

2020



Texas Bay
CREDIT UNION

ANNUAL REPORT

ANNUAL MEETING AGENDA

THE ORDER OF OUR ANNUAL MEETING AGENDA IS FIXED BY SECTION 3.03, ARTICLE D OF OUR BY-LAWS.

The order of business at the annual meeting shall be as follows:

1. Ascertain that a quorum is present.
2. Reading and approval of the minutes of the last meeting.
3. Report of the directors by the chairman of the board of directors, or in his absence by the vice-chairman.
4. Report from the president.
5. Unfinished business
6. New business, other than election of directors.
7. Election of directors.
8. Adjournment

NOTE: Chairman may rearrange agenda if so authorized by vote of members present.

2020 ANNUAL MEETING ADDRESS

Thoughts from our CEO and our Chairman of the Board

Given the high degree of complexity and the rapid changes organizations face today brought on by the COVID-19 pandemic, personal and organizational success can be elusive. The unforeseen economic, political, social, and technological challenges have disabled many businesses and have rendered even the best-laid plans useless. More often than not, an organization's success pivots on such human factors as commitment, motivation, communication, leadership, and trust.

The year 2020 was a great test for all organizations across the globe.

Our theory is that no matter how bad things get, no matter how great the challenges, there are always opportunities for growth and success. Sometimes it takes adversity to see them more clearly. With commitment, motivation, communication, leadership, and trust, almost anything is possible.

We are so proud of the way the Texas Bay team faced all of the challenges head-on!

Since the early days of the outbreak, when the entire country was basically in a shelter-in-place mode, the Texas Bay team remained focused and committed to providing world-class service to our members.

Even though our offices were open, most of you could not come to us, so we decided we would come to you, and we began making outbound calls to all our

members who had updated contact information with us. Out of our more than 50,000 members, we were able to reach over 28,000 of you! We feel that the result of those calls allowed us to truly be there for our membership during such a challenging time.

In no time in our 84-year history have we had a better opportunity to develop a close, impactful relationship with our membership than we did during the lockdown. We provided members with vital information about the operations of the credit union. We gave many of you hope, and we were here to help in your time of need. During those outbound calls, we granted over 5,000 loan extensions totaling over \$110 million dollars.

As a result of the loan extensions, we effectively gave many of our members time to recover. By doing this, we were able to have laser focus on the real problem and find solutions for those needing the most help. This required a plan; it required a reallocation of resources; it required good leadership. I'm happy to report that it was a smashing success!

Fast forward through the rest of the year, we continued our mission to bring you, our members, the latest in banking technology and make Texas Bay more accessible both in physical branches and virtually. To accomplish some of that mission in 2020, we opened a new branch in Pearland, and we completed

Your associate, Juan, reached out to me to see if I need any assistance from Texas Bay CU. I do not need help, but I have members in my tribe/circle who need help. Juan's level of empathy and his willingness to support those in his community was evident in his actions. Juan eased the burden from my shoulders. Texas Bay's fundamental belief, of supporting its members and the community through challenging times, is apparent in Juan's actions. He MADE a positive difference.

-Holly R.

the relocation of the North Shore branch. We upgraded our mobile and online banking platform to better bring banking to you and most recently launched a completely new website to bring you the latest from Texas Bay, including the new way to shop for your next vehicle, financial information and education, and much more. All of these accomplishments required many months of hard work and commitment from our staff.

In closing, We know the problems brought on by the pandemic will not be over soon, and there will be many more challenges that we will all have to face. We have grown and learned from these experiences so far and are as strong as ever. You can rest assured that Texas Bay Credit Union will adapt to the situation and be here when and if you need us no matter what may come.



Jesse Gutierrez
CEO

A handwritten signature in black ink that reads "Jesse M. Gutierrez".



Rudy Wright
Chairman

A handwritten signature in black ink that reads "RWR".

2020 Initiatives



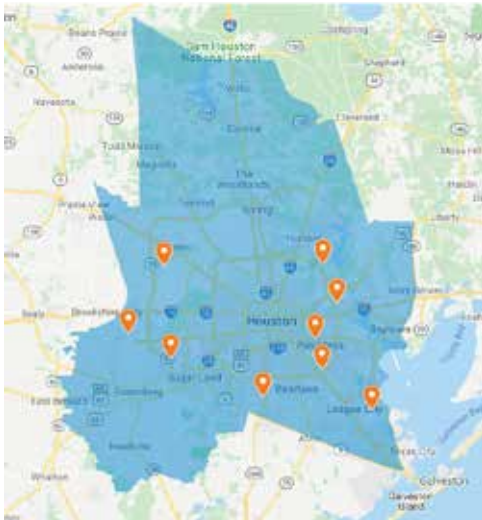
Opened a new location in Pearland

Outstanding service! Joseph, Alex, and Mandy greet me by name every time I walk into the branch. It feels like home.

- Alejandro M.



Relocated the North Shore branch to a new building



Expanded the field of membership to cover all of Harris and Montgomery counties



Launched a new Online and Mobile Banking platform

We refinanced our home a couple days ago and we completed everything without having to go to the branch due to Covid, but I can say the process was super smooth and easy all thanks to Angela Aguilar. She was able to give us the best rate! She explains everything and is attentive to our needs. I highly recommend them!

- Daisy M.



Launched an all new, redesigned website



Introduced a new service for members to find a car directly from the Texas Bay website

Debbie was amazing. Not only did she help with my request, but she did it with a smile. She not only took care of me, but once I told her I was on the road, she sent me text messages so that I could have the information I needed when I got to the share branch.

- Joel P.



48,459
Members

Assets
\$537,570,025



Over 5,000 COVID-19
loan extensions totaling
over \$110 million

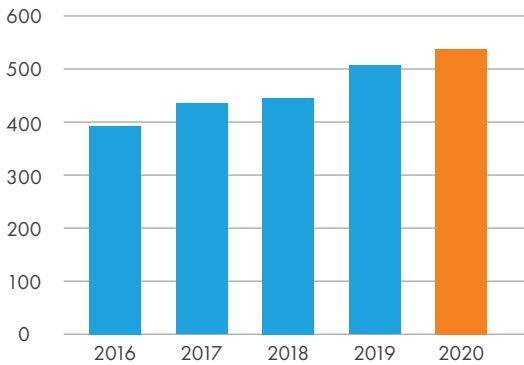


Over 28,000 members
reached in our COVID-19
outbound calling initiative

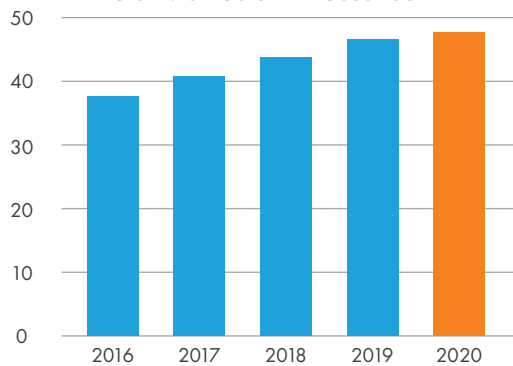
#1 Google's
Top Ranked
Houston-Based CU

Net Income
\$1,885,219

Total Assets in Millions



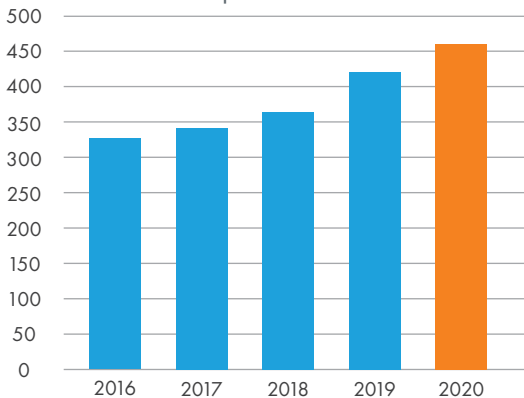
Total Members in Thousands



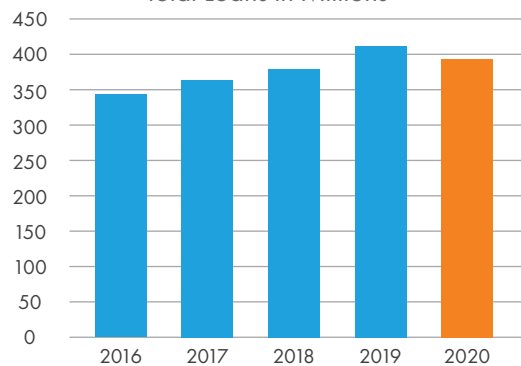
Simply amazing! Texas Bay is absolutely phenomenal at giving their members peace of mind that their finances are in safe hands.

-Sarah S.

Total Deposits in Millions



Total Loans in Millions



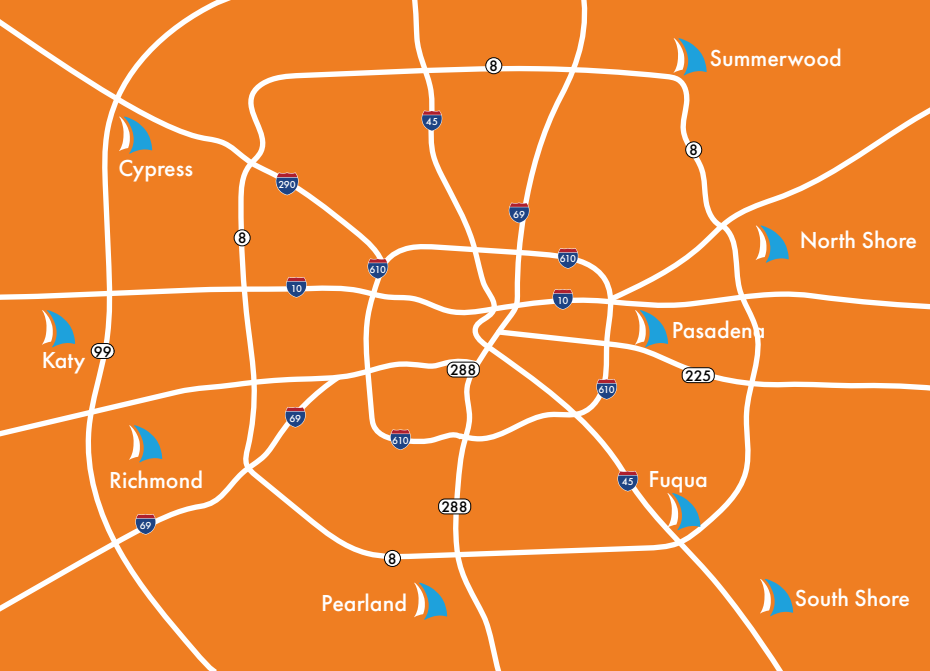
As a business owner, the team at Texas Bay is exceptional! They're friendly, fast, and thorough. It's like you have a business partner straight from the moment you meet them, and we look forward to growing our business with their support.

-Brett B.

Assets	2019	2020
Loans	\$402,307,670	\$392,493,953
Allowance for Loan/ODP Losses	(4,953,939)	(4,596,375)
Accounts Receivable	12,737,455	18,749,828
Cash on Deposit	20,027,079	62,821,224
Investments	49,142,523	44,311,809
Other Assets	22,210,050	23,789,585
Total Assets	\$501,470,838	\$537,570,025

Liabilities	2019	2020
Payable & other Misc. Liabilities	\$37,144,734	\$30,042,334
Share Accounts	414,621,322	455,937,183
Reserves	47,425,305	49,705,290
Net Income	2,279,477	1,885,219
Total Liabilities & Equity	\$501,470,838	\$537,570,025

Income & Expense Statement	2019	2020
Interest on Loans	\$23,449,407	\$22,841,670
Income on Investments	1,890,600	802,260
Total Interest Income	25,340,007	23,643,930
Fee & Other Income	12,313,533	\$11,797,521
Total Income	\$37,653,540	\$35,441,451
Operating Expenses	\$25,680,045	\$25,116,313
Provision for Loan/ODP Losses	6,255,128	4,679,472
Dividends	4,323,759	3,839,231
Total Expenses	36,258,932	33,635,016
Disposition of Assets	773,688	144
Extraordinary Gain/Loss	0	0
Gain/(Loss) on Investments	0	0
Gain/(Loss) on Loans Sold	111,181	78,640
Net Income	\$2,279,477	\$1,885,219



2020 INDEPENDENT AUDITOR'S REPORT

The Board of Directors is primarily responsible for overseeing the overall safety and soundness of Texas Bay Credit Union as well as the organization's adherence to operating policies, procedures, and regulations.

Each year, the Board reaffirms their commitment to ensure your credit union is financially stable and maintains the highest member service standards possible.

The Board oversees the annual audit performed by an independent auditing firm. Nearman, Maynard, Vallez, CPAs, P.A. performed an audit of the credit union's financial statements as of June 30, 2020 and 2019 which was reviewed by the Board with no exceptions. Additionally, the Board oversees a number of third party on-site audits of each branch and the review of member account records to verify their accuracy.

As a result of these combined efforts, I am proud to report that Texas Bay Credit Union and its assets remain financially sound and secure.

Rudy Wright, Board Chairman

Fuqua (Main Office)

12611 Fuqua St., Houston, TX 77034
 Phone: 713.852.6700 • Fax: 281.464.9230
 Website: TexasBayCU.org

North Shore

15763 Wallisville Rd.
 Houston, TX 77049

Pasadena

1301 Highway 225
 Pasadena, TX 77506

Summerwood

12310 W. Lake Houston Pkwy
 Houston, TX 77044

South Shore

6640 South Shore Blvd.
 Suite 100
 League City, TX 77573

Pearland

11555 Magnolia Pkwy.
 Suite 170
 Pearland, TX 77584

Richmond

18320 West Airport Blvd.
 Suite 100
 Richmond, TX 77407

Cypress

9212 Fry Rd.
 Suite 100
 Cypress, TX 77433

Katy

4747 FM 1463
 Suite 100
 Katy, TX 77494

Board of Directors 2020

Next Elections

Chairman , Rudy Wright	2023 - 2026 - 2029
Vice-Chairman , Tom Merchant	2022 - 2025 - 2028
Secretary , Raymond Andrews	2023 - 2026 - 2029
Treasurer , John Swanson	2022 - 2025 - 2028

Directors

Larry Clowers	2023 - 2026 - 2029
Mark Wygant	2021 - 2024 - 2027
Mike Cacciotti	2022 - 2025 - 2025
Wayne Otwell	2021 - 2024 - 2027
Jeff Barba	2021 - 2024 - 2027

Advisory Directors

Curt Burnett
 Alejandro Hernandez

President & CEO, Jesse Gutierrez
Executive Vice President & CFO, Syed Dinar
Vice President Human Resources, Chelly DeLeon
Vice President Branches & Operations, Brandy Guzman
Vice President Mortgages, Roseanna West
Vice President Chief Technology Officer, Dennis Y'Barbo
Vice President Lending - Consumer & Indirect, Rachel Hunt
Vice President Compliance & Training, Jeremy Bratton
Vice President, Brian Ellis

Administrative Officers 2020

Texas Bay will always have my and my family's business. The staff is friendly and helpful anytime we need them. It's a beautiful feeling when the staff welcomes you by name as you come in. You don't find great, honest people like this anywhere else.

-Lionel W.

Texas Bay

CREDIT UNION

TexasBayCU.org

