



TEXAS TRUST
CREDIT UNION®

ANNUAL REPORT

2023

FEDERALLY INSURED BY NCUA

NOTE FROM THE CEO



Jim Minge
Chief Executive Officer

Without a doubt, 2023 was the most challenging year of my 31 years in the credit union movement. That's saying something coming out of the pandemic and the great resignation. What made it so challenging? The combination of the Federal Reserve's interest rate hikes combined with continued inflation. We know that this impacted our members in many ways as most drew down savings, put off major purchases, and looked for ways to access loans to help them through a tough year.

Because you had challenges and we exist to help build your brighter financial future, I guess I'm not surprised that we had some challenges as well. For us, the year put pressure on our earnings and liquidity. We remained profitable, well capitalized, and managed liquidity largely by offering fantastic certificate rates to our members who save with us. I am proud of the fact that 2023 will go down in our books as the most robust certificate growth ever with an increase of more than 27% or \$83.5 million in new certificate balances. We are grateful that you trust us with your savings and our great rates brought us the liquidity we needed in 2023.

What I am most proud of in 2023 was the tremendous growth in our Signature Loan and Mastercard programs. Signature loans led the way with almost 48% in growth. The Mastercard portfolio grew by close to 30%. What this means to me is we were able to provide an affordable option for our members who needed to borrow. We celebrate together when we can put money back in our members' pockets and I can't tell you how many good stories our folks have shared about consolidating debt, refinancing credit cards, and giving hundreds of dollars back to our members' budgets. That's why we are here for you!

In February 2023, we opened our new Pantego branch. By converting a building to save our members' money, our team was able to create a beautiful branch to serve our Pantego and Arlington members.

We also broke ground on a new location in San Angelo to replace the San Angelo Loop location. This is one of my favorite new branches, and it could serve as a great template for future expansions.

Knowing that the DFW metroplex is growing so quickly, Texas Trust took strategic action to position itself to serve all demographics. We launched a new website experience, began an overdue digital banking transformation, and are developing several member improvements that will launch in 2024.

I'm confident in saying that Texas Trust is serving you better than ever before and will look forward to serving you for many years to come.

2023 MILESTONES



Welcomed 11,621 new members for a net growth of 484, bringing **TOTAL MEMBERSHIP TO 137,010.**



NEW WEBSITE is launched to the public.



PANTEGO BRANCH is opened in February 2023!



NEW CONTACTLESS CARDS were released to members.

2023 PERFORMANCE HIGHLIGHTS

Note From the Treasurer

With a rising rate environment causing 2023 to be a challenging year, we were able to serve member needs while keeping total assets steady. The most significant areas of growth were in Share Certificates (27% growth), Credit Cards (30% growth) and Personal Signature Loans (48% growth).

Charlie Bottorff
Treasurer,
Board of Directors

Note From the Audit Committee

The credit union is reviewed periodically by the Texas Credit Union Department. The CUD's review focuses on safety, soundness and compliance with the regulations governing Texas Trust and our operations. The credit union did not have any reportable deficiencies.

Karen Sauls
Chairperson,
Audit Committee

2023 FINANCIAL STATEMENT

Statement of Financial Condition (CONSOLIDATED)

| Consolidated Financials | 2022 | 2023 |
|-------------------------|---------------------|--------------------|
| Interest Income | \$56,579,884 | \$71,724,524 |
| Cost of Funds | \$11,482,374 | \$30,710,885 |
| Other Income | \$25,587,452 | \$25,127,616 |
| Other Expenses | \$55,554,507 | \$58,882,185 |
| Net Income | \$15,130,455 | \$7,259,070 |

| Assets | 2022 | 2023 |
|---------------------|------------------------|------------------------|
| Cash | \$140,632,098 | \$122,235,268 |
| Total Loans | \$1,557,565,339 | \$1,544,575,055 |
| Investment | \$258,595,562 | \$269,242,711 |
| Other Assets | \$93,483,590 | \$89,189,944 |
| Total Assets | \$2,050,276,589 | \$2,025,242,978 |

| Liabilities | 2022 | 2023 |
|--------------------------|------------------------|------------------------|
| Deposits | \$1,578,174,995 | \$1,545,754,505 |
| Other Liabilities | \$318,366,787 | \$316,789,522 |
| Total Liabilities | \$1,896,541,782 | \$1,862,544,027 |

| Equity | 2022 | 2023 |
|---------------------------------------|------------------------|------------------------|
| Total Equity | \$153,734,807 | \$162,698,951 |
| Total Liabilities & Equity | \$2,050,276,589 | \$2,025,242,978 |

A VERY SPECIAL THANK YOU TO OUR AMAZING VOLUNTEERS

Board of Directors†

| | |
|--|------|
| CHAIRPERSON Larry Skinner | 2024 |
| VICE CHAIRPERSON Charlie Nutt | 2024 |
| TREASURER Charlie Bottorff | 2023 |
| SECRETARY Bob McLellan | 2024 |
| MEMBERSHIP OFFICER Bob McLellan | 2024 |
| MEMBER Joe Johnson | 2023 |
| MEMBER Phillip Martinez | 2024 |
| MEMBER Karen Sauls | 2024 |
| MEMBER & SECURITY OFC. Lonnie Morgan | 2023 |

Term Ends

Advisory Board Members

| |
|--------------------------|
| MEMBER Sean Choate |
| MEMBER Pamela Stephens |
| MEMBER Jerry Olive |
| MEMBER Lillie Wilson |
| MEMBER Kaye Gilbert |

CUSO Board of Managers

| |
|-------------------------------------|
| CHAIRPERSON Lonnie Morgan |
| TREASURER & SECRETARY Karen Sauls |
| MEMBER Charlie Bottorff |
| MEMBER Jim Minge |

Audit Committee

| |
|---------------------------|
| CHAIRPERSON Karen Sauls |
| MEMBER Philip Martinez |
| MEMBER Lillie Wilson |

†Chapter V, Section 5.01(f) of the Credit Union's bylaws has been amended as follows:

The board may appoint no more than six (6) honorary or advisory directors who serve at the pleasure of the board and who advise and consult with the board and aid the board in carrying out its duties and responsibilities. An honorary or advisory director is not considered a member of the board and is not entitled to vote on any matter before the board but, if the Board so determines, may participate in deliberations of the board. An honorary or advisory director need not be eligible for membership in the credit union.

EXECUTIVE STAFF

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|-----------------------------|
| CEO Jim Minge |
| PRESIDENT Willy Kelsey |
| EVP AND CGO Ron Smith |
| EVP AND CFO Peggy Esparza |
| EVP AND CIO David Turner |

STAFF CHANGES

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| SVP HUMAN RESOURCES Rebecca White |
| VP MORTGAGE SERVICES Scott Meigs |
| VP CYBER & INFORMATION SECURITY Blayne Henke |
| VP TALENT DEV. & INTERNAL COMM. Cody Smith |