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Odessa, TX 79765
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DOWNTOWN BRANCH
1001 N Lee Ave
Odessa, TX 79761
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52nd STREET BRANCH
4440 E. 52nd Street
Odessa, TX 79762
Tel: (432) 362-1414
Fax: (432) 362-6164

FORT STOCKTON BRANCH
401 W Dickinson Blvd
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WEST TEXAS CREDIT UNION

ANNUAL REPORT

2020

LETTER FROM THE CFO

Valued Members,

COVID, pandemic, and lockdowns - the year **2020** will forever be marked as a year when the world stood to a halt. Despite these obstacles that threatened the global economy, **West Texas Credit Union** has proven time and again how resilient our team can be by not only rising above and over our peers but also in terms of implementing projects that can truly benefit the Credit Union family in the long future ahead.

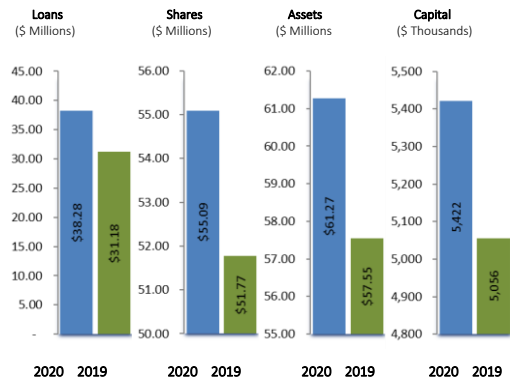
We have grown our total loan portfolio by **\$7.1M (22.76% annual growth)** and is now at **\$38.3M**. Our loans to share ratio continued its growing trend now at **69.49%**. Our delinquency ratio at **0.337%** is still lower than where we were last year despite growing our loans by **22.76%**.

Total Member Deposits has grown by **6.40%** and is now at **\$55.1M**. Total Assets has grown to **\$61.3M (6.47% annual growth)** which now makes us officially in the **\$61M+** Credit Union category. Profitability (Return on Assets) also shows an upward trend now at **0.61%**.

We ended the year with an **8.84%** capital to asset ratio, still the strongest we have ever been for the past 10 years – with a corresponding **7.72%** growth in equity now at **\$5.42M**. We also added a Year-To-Date net income of **\$365K** which is **13.03%** more than our CY 2019 figure.

Best Regards,

Glenn Tolentino
CFO



LEADERSHIP

EXECUTIVE MANAGEMENT:

Nicole Torans-Dominguez | *CEO/President*
Glenn Tolentino | *CFO*
Lisa Brooks | *Director of Operations*
Felicia Nixon | *Branch Manager*
Lorie Duran | *Assistant Branch Manager*
Celina Brito | *Assistant Branch Manager*
Margaret Lopez | *Assistant Branch Manager*
Brooke Patterson | *Marketing Manager*

BOARD OF DIRECTORS:

Steve Brown | Chairman
Donnie Norwood | Vice Chairman
Mary Jaramillo | Secretary
Carolyn Gonzalez | Director
Paul Pasqua | Director
Charles Roberts | Director
Ricky Chandler | Director
Kathy Norwood | Director
Charles Carlson | Director

EXPIRES

2022
2022
2023
2021
2022
2021
2023
2023
2021

■ = up for re-election 2021



LETTER FROM THE CEO

Dear Members,

The West Texas Credit Union family thanks you for your continued dedication and commitment to us. Looking back on 2020, many of us are so grateful to step into a new year with goals in mind, aspirations set forth, and kissing good-bye to one physically, emotionally, and mentally draining year. The year 2020 forced us to slow down and be patient, when as Americans that is the last thing we know how to do. It forced us to spend more time communicating through electronics, and forcing us to be at peace with seeing people through a screen or only hearing their voice.

As a member, your experiences may have changed on how you interact with us now. We have completed our Main Headquarters at the end of 2020, and at this time it is our only location with a lobby open to members. Other locations are available to accept appointments only and drive thru at the teller line. Our teams are working constantly to maintain a safe and clean environment to ensure we mitigate the risk of COVID spreading within our facility. Please be patient with us as we ask you to sign in and take your temperature. I assure you these actions are only for your safety and well-being.

During 2020, you may have seen some unfamiliar faces appear in preparation for our newest location opening. We have hired a couple new loan officers and have some new tellers who have joined the forces of the Credit Union. We have made these hires to ensure we are staffed and ready to help you in any way, and assist any new member who might need us. We are pursuing our efforts in “People Helping People” to make sure we do our part in building up the community. With this we have taken new approaches to doing credit counseling. We now meet through ZOOM to educate the community and provide insight on how to build credit and reduce expenses in this tough economic time. Our initiatives this year were reduced drastically due to cancellations of events, but we still worked to be a positive light out in the community and school events that were held.

This prior year was considered a major success for us. With many other financial institutions seeing delinquency spike and growth to slow, we are seeing the opposite. Our delinquency was at an all-time low of 0.34%. The conservative approach of growth has saved us in times like these, to still be able to hold our own and grow. We ended 2020 with an ROA of 0.61% which was an increase from 2019. Our capital to asset ratio has boosted to 8.84%. We continue to see this rise with our growth in lending and our stability in our assets. The economy isn’t always our friend, but with the team we have and the support of our community in education we have stayed strong. We ended the year with a total profit of \$365 thousand.

As I have said before, our core segment is educators within Ector County and Fort Stockton, and because of that we have worked hard to stay true to our roots. We are here through all walks of life. We are available to Ector and surrounding counties to provide our products and services. Feel free to share the love you have for your local Credit Union with friends and family. You can like and follow us on Facebook for updates on what is going on and what involvement is taking place with the Credit Union.

If there is a way to improve, we want to know. If you have new ideas or suggestions, please share with me or my team. We are open to enhancing and building your Credit Union to provide a better experience for you and your family. As always, it is a pleasure to serve you as your President and CEO. Please do not hesitate to contact me directly if anything is ever needed.

Thank you for your continued membership and support.

Best Regards,

Nicole Torans-Dominguez
CEO/President

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2020 and 2019

| | 2020 | 2019 |
|---|-------------------------|-------------------------|
| ASSETS | | |
| Total Loans to Members | \$ 38,280,454.65 | \$ 31,182,542.88 |
| Total Allowance for Loan Losses | (133,034.88) | (147,349.05) |
| Total Cash and Cash Equivalents | 17,363,082.19 | 23,140,372.19 |
| Total Prepaid & Deferred Expenses | 85,745.11 | 87,729.56 |
| Total Fixed Assets | 1,345,109.74 | 1,318,964.48 |
| Total Accrued Income | 127,788.74 | 136,550.51 |
| NCUSIF | 511,743.51 | 498,128.81 |
| Other Assets | 3,691,213.96 | 1,330,388.77 |
| TOTAL ASSETS | \$ 61,272,103.02 | \$ 57,547,328.15 |
| LIABILITIES | | |
| Total Accounts Payable | \$ 674,597.46 | \$ 569,546.77 |
| Total Accrued Expenses | 75,663.53 | 120,233.56 |
| Other Liabilities | 12,528.28 | 26,548.41 |
| Total Liabilities | \$ 762,789.27 | \$ 716,328.74 |
| DEPOSITS | | |
| Total Deposits | \$ 55,087,808.53 | \$ 51,774,551.88 |
| MEMBERS' EQUITY | | |
| Reserve Account | \$ 1,607,952.04 | \$ 1,607,952.04 |
| Undivided Earnings | 3,448,495.49 | 3,125,532.95 |
| Current Earnings | 365,057.69 | 322,962.54 |
| Total Members' Equity | \$ 5,421,505.22 | \$ 5,056,447.53 |
| TOTAL LIABILITIES, DEPOSITS & EQUITY | \$ 61,272,103.02 | \$ 57,547,328.15 |

CONSOLIDATED STATEMENT OF INCOME & EXPENSES

For the Years Ended December 31, 2020 and 2019

| | 2020 | 2019 |
|---|-----------------------------|-----------------------------|
| Interest Income: | | |
| Interest on Loans | \$ 1,368,014.49 | \$ 1,104,168.13 |
| Interest on Real Estate Loans | 478,484.65 | 448,671.30 |
| Interest on Mastercard Loans | 29,818.45 | 29,585.65 |
| Investment Income | 367,857.38 | 520,754.13 |
| Total Interest Income | <u>\$ 2,244,174.97</u> | <u>\$ 2,103,179.21</u> |
| Interest Expense and Cost of Funds | | |
| Dividends on Share | \$ 28,492.91 | \$ 23,670.66 |
| Interests on Deposits | 23,480.64 | 21,973.46 |
| Total Interest Expense and Cost of Funds | <u>\$ 51,973.55</u> | <u>\$ 45,644.12</u> |
| Net Interest Income | <u>\$ 2,192,201.42</u> | <u>\$ 2,057,535.09</u> |
| Provision for Loan Loss Expense | \$ 133,718.15 | \$ (4,242.75) |
| Fees, Charges and Other All Other Income | | |
| Service Fees | \$ 1,124,960.90 | \$ 866,483.72 |
| Total Fees, Charges and Other All Other Income | <u>\$ 1,124,960.90</u> | <u>\$ 866,483.72</u> |
| Total Gross Income | <u>\$ 3,183,444.17</u> | <u>\$ 2,928,261.56</u> |
| Non-Interest Expenses: | | |
| Total Operating Expenses | \$ 2,818,386.48 | \$ 2,605,299.02 |
| Total Non-Interest Expense | <u>\$ 2,818,386.48</u> | <u>\$ 2,605,299.02</u> |
| Net Income | <u>\$ 365,057.69</u> | <u>\$ 322,962.54</u> |

2020 Financials

"Ambition is the path to success. Persistence is the vehicle you arrive in."

- Bill Bradley