

2019 ANNUAL REPORT

FIRST CENTRAL CREDIT UNION

Serving Members Since 1937

2020 Annual Meeting Agenda

- Call to Order
- Introduction of Officials
- Chairman's Report
- Treasurer's Report
- President's Report
- Annual Audit Report
- Unfinished Business
- New Business
- Service Awards
- Election Results
- Adjourn

We will continue to build and support members for life by being the preferred and most trusted resource for financial products and service in the communities we serve.

Our Vision & Mission

First Central Credit Union is committed to providing secure, competitive financial services, dedicated to offering the best possible benefits to our members, while continuing to build capital reserves through innovative and sound business practice.

Leadership

- JoBetsy Tyler**
President / CEO
- Orlando Rodriguez, Jr.**
Senior Accounting / IT Manager
- Nick Cook**
Senior Member Services Manager
- Rachael Bosse**
Senior Lending Manager
- Linda Gunn**
Senior Human Resource Manager / Trainer

Board of Directors

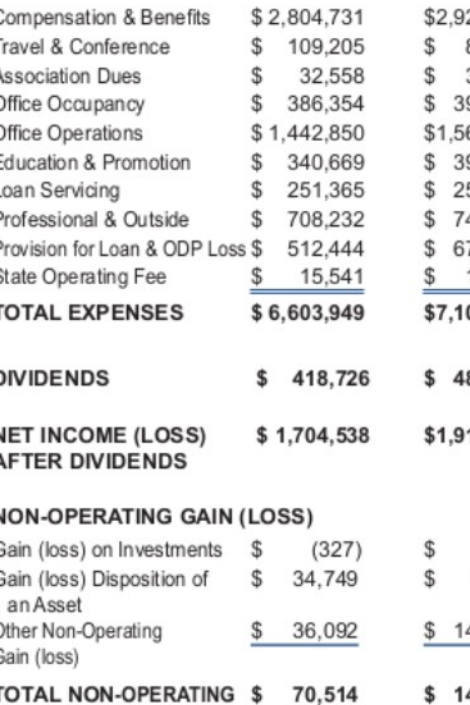
- Randy Miller**, Chairman
Term expires 2021
- Elio Smythe**, Vice Chairman
Term expires 2020
- Cheryll Graves**, Secretary / Treasurer
Term expires 2020
- Abraham Ceballos**, Director
Term expires 2021
- Vicki Deckard**, Director
Term expires 2021
- Dan Dent**, Director
Term expires 2022
- Bev Walker**, Director
Term expires 2022
- Glenn Williamson Jr.**, Director
Term expires 2022

"Yes, you can" ...

deposit cash and checks in the new enhanced ATMs, all on your own time. This new convenience is available at all branch locations. It's the fastest, easiest way to deposit cash and checks that's safe and secure. Members have the ability to deposit up to 50 checks and/or bills during one transaction. You can skip waiting in lines and for banking hours, as well as making night box deposits. These new 24/7 ATMs make your cash deposit available immediately, and check deposits are reviewed multiple times a day and are subject to First Central's Funds Availability Policy. You can see your deposited check image on your transaction receipt. It's banking on your time to serve you better, because we love our members!

Everything we do,
we do for *you*

New Enhanced ATMs



2019 Annual Meeting Minutes

The meeting was called to order at 6:40 p.m. by Chairman Jason Collier. He noted that a quorum was established to allow for conducting credit union business. Cheryll Graves gave the invocation.

Jason Collier introduced himself as well as the other board members. He gave the 2018 Chairman's report. He reported that 2019 had been a very successful year. In 2018, First Central was awarded the Community Development Financial Institution (CDFI) designation. First Central was also awarded a grant from the CDFI fund in the amount of \$115,000. In 2018, Apple and Android pay were added to the FCCU product line up along with instant issue debit and credit cards. An online loan officer was added in 2018 as well.

Collier also announced the purchase of property at the intersection of Bagby and New Road in Waco. First Central will be building a new main office at this location.

Orlando Rodriguez gave the Treasurer's Report in Randy Miller's absence. He reported that 2018 was once again a year of strong financials. Assets grew by 7%. The loan portfolio grew by 8% and investments remained flat. This was the opposite of 2017 as assets grew faster than loans. First Central has a strong year of earnings. The return on assets ended the year at 2.38% at year end. This is a strong ratio when compared to others in the industry. The year-end capital ratio was 14.26%, which is considered to be well capitalized by our regulators.

JoBetsy Tyler gave the President's Report. She thanked the board and staff for their hard work and support in making 2018 another very successful year. She introduced Matt Bourdeaux with ClearVista Financial. ClearVista is a company that FCCU partners with to assist members with investments.

JoBetsy told the membership specifically

March 28, 2019

what products and services were being added as a result of the CDFI grant — Spanish home banking, another loan officer to assist with loans by phone and online. She reported the addition of online account openings and e-signatures that will integrate into the core system. She reported that the staff will start working on a grant for 2019 and hopefully will be able to report good news of other services being added at the next annual meeting.

She reported that the advocacy or legislative activity had been pretty calm over the past year. She emphasized that should we need member support on an issue that will positively or negatively affect First Central, we will be calling on our members. She expressed appreciation to the members and reminded them how important referrals to friends and family are to the growth and success of First Central.

Collier reported that the annual audit had occurred and there were no irregularities to report. He also reported that there was no new or unfinished business to be brought before the membership of First Central.

Service awards were presented to staff members: Susan Borg, Omar Ramirez, and Brenda Sanchez for 5 years of service. Glenn Williamson was honored for 10 years of board service, and Suzette Bordner was honored for 10 years as a member of the FCCU staff. Staff member Nick Cook was honored for 15 years of service, and Bev Walker was honored for 15 years of board service.

Tom Yows presented a report from the nominating committee. He made a motion that Dan Dent, Bev Walker, and Glenn Williamson each be elected for a 3-year term. Since this came from a committee a second was not required. A vote was taken and the motion carried.

Door prizes were given throughout the meeting. The meeting adjourned at 7:30 p.m.

Statement of Income

	2018	2019
INCOME		
Interest on Loans	\$ 4,028,831	\$ 4,265,343
Investment Income	\$ 422,278	\$ 568,680
Miscellaneous	\$ 4,276,104	\$ 4,669,282
TOTAL INCOME	\$ 8,727,213	\$ 9,503,305
EXPENSES		
Compensation & Benefits	\$ 2,804,731	\$ 2,923,381
Travel & Conference	\$ 109,205	\$ 86,984
Association Dues	\$ 32,558	\$ 39,855
Office Occupancy	\$ 386,354	\$ 396,928
Office Operations	\$ 1,442,850	\$ 1,569,926
Education & Promotion	\$ 340,669	\$ 393,744
Loan Servicing	\$ 251,365	\$ 252,696
Provisional & Outside	\$ 708,232	\$ 745,773
Provision for Loan & ODP Loss	\$ 512,444	\$ 675,152
State Operating Fee	\$ 15,541	\$ 16,694
TOTAL EXPENSES	\$ 6,603,949	\$ 7,101,173
DIVIDENDS	\$ 418,726	\$ 489,982
NET INCOME (LOSS)	\$ 1,704,538	\$ 1,912,150
AFTER DIVIDENDS		
NON-OPERATING GAIN (LOSS)		
Gain (loss) on Investments	\$ (327)	\$ 878
Gain (loss) Disposition of an Asset	\$ 34,749	\$ 2,900
Other Non-Operating Gain (loss)	\$ 36,092	\$ 142,877
TOTAL NON-OPERATING GAIN (LOSS)	\$ 70,514	\$ 146,655
NET INCOME (LOSS) AFTER NON-OPERATING GAIN(LOSS)	\$ 1,775,052	\$ 2,058,805

Statement of Financial Condition

	2018	2019
ASSETS		
Loans to Members	\$ 55,198,095	\$ 56,332,121
Allowance for Loan Loss/ODP	\$ (847,527)	\$ (1,096,940)
Net Loans	\$ 54,350,568	\$ 55,235,181
Receivables	\$ 1,157,481	\$ 575,873
Cash	\$ 3,120,934	\$ 4,575,929
Investments	\$ 20,158,805	\$ 26,457,226
NCUSIF Deposit	\$ 721,142	\$ 767,551
Accrued Income	\$ 207,761	\$ 220,016
Prepaid Items	\$ 219,816	\$ 239,835
Fixed Assets	\$ 4,287,156	\$ 4,901,262
Other Assets	\$ 3,669,373	\$ 3,952,888
Sub-Total	\$ 33,542,468	\$ 41,690,580
TOTAL ASSETS	\$ 87,893,036	\$ 96,925,761
LIABILITIES		
Accounts Payable	\$ 710,607	\$ 841,357
Dividends Payable	\$ 74	\$ 103
Accrued Expenses	\$ 391,763	\$ 410,668
Other Liabilities	\$ 193,173	\$ 404,019
Deferred Credits	\$ -	\$ -
TOTAL LIABILITIES	\$ 1,295,617	\$ 1,656,147
SHARES OF MEMBERS	\$ 74,123,726	\$ 80,546,785
EQUITY		
Unrealized Gain on AFS	\$ (57,465)	\$ -
Regular Reserves	\$ 758,548	\$ 758,548
Undivided Earnings	\$ 11,772,610	\$ 13,964,281
TOTAL EQUITY	\$ 12,473,693	\$ 14,722,829
TOTAL LIABILITIES, SHARES AND EQUITY	\$ 87,893,036	\$ 96,925,761

Products & Services

- Apple Pay / Google Pay
ATM Cash & Check Deposit
Club Savings Accounts
Contact Call Center / Live Chat
Direct Deposit
e-Statements & e-Alerts
Enhanced Website Accessibility
- Farm Equipment Loans
First Central Mobile App
Home Equity Loans
ID Protection Monitoring
Individual Retirement Accounts
Instant Issue VISA Debit / Credit Cards
Investment Advisor
- LIFT—Lower Interest For Timeliness
Mobile Banking & Remote Deposit
Money Market Accounts
Money Orders
Mortgage Loans
New & Used Auto Loans
- Online Auto Buying Central
Online Banking / FirstLink
Online Bill Pay & Account Opening
Online Loan & Credit Card Application
Overdraft Protection
- Payroll Deduction
Personal Loans / Small Dollar Loans
Reward Checking Accounts
RV, Boat & Motorcycle Loans
- Saver Loans
Share / Regular Savings Accounts
Share Secured Loans
- Telephone Teller / First Teller
Term Share Savings Certificate
Traditional Checking Accounts
- VISA Award Credit Cards
VISA Debit / ATM Cards
VISA Low-Interest Credit Cards
- Youth Savings Programs

Open Door Mortgage

New mortgage product geared toward those unable to provide a larger down payment. This product has an educational component and objective to serve community needs.

Inter-active ATMs

New drive-thru technology offers an improved banking experience on your own time. You will be able to deposit cash/checks, transfer account funds, and make loan payments 24/7 with these ITMs. Once in place, all branches will have Saturday drive-thru conveniences. During business hours, our tellers will be able to communicate with you on a large screen as they assist you with any transaction.

Branch Transformation

New ways of taking care of member needs are the focus. You'll see changes in both the actual facilities and in a better member banking experience – from basic transactions to the extra member service options available. A new main branch providing administrative office space and the addition of a community meeting room are in the plans. The first facility to undergo renovations will be the Chapel Road branch in late-Spring of 2020.

Seeing 2020
Financially Clear
With Our Goals In Sight

- BELLMEAD**
3100 Bellmead Drive (254) 761-9333
- BROWNWOOD**
1602 Austin Avenue (325) 641-2943
- HEWITT AREA**
9101 Chapel Road (254) 761-9333
- HILLSBORO**
305 Coke Street (254) 582-2489
- WACO**
6201 Sanger Avenue (254) 761-9333

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Everything we do,
we do for *you*