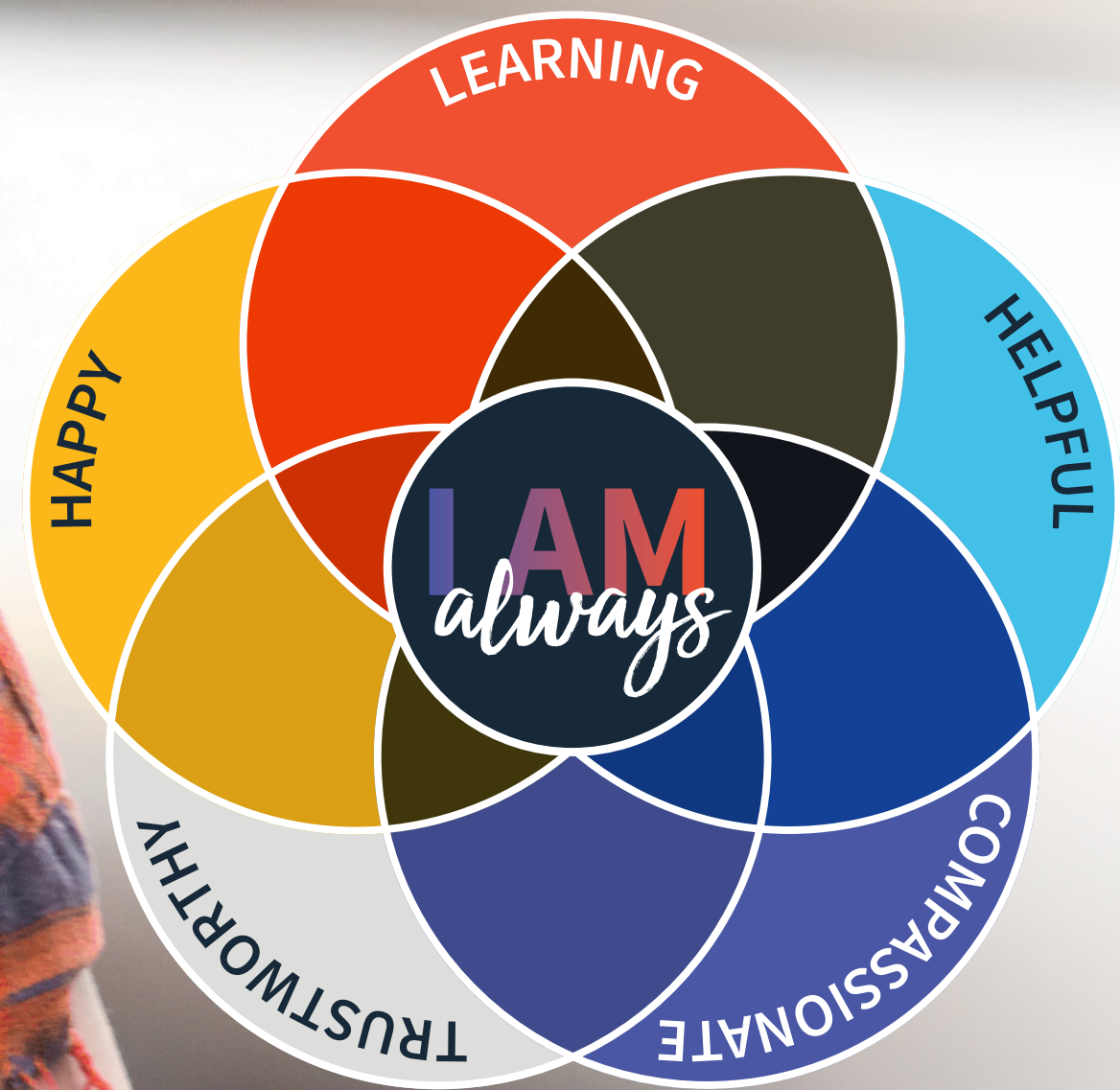


ANNUAL REPORT 2023

STRATEGIC VISION

Our **MISSION**

At Granite Credit Union, we're committed to being a trusted financial partner and making it easy for our members to *make life happen.*



Chairman's Report

It is a pleasure to write this report concerning your credit union, Granite Credit Union, for the year 2023 and how it has performed. Through the great efforts of our CEO, Mark Young, and the executive staff that works with him, I am happy to report that Granite is still going strong in spite of the financial concerns of the past years due to the Federal Reserve continuing to raise the interest rates on loans in order to slow the rate of inflation that has plagued the US since the COVID19 pandemic. Granite Credit Union is still safe and financially sound with more than 10% net worth, which exceeds the NCUA (federal regulators) requirement of at a minimum 7% net worth.


As you will note, Granite had a much lower net profit in 2023 than we have had for a number of years, the cost of funds was much higher, and loan write-offs were higher. However, Granite still maintained the more than 10% net worth that provides safety and security to our members' finances. Granite continued to grow in number of members and the total assets are now over \$800 million. Thank you for referring your friends and family to become members.

During the past year, Granite received permission from the NCUA to expand our operations to more counties in Utah. We are now in the process of building new branches in grocery stores in Tooele, Salt Lake City,

and Ogden. When these branches open, be sure to encourage your friends and family in those areas to join Granite to receive the same great financial services you are receiving.

We are all enjoying a much higher dividend income on our various savings accounts as members of Granite Credit Union. This is due to the Federal Reserve raising the loan rates to banks and credit unions. All financial institutions must raise their savings dividend rates in order to have the money necessary to loan to their customers and members.

Thank you for being loyal Granite members and be sure to thank those who serve you at Granite each time you come in for the great job they are doing and the fact that all is well. The NCUA has just been auditing Granite and acknowledging the financial records are correct, the staff is great to work with, and Granite is certainly safe and sound.

We, the Directors, thank you for the opportunity to serve you as volunteers at Granite. 



Donald O. Johnson
Board Chair



**Your money is
better protected
at Granite Credit
Union.**



Mark L. Young
President/CEO



The most exciting news in 2023 was Granite's approval from NCUA for a Field of Membership expansion to now be able to serve 10 counties in Utah.



President's Report

The vision statement of Granite Credit Union is “Always there so you can make life happen.” We believe this reflects our focus to serve our members with all their financial needs at any point in their life. We want our members to feel like they are valued and that they can come to us for any financial product or service they need. Our strength is our member-owners who have trusted us for over 88 years to assist them with their financial needs. It is an honor to work for and serve our members every day.

The most exciting news in 2023 was Granite's approval from NCUA for a Field of Membership expansion. As of July 5, 2023, Granite Credit Union can accept any persons who live, worship, work or attend school in Salt Lake, Box Elder, Weber, Morgan, Davis, Summit, Tooele, Utah, Wasatch, and Juab counties. This expansion from Salt Lake County to ten counties opens our potential membership opportunity from 1.2 million to 2.8 million people. This is a historic event for Granite Credit Union which will lead to new branches in some of these counties starting in 2024. Part of this expansion includes a new partnership with Rancho Markets. Rancho Markets is a local grocery store with nine locations from Ogden to Provo. We anticipate opening at least two branches inside Rancho Markets in 2024. Our goal for our facilities is to make them billboards on

the outside to attract new members and relationship focused on the inside to serve existing members.

Granite finished the year with \$803 million in assets. We grew over \$60 million in assets in 2023. As interest rates increased during the year, we made every effort to offer competitive loan and deposit rates. Our loan balances increased \$77 million in 2023. This growth was very strong, and it came in a variety of products. We saw balanced growth in auto, mortgage, and commercial lending. We continue to promote our Vanishing Rate auto loan product as the best auto loan option in the market. This product allows our members to reduce their interest rate with on-time payments, giving our members the control to lower their interest rate in a high-rate environment.


On the deposit side, we grew over \$33 million in 2023. We are very appreciative of our members' trust in us to bring us their deposit dollars. With several bank failures occurring in 2023, our members found safety and increased earnings in Granite deposit products. As interest rates continued to increase during the year, we were dedicated to offering products to meet our members savings needs. We offered short-term and long-term investment options at the highest market rates in Utah. We created several new savings certificate options and a new checking account called

Dividend+ to meet our members' needs. Our new Dividend+ checking account pays dividends on balances over \$5,000 *plus* pays bonus rates to Money Market accounts. All that is required to open this account is a direct deposit, a debit card, and online statements. After introducing this new account in August of 2023, we opened over 1000 new checking accounts in the final five months of the year. Our goal is to offer products that provide members with flexibility, choice, and earnings.

As we continue to grow, we are striving to improve our technology and communication to better serve our members. Our goal is to be able to connect with members through any communication channel they choose to engage us in. We took

steps in 2023 to improve our communication and technology offerings to better assist us in providing an outstanding member experience. We introduced technology that allows members to interact with us through text and chat options. In the future, this technology will lead to options for videoconferencing and appointment scheduling. This technology will allow members the flexibility and convenience to contact us by any channel of their choice. Our goal is to be more convenient, responsive, and accessible to assist members in their financial journey.

As we look back on the changes and growth of 2023, we appreciate the trust that enabled our shared success. We value our relationships with

our members, and we are committed to providing the products and services that enable them to make life happen at every step in their journey. Thank you to our GCU employees, our volunteer Board of Directors and Supervisory Committee, and our members for working together to build a financial institution that is dedicated to helping people in all phases of their life and from a variety of backgrounds to make life happen in meaningful ways! 

Warm Regards,



Rob Nish
Supervisory
Committee Chair



**While facing
a constantly
evolving economy,
Granite Credit
Union continues to
remain strong and
secure.**




Supervisory Committee Report

In 2023, the Granite Credit Union supervisory committee membership remained consistent with Rob Nish serving his second year as Chair and the welcome addition of new committee member, James Woody.

As a supervisory committee, we are tasked with safeguarding member assets by ensuring the credit union is operating properly. We have broad oversight authority to hold Granite Credit Union's board of directors and senior management accountable for fulfilling their responsibilities in the interests of the credit union's members, and for operating according to sound business, ethical, and regulatory standards.

While facing significant challenges and risks in a constantly evolving economy, Granite Credit Union continues to remain strong and secure with Mark Young as President, a tenured leadership team, and a diverse and vastly experienced board of directors.

Laura Wall, Director of Risk Management, provided excellent review and oversight of the Credit Union processes. Her monthly branch audits and reports were thorough, inclusive, and kept us well-informed. We thank her for the great work she performs.

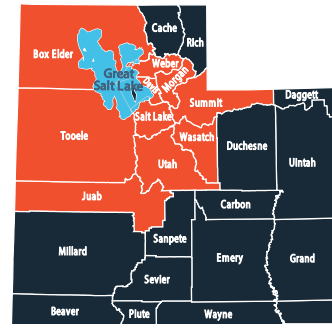
In 2023, we selected Doren Mayhew CPAs to conduct the financial audit. We are pleased to report a clean audit with no material weaknesses. Safeguards are also in place to help strengthen the Credit Union's security posture based on IT audits conducted by TraceSecurity. After reviewing the audits performed, the supervisory committee agrees with the assessment that financial statements prepared by management and approved by the board and supervisory committee are accurate with no material errors or miscalculations. 

Rob Nish



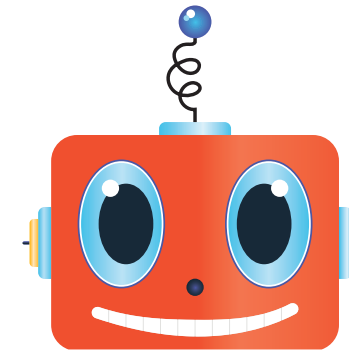
March 2023

Received Juntos Avanzamos designation



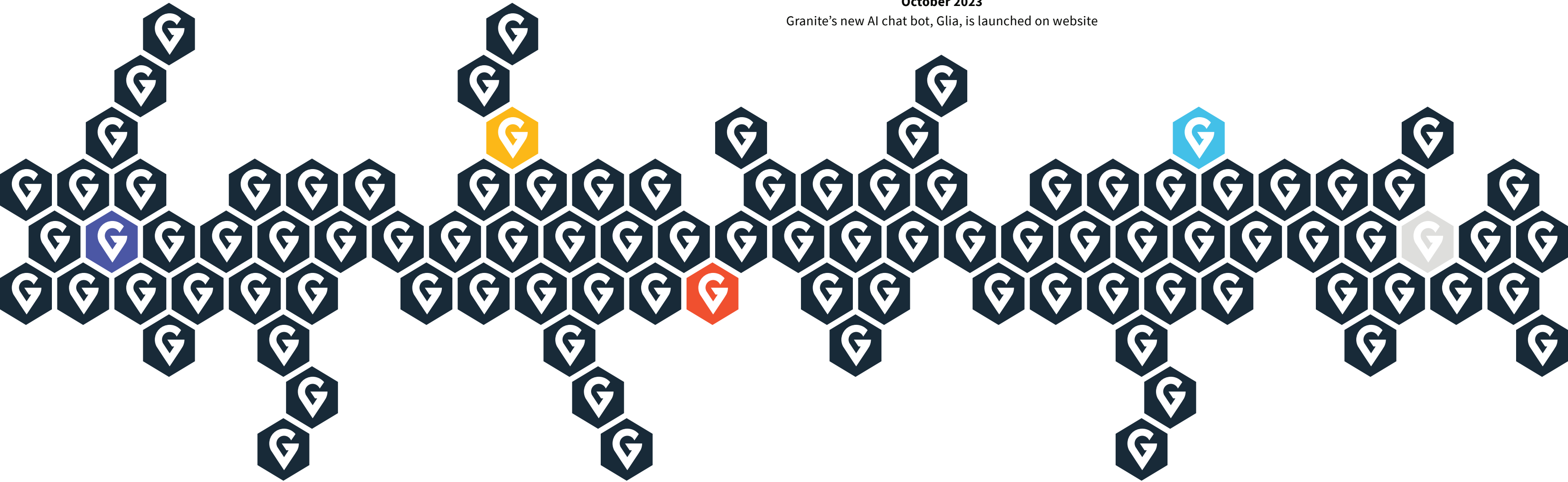
July 2023

Received approval for Field of Membership expansion



October 2023

Granite's new AI chat bot, Glia, is launched on website



April 2023

Granite enters a multi-year partnership with Millcreek City's Adventure Hub



October 2023

Introduced Granite's new Dividend+ Spend Account with dividends on checking plus a bonus on Money Market



November 2023

Contactless Visa cards are rolled out for tap-and-go convenience

VOLUNTEERS

Our **BOARD OF DIRECTORS**



Don Johnson
Chair



Richard Welch
Vice-Chair



Lon Tibbitts
Secretary



Hollie Boss



Paul Edmunds



Mitch Robison



Ben Ungricht

Our **SUPERVISORY COMMITTEE**



Rob Nish
Chair



Paul Budd



Scott Jurges



Austin Summers



James Woody



Mark Young
President/CEO

Mark has over 25 years experience as a credit union executive including the past 10 years with Granite. Named CEO in October 2021, Mark’s experience includes Operations, Compliance, Branching, Training and Lending.



Julie Morgan
Executive VP

Julie is a 25+ year veteran of Granite with experience overseeing a variety of credit union responsibilities. Julie holds a Bachelor’s degree and an MBA from Utah State University. She currently leads Branch Operations and Digital Services.

EXECUTIVE TEAM



Jim Davis
Senior VP Lending

Jim is a self-described “recovering banker” having spent 20+ years as bank branch manager and commercial lender. He earned a bachelor’s degree from University of Utah and an MBA from Westminster College. Jim’s “recovery” includes spending the last 12+ years leading the Business and Consumer Lending efforts at Granite.



Mary Woodard
VP Business Development

Mary started as a teller at Granite and has spent the last 30+ years learning everything there is to know about credit unions and member service. She holds a bachelor’s degree from Westminster College and is a graduate of Western CUNA Management School. Mary now oversees Business Development and Community Involvement for the credit union.



Cindy
VP IT & Facilities

Cindy is the newest addition to the Granite team, but brings with her more than 30 years of credit union industry experience. 22 of those years as credit union leader and executive and more than a dozen as a credit union core processing system expert. Cindy’s wealth of knowledge and experience along with her drive to accomplish challenges has been a great addition to Granite.



David Borsos
VP Finance

David is a CPA who has spent the past 12 years leading accounting and data for Granite. He has a bachelor’s and a Master of Accounting degree from the University of Utah. David currently oversees Accounting and Payment Services for the credit union.



Garrett Laws
VP Member Experience

Garrett has more than 15 years of experience in Credit Union Marketing and Member Experience including the past 11 years with Granite. He has a bachelor’s degree from the University of Phoenix and is a graduate of Western CUNA Management School. Garrett currently oversees Marketing, Training, Human Resources, and Product Development.

Balance Sheet as of December 31, 2023

Assets	2023	2022
Loans to Members	\$655,963,676	\$578,431,920
Allowance for Loan Losses	\$(4,159,723)	\$(2,284,161)
Investments	\$123,954,141	\$147,685,839
Cash in Banks	\$ 3,933,858	\$4,642,457
Other Assets	\$ 13,704,777	\$7,273,432
Fixed Assets	\$10,268,597	\$7,834,589
Total Assets	\$803,665,326	\$743,584,076
Liabilities & Capital	2023	2022
Shares/Deposits	\$ 683,638,023	\$650,251,680
Other Liabilities	\$ 49,937,090	\$28,758,905
Total Reserves & Capital	\$79,537,016	\$71,877,564
Net Income	3,980,186	\$9,083,774
Unrealized Gains (Losses)	\$(13,426,989)	\$(16,387,847)
Total Liabilities & Capital	\$803,665,326	\$743,584,076

CONSOLIDATED STATEMENT OF EARNINGS

FINANCIAL REPORTS

Income Statement as of December 31, 2023

Income	2023	2022
Loan Income	\$28,253,767	\$19,839,228
Investment Income	\$3,154,224	\$3,856,396
Fees & Other Income	\$5,576,666	\$5,926,123
Total Income	\$36,984,657	\$29,621,747

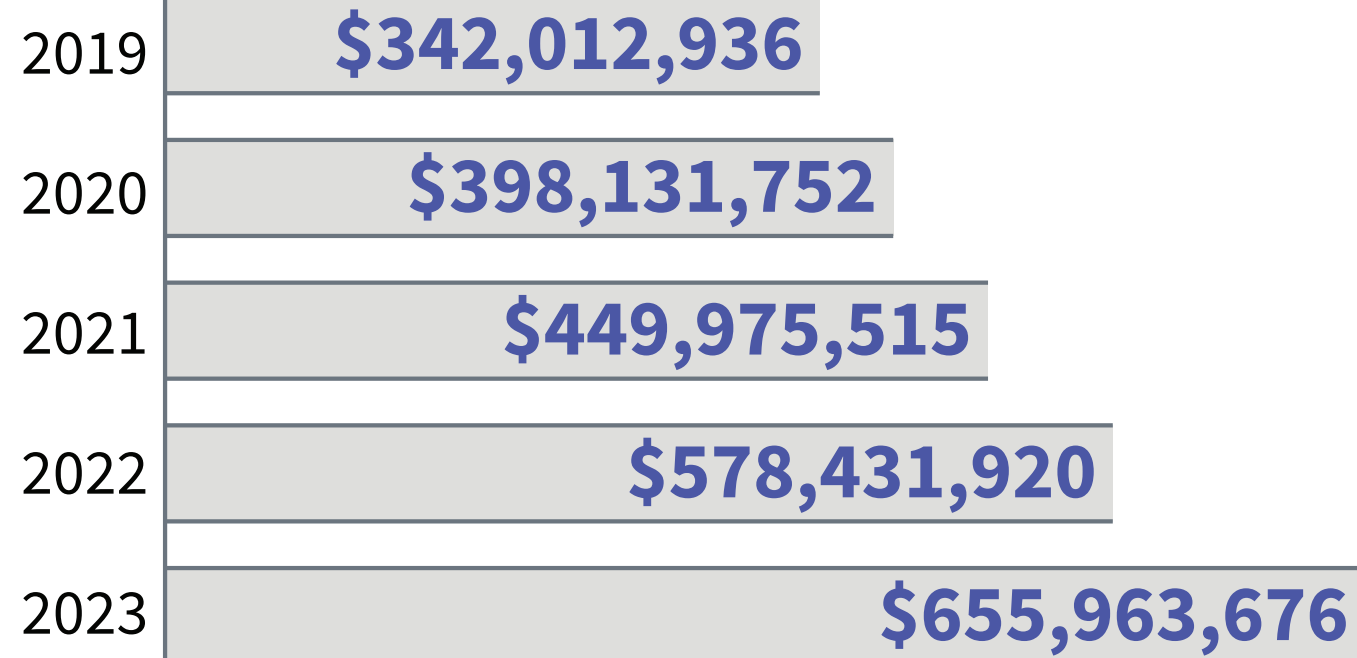
Expenses	2023	2022
Salary & Benefits	\$9,512,823	\$9,229,575
Insurance, Marketing, & Education	\$1,356,386	\$1,385,033
Office Operations	\$7,217,279	\$6,995,006
Cost of Funds	\$14,421,818	\$4,061,936
Total Expenses	\$32,508,306	\$21,671,550

Non-Operating Income/Expenses	2023	2022
Loan Loss Expense	\$1,894,688	\$
Non-Operating Income (Expense)	\$1,398,523	\$1,133,577
Total Net Income (Loss)	\$3,980,186	\$9,083,774

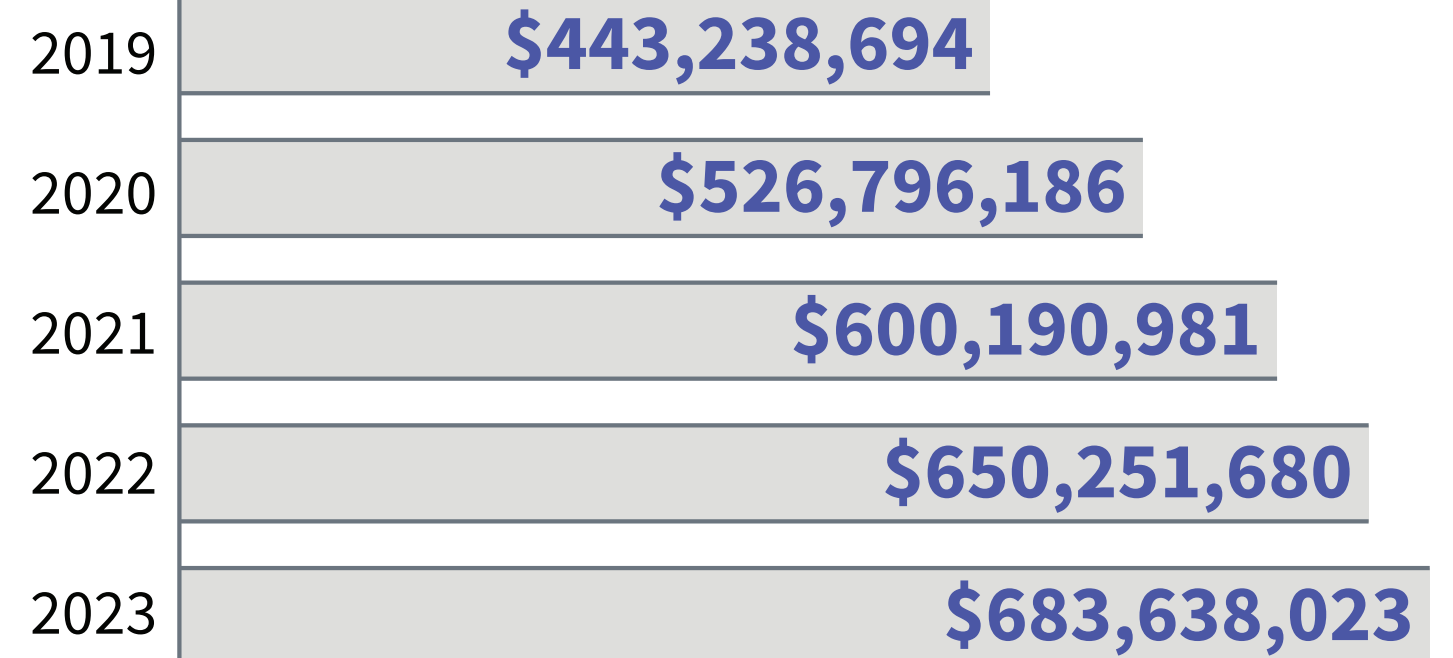
FINANCIAL HIGHLIGHTS

AT-A-GLANCE COMPARISON

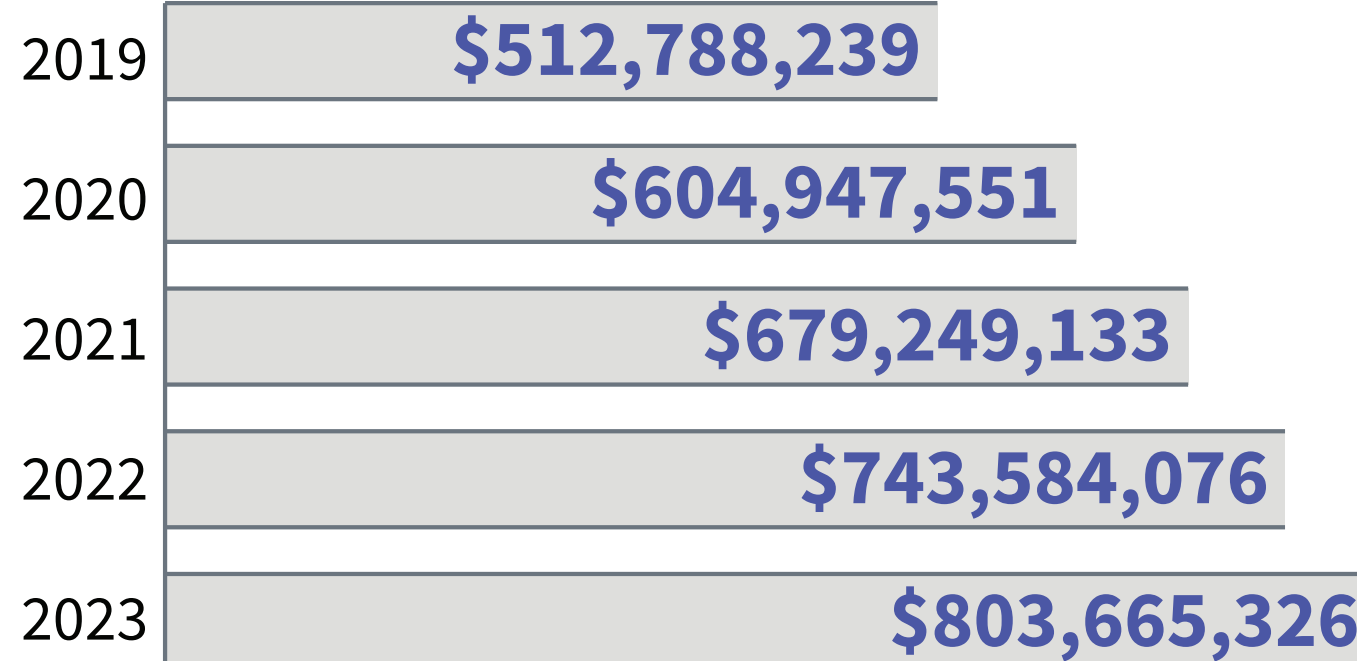
Loans



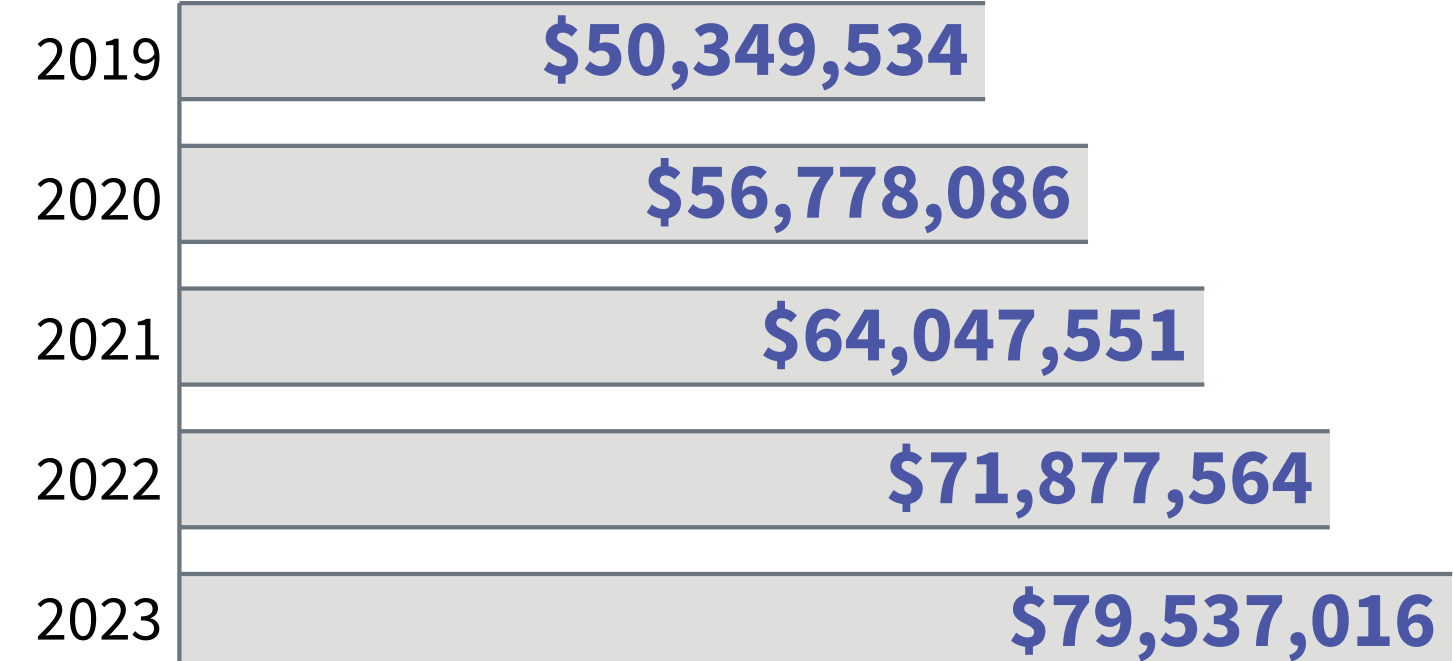
Deposits



Assets



Net Worth



PLANS FOR 2024

Granite Credit Union will open a branch inside Rancho Markets Rose Park location expected April 2024



RANCHO MARKETS
your grocery store *te ahorra!!!*
ROSE PARK



Mobile Branch expected completion this year to serve a broader area

Creating improved efficiencies and expanding tech to better serve our members



Increased number of bilingual employees to better serve Spanish speaking community



RANCHO MARKETS
your grocery store *te ahorra!!!*
OGDEN

Granite Credit Union will open a branch inside Rancho Markets Ogden location coming after Rose Park



New branches on the horizon in Utah and Tooele counties and additional branches in Salt Lake Valley

Enhanced mobile app features in the works





ALWAYS THERE SO YOU CAN...

make life happen