounts Payable)	6,578,022	0.6%	4,994,134	0.6%
Total Members' Equity	82,199,143	7.9%	75,261,422	8.6%
Total Deposits, Liabilities & Equity	1,044,353,527	100%	876,028,874	100%

INCOME STATEMENTS & DISTRIBUTION OF INCOME DECEMBER 31, 2020

Sources of Income		
Interest on Loans	\$33,129,951	63.1%
Income from Investments	3,020,954	5.8%
Other Income	16,314,469	31.1%
Gross Income	\$52,465,374	100%
Distribution of Income		
DIRECT RETURN TO MEMBERS		
Interest Paid to Members	\$7,077,252	13.5%
Dividends Paid to Members	1,274,177	2.4%
Total Direct Return to Members	\$8,351,429	15.9%
TOTAL ADDITION TO EQUITY		
Net Income 2020	4,382,748	8.4%
OPERATING EXPENSES		
Payroll & Employees Benefits	20,729,539	39.5%
Education & Training	679,551	1.3%
Occupancy	1,776,656	3.4%
Office Operations	5,321,988	10.1%
Deposit Operations	2,814,473	5.4%
Lending Operations	2,262,922	4.3%
Provision for Loan Losses	0	0%
Advertising	1,394,926	2.7%
Compliance	235,994	0.4%
Other Operating Expenses	4,515,148	8.6%
Total Operating Expenses	39,731,197	75.7%
Total Distribution & Expenses	52,465,374	100%

Report

from the **TREASURER**

On behalf of the Board of Directors, Supervisory Committee, Management, and Employees, I present the annual financial information for 2020.

In 2020, total assets increased 19.2% or \$168 million. Outstanding loan balances were \$690 million. Investment balances were \$190 million.

The Board of Directors declared dividends for all four quarters of 2020, and a total of \$8.3 million was paid to the membership in the form of dividends and interest. This included member dividends of \$1.3 million and interest income of \$7 million. Interest income was paid to members for deposits on Interest Checking, Money Market, Young at Heart, Christmas Clubs, IRA's, and Certificates of Deposit. Total deposit growth for 2020 was 20.1%.

At the end of 2020, the credit union added \$4.3 million of net income to member equity.

Included in this report is income and expenditures for 2020. Listerhill Credit Union continues to generate the largest percentage of our income from loans to members. Interest income was \$33 million for the year, or 63% of total income. Operating expenditures were \$39.7 million with a net income of \$4.3 million.

Although 2020 presented challenges, Listerhill was able to adjust and continued to provide service to our membership while adhering to safety protocols for our members and employees. Listerhill experienced another profitable year in 2020 and we anticipate 2021 to be successful.

Respectfully Submitted,



SECRETARY/TREASURER



Report

from the **SUPERVISORY COMMITTEE**

It is our responsibility to represent you, the members and owners, in overseeing the financial soundness of your credit union as well as evaluating and reviewing the performance of elected officials, management, and employees.

It is also our responsibility to assure the records of your credit union are maintained in accordance with credit union accounting and reporting practices as prescribed by the Alabama Credit Union Administration, the National Credit Union Administration, and federal and state laws.

Barfield, Murphy, Shank, and Smith, Certified Public Accountants from Birmingham, were contracted by your Supervisory Committee to examine statements of income, retained earnings, and changes in financial position. This audit was performed as of September 30, 2020.

The Alabama Credit Union Administration, along with the National Credit Union Administration, performed their annual examination and your credit union received an excellent rating. All audit and examination information, along with any recommendations and necessary changes, have been reported to the Board of Directors and management staff. We are pleased to report that 2020 was a successful year for Listerhill Credit Union with growth in assets of \$168 million. We are also happy to report that your deposits at the credit union are well insured, safe, and secure. Thank you for your interest regarding your credit union and its operations.

Respectfully Submitted,

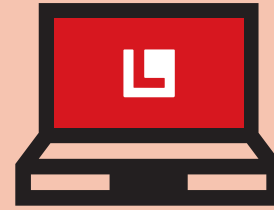
Joey Cantrell

CHAIRPERSON





TOTAL NUMBER OF MEMBERS



ONLINE
BANKING
USERS

51,228



MOBILE
BANKING
USERS

29,988



AVERAGE TOTAL
DEPOSITS PER
MEMBER

In 2020, Listerhill Credit Union remained strong in average total deposits per member, while continuing to provide meaningful financial solutions for members.





AVERAGE LOAN AMOUNT

2018	\$11,706
2019	\$11,837
2020	\$13,416

In 2020, the credit union experienced total loan growth of 8%.

Listerhill's mission is to improve lives in our community. This means more than just providing great service in a branch or on the phone. It means we are committed to impacting the lives of our members, and we are always seeking the opportunity to invest in our communities.



\$20,000

DONATED TO

16 SCHOOLS

IN ONE CHRISTMAS BLITZ



400

PAIRS OF NEW SHOES DONATED



NUMBER OF DEBIT CARDS

57,006



NUMBER OF CREDIT CARDS

15,489

*We are a nonprofit financial cooperative
improving lives in our community.*

