

ANNUAL REPORT

2023

Report from

The Chair

As chair of the Board of Directors, it is my honor to serve with volunteers who develop policies and systems that allow Redstone Federal Credit Union® to live its mission of improving the financial well-being of our members and communities.

We are proud of the work our President and the Executive Staff have done to grow our assets to \$7.54 billion, as of December 31, 2023, while keeping our 800,000-plus members a priority. That hard work continues to be recognized by entities inside the Credit Union industry and beyond.

Redstone has won numerous awards, including the regional Desjardins Adult Financial Education Award for our impactful Schools Program where we build branches inside high schools and colleges that are run by the students. We are also a finalist in the Business Alabama Awards for our community work.

In addition, we welcomed a new member to our board in 2023. Rick Hempstead is already making an impact as a certified public accountant who brings more than 30 years of financial experience to the board.

We also say good-bye to longtime board member Charlie Miller, who retires after 36 years of credit union service. He was also named Volunteer of the Year in 2023 by the League of Southeastern Credit Unions & Affiliates for his dedication to veteran causes. We will miss his wisdom, his kindness, and his enthusiasm for serving others.

We value your membership and the confidence that you put in us. I invite you to read the entire report for additional details on the great work your Credit Union is doing.

We are proud of this cooperative and its members.

Respectfully submitted,



Dave Hargrove
Chair

Report from ---

The President

Ultimately, 2023 was a great year! Serving members of modest means is a primary reason Redstone was formed 73 years ago and remains essential to who we are as an organization. That's why Redstone looked for innovative approaches and partnerships to help our members who were going through tough times.

Inflation impacted the cost of goods and services in 2023 for everyone. Despite those setbacks, Redstone never lost sight of its vision of helping our members, their families, and our communities achieve their financial dreams.

One such partnership is our work with the Huntsville Housing Authority to address the challenges to homeownership faced by first-time homebuyers. Affordable housing is important to a thriving community and helps build long-term wealth. Redstone originated \$31 million in First-Time Home Buyer loans to help members of modest means become homeowners.

Another initiative that began last year is the Affordable Auto Loan Program for members referred to Redstone by social services agencies. Many qualified for lower auto rates to help them purchase essential transportation.

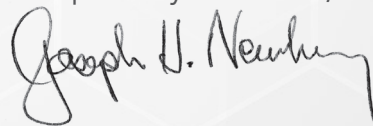
For our Redstone Visa Signature cardholders, we offered more opportunities to earn reward points on the purchases such as gas, restaurants, and groceries.

We listened to our members and enhanced our GAP or Guaranteed Asset Protection to cover the deductible for any accident on a covered vehicle regardless of whether it is a total loss. This has saved our members thousands of dollars in deductibles alone.

Overall, Redstone returned \$33 million to members in the form of credit and debit card rebates, mortgage and checking promotions.

With a new year comes new opportunities to improve the financial well-being of our members and communities. We intend to take every advantage of those opportunities.

Respectfully submitted,



Joseph H. Newberry
President/CEO

Report from ---

The Supervisory Committee

The Supervisory Committee, in compliance with the Federal Credit Union Act and Redstone Federal's bylaws, independently evaluates the soundness of Redstone Federal's operations and activities. The Committee provides assurance that the board and management are meeting required financial reporting objectives and establishing practices and procedures sufficient to safeguard members' assets by implementing sound internal controls.

In accordance with these responsibilities, the Committee hired an independent CPA (certified public accountant) firm, Moss Adams LLP, to perform the financial statements audit for the year ended June 30, 2023. The full report of the Independent Auditors can be found on the credit union's website. A condensed consolidated statement of financial condition and income of the Credit Union appears in this Annual Report.

Industry recognitions received by Redstone Federal Credit Union during 2023 included a superior 5-Star rating by BauerFinancial, Inc. This 5-Star rating means Redstone Federal Credit Union is a safe, financially sound credit union that operates well above the National Credit Union Administration's (NCUA) required capital. The Credit Union has maintained this rating since June 1996 and has been named a 'Best of Bauer Credit Union'.

Based on the results of internal audits, the financial statements audit, and the outstanding regulatory examination report by the NCUA, conducted during the past year, it is the opinion of the Supervisory Committee that Redstone Federal Credit Union continues to be financially secure and operates in a safe and sound manner.

Redstone's financial strength creates the foundation for the member benefits and community service it proudly provides.

Respectfully submitted,



William "Bill" Andrews
Chair

Leadership



Joseph H. Newberry
President
Chief Executive Officer



Terri Bentley
Senior Executive VP
Chief Information Officer



Wayne Sisco
Senior Executive VP
Chief Financial Officer



Jan Bias
Executive VP
People & Culture



Yvette Banks
Senior VP
Chief Retail Officer



Ericka Gorman
Senior VP
Chief Lending Officer



Mike Rodgers
Senior VP/Chief Compliance
Officer/General Counsel



Wendy Edmonds
Vice President
Human Resources



Keith Greene
Vice President
Chief Audit Officer



Joel Guske
Vice President
Innovation & Marketing



Kevin Hall
Vice President
Indirect Member Services



Jonathan Kirby
Vice President
Security & Investigations



Diana McCafferty
Vice President
Controller



Mike Panesi
Vice President
TN Market Executive



Tara Perez
Vice President
Consumer Lending



Mitch Peters
Vice President
Information Security



Raj Prasad
Vice President
Data Science & Analytics



Stephen Simpson
Vice President
Finance



Lisa Whitt
Vice President
Technology

Board of Directors



Dave Hargrove
Chair



Dawn C. Stanley
Vice Chair



Richard L. Morris
Secretary



Steve Fisher
Treasurer



William Andrews
Director



Charlene Brueggeman
Director



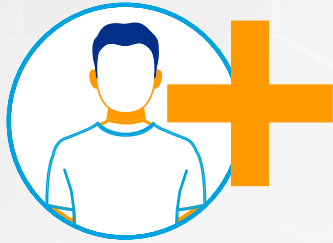
Rick Hempstead
Director



Kathleen Leonard
Director



Charlie Miller
Director



NEW MEMBERS IN 2023

97,034

MEMBER GIVEBACK IN 2023

\$33,286,121

\$22,320,041
IN CREDIT CARD
REBATES

\$2,416,871
IN DEBIT CARD
CASHBACK

\$1,328,406
IN HELOC
CLOSING COSTS

\$7,220,803
IN OTHER
PROMOTIONS



VISION

Helping members, their families, and our communities achieve their financial dreams.

MISSION

Improving the financial well-being of our members and communities by offering trusted advice, choices, opportunities, and solutions.

GUIDING PRINCIPLES

1. Grow accessibility to our cooperative and its financial solutions.
2. Be the go-to provider for high-quality financial products and services.
3. Create unparalleled value for our members.
4. Be the catalyst for positive change in our communities.

Redstone Federal Credit Union and Subsidiaries

Condensed Consolidated Statements of Financial Condition and Income (in thousands)

The summary financial information below is unaudited and was prepared from the audited financial statements. For a full copy of the Report of Independent Auditors and Consolidated Financial Statements for Redstone Federal Credit Union and Subsidiaries, please visit redfcu.org/about.

	June 30, 2023	June 30, 2022
Assets		
Cash and Cash Equivalents	\$ 283,390	\$ 484,822
Investments in Available-for-Sale Debt Securities	2,990,364	3,548,056
Equity Securities	55,981	53,934
Loans Held for Sale	133,621	7,414
Loans, Net	3,607,679	3,228,699
Accrued Interest Receivable	17,241	13,611
Property and Equipment, Net	180,113	154,928
National Credit Union Share Insurance Fund (NCUSIF) Deposit	64,039	62,364
Other Investments	4,182	9,376
Net Pension Asset	37,506	30,526
Other Assets	29,681	30,236
Total Assets	\$ 7,403,797	\$ 7,623,966
Liabilities		
Members' Shares	\$ 6,805,613	\$ 7,024,642
Accrued Expenses and Other Liabilities	75,201	65,805
Total Liabilities	6,880,814	7,090,447
Members' Equity		
Retained Earnings	873,673	786,800
Accumulated Other Comprehensive gain/(loss)	(350,690)	(253,281)
Total Members' Equity	522,983	533,519
Total Liabilities and Members' Equity	\$ 7,403,797	\$ 7,623,966
Income		
Interest Income	\$ 293,663	\$ 204,864
Noninterest Income	139,395	131,689
Total Income	433,058	336,553
Expenses		
Interest Expenses	46,412	15,135
Provision for Loan Losses	36,518	19,260
Noninterest Expenses	263,255	230,869
Total Expenses	346,185	265,264
Net Income	\$ 86,873	\$ 71,289

