



REDSTONE
FEDERAL CREDIT UNION®

ANNUAL REPORT | 2020



MISSION

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

VISION

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



NEW MEMBERS IN 2020

102,997

MEMBER GIVEBACK IN 2020

\$18,693,198



\$15,023,294
IN CREDIT CARD
REBATES



\$1,786,144
IN DEBIT CARD
CASHBACK



\$1,115,590
IN REDUCED
HELOC FEES



\$768,170
IN OTHER
PROMOS AND
GIVEAWAYS



This credit union is federally insured by the National Credit Union Administration.



Executive Staff

(Back row: l-r) Joel Guske, VP Innovation and Marketing; Joseph H. Newberry, President/Chief Executive Officer; Kevin Hall, VP Indirect Member Services; Jan Bias, Executive VP People and Culture; Wayne Sisco, Senior Executive VP/Chief Financial Officer; John Cook, VP Lending; Wendy Edmonds, VP Human Resources; Jonathan Kirby, VP Security and Investigations
 (Front row: l-r) Roberta Rodgers, VP/General Counsel; Yvette Banks, Senior VP/Chief Retail Officer; Linda Smith, VP/Controller; Mary Turner, VP/Chief Audit Officer; Lisa Whitt, VP Technology; Terri Bentley, Senior Executive VP/Chief Information Officer; Mike Panesi, VP Tennessee Market Executive



Board of Directors

(Back row: l-r) Richard L. Morris, 2nd Vice Chair; Steve Fisher, Treasurer; William Andrews, Director; Terrence L. Clay, Jr., Director; Dave Hargrove, Chair; (Front row: l-r) Charlie Miller, 1st Vice Chair; Charlene Brueggeman, Director; Kathleen Leonard, Secretary; Dawn C. Stanley, Director

Report from The Chair

Redstone Federal Credit Union's Board of Directors knows that 2020 presented many challenges to our members. This board considers it an honor to have served you and your family during these difficult times, and we appreciate the confidence you have placed in this Credit Union.

The Board of Directors' commitment to providing excellent service and products to our members is a top priority. As our membership grew to more than 590,000, the Credit Union introduced new products to keep up with those growing needs. That hard work was once again recognized by Forbes,[®] as the magazine designated Redstone one of Alabama's best credit unions.

Your volunteer board, together with the committee members and in conjunction with Executive Staff, are responsible for short-and long-term planning, ensuring that systems are in place for administering and effectively using resources.

Those short-and long-term planning efforts were on full display at Redstone as it pivoted to serve members and the community throughout the pandemic. The board's investment in drive-thru teller stations over the past several years allowed our members to continue face-to-face interaction with tellers from the safety of their vehicles. Our advancements in online services allowed you to bank from home, supporting safer-at-home measures. These were instrumental in our efforts to prevent the spread of the coronavirus. In addition, by keeping pace with technology, some of our departments were able to operate remotely when needed.

We believe that we must learn from each crisis. Redstone will use the processes, procedures, and best practices gained from these challenges to improve the way we do business in the years to come.

We look forward to better days ahead and commit to being with you every step of the way.

Respectfully submitted,



Dave Hargrove
Chair, Board of Directors

Report from

The President

As we reflect on 2020, Redstone Federal Credit Union® experienced great challenges and great successes.

In spite of a global pandemic, Redstone continued to live its mission of improving the financial well-being of our members and communities by offering trusted advice, choices, opportunities, and solutions. Redstone worked quickly to implement CDC guidelines intended to prevent the spread of the coronavirus. We addressed the needs of our members who faced financial hardships, and provided support to small businesses and community non-profits. We salute all essential workers, including our employees, who did their jobs under extreme circumstances. We have all been affected by COVID-19, whether personally, professionally, or in other unique ways. Through it all, we strive to live the credit union philosophy of 'People Helping People.'

Our employees gave their time and resources to various causes over the past year. They held food drives, raised money for children and families, and sent handmade cards to seniors.

For our members, we offered emergency loans, payment deferrals, and other assistance to those with auto and signature loans. We also provided options for members having difficulty paying their mortgages.

For our small businesses, we provided money for emergency loans through a community partner. Our small business members also received loan modifications, payment deferments, and other resources for applying for the U.S. Small Business Administration's Economic Injury Disaster Loan (EIDL) and Paycheck Protection Program (PPP) loan. In fact, Redstone distributed \$34.5 million to small business owners and was named Alabama's top credit union distributor of PPP loans. Nationally, credit unions that directly participated in the PPP loan program are credited with helping to save over one million jobs, according to research by Callahan & Associates.

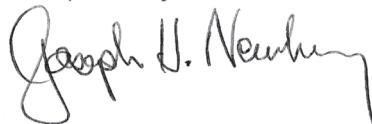
For our communities, we partnered with agencies that provided direct help to people for basic needs, health, and wellness.

Our employees continue to amaze me with their generosity. The United Way recognized Redstone's employees last year for consistently being top contributors.

In addition to their generosity, our employees embraced their role as essential workers to make certain that our members had access to their money and other products and services they needed. The credit union remained open and only limited branch traffic for a short time. Our commitment to our members remained our top priority each day.

You, our members, are the reason we are here, and we thank you for allowing us to serve you for another year.

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 statement audit for the year ending June 30, 2020. The full report of the Independent Auditors can be found on the credit union's website. The condensed consolidated statement of the credit union's financial condition and income appears in this Annual Report.

Industry recognitions received by Redstone Federal Credit Union during 2020 included a superior rating by Bauer-Financial, Inc. This five-star rating means Redstone Federal Credit Union is a safe, financially sound credit union that is operating well above the regulators' required capital. The Credit Union has maintained this rating since June 1996.

Based on the results of internal audits, the financial statement audit, and the regulatory examination report of 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 employees continue to work hard to maintain your financial security and prosperity.

We appreciate our members, who are the primary reason for all that we do. Thank you for your membership.

Respectfully submitted,



William "Bill" Andrews
Chair, Supervisory Committee

Redstone Federal Credit Union and Subsidiaries

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

Summary financials only. 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, 2020	June 30, 2019
Assets		
Cash and Cash Equivalents	\$ 307,927	\$ 246,022
Investments in Available-for-Sale		
Debt Securities	3,008,207	2,556,021
Loans Held For Sale	455	5,881
Loans, Net	2,516,671	2,152,372
Accrued Interest Receivable	14,448	13,811
Property and Equipment, Net	143,513	113,200
National Credit Union Share		
Insurance Fund (NCUSIF) Deposit	44,966	41,170
Equity investments	40,101	79,583
Other Investments	11,866	4,429
Other Assets	15,728	14,831
Total Assets	\$ 6,103,882	\$ 5,227,320
Liabilities		
Members' Shares	\$ 5,355,080	\$ 4,545,762
Borrowed funds	42,242	-
Accrued Expenses and Other Liabilities	58,484	108,287
Total Liabilities	\$ 5,455,806	\$ 4,654,049
Members' Equity		
Retained Earnings	\$ 623,820	\$ 589,749
Accumulated Other Comprehensive Gain/(Loss)	24,256	(16,478)
Total Members' Equity	\$ 648,076	\$ 573,271
Total Liabilities and Members' Equity	\$ 6,103,882	\$ 5,227,320
Income		
Interest Income	\$ 201,739	\$ 184,333
Noninterest Income	99,256	86,003
Total Income	\$ 300,995	\$ 270,336
Expenses		
Interest Expense	\$ 37,449	\$ 42,448
Provision for Loan Losses	28,212	20,322
Noninterest Expenses	202,612	168,765
Total Expenses	\$ 268,273	\$ 231,535
Net Income	\$ 32,722	\$ 38,801