

TEXAS BRIDGE CREDIT UNION
MINUTES OF THE 70^h ANNUAL MEETING

MARCH 28, 2022

(CONDUCTED VIRTUALLY VIA ZOOM WEBINAR DUE TO COVID-19 CONCERNS)

Texas Bridge Credit Union's (TXBCU) 70^h Annual Meeting was called to order by Board Chair Armando Chapa at 7:01 p.m.

Chair Chapa opened by welcoming all in attendance virtually for the Annual Meeting and mentioned that he hopes that we can meet in-person next year. It has been a pleasure to have served as Board Chair over the past year along with a knowledgeable and engaged Board of Directors. He then acknowledged Board Directors in attendance Vice-Chair Denise Villagran, Secretary Lou Villagomez, Director John Valls, Director Roland Barrera, Director Eugene Hernandez and Director Eddie Martinez and thanked for working together for the best interests of Texas Bridge Credit Union. The Board understands the trust that is placed on the Board to protect the financial interests of the credit union and we welcome feedback on how best we can serve the membership.

Chair Chapa continued by stating that this past year presented challenges and opportunities for TXBCU. This past year presented numerous challenges and opportunities for TXBCU. In spite of continuing to navigate the ongoing pandemic and similar obstacles, I commend the leadership and staff for their commitment to member service and responsiveness to your needs. They were able to weather pandemic challenges while also growing our loan portfolio and membership. We are very proud of all the TXBCU staff.

In 2021, your Texas Bridge Credit Union Board of Directors conducted strategic planning sessions along with key staff to identify opportunities for membership growth, income growth, expansion of products and services and brand awareness in our community. These sessions offered productive feedback from TXBCU staff while the Board offered their perspective and guidance on how best to move your Credit Union forward. We also continue to welcome your feedback on how TXBCU can best serve our membership.

Operationally, Texas Bridge Credit Union remains strong. I'm proud to report that we achieved the highest net income in our 70-year history while also growing our assets to a record \$75 million. In spite of the challenges presented to TXBCU in 2021, these results underscore that your Credit Union is well-positioned for continued growth and success.

Looking ahead, 2022 appears to have additional opportunities for growth along with further uncertainties. However, I'm confident we can overcome them with the continued efforts of your Board and the capable staff at TXBCU. I wish you and your families good health and appreciate the opportunity to have served as your Board Chair this past year.

Chair Chapa then turned it over to David Brooks to come up and present the President's Report. David Brooks thanked the membership for participating in our virtual Annual Meeting. He mentioned that he has been with TXBCU for 28 years and it's been a great experience. He's enjoyed all the people he's worked with including the Board, staff and membership over these

years. It's a job that I've truly loved and have a passion for. He directed the membership to review the TXBCU Annual Report and noted our 70th anniversary. While many credit unions are merging and consolidating, we continue to fight for our members because we believe this credit union has a place in our member's hearts and the financial health for their families. He encouraged members to refer family and friends to experience the benefits of TXBCU.

This credit union has seen many changes and growth over the decades but one core value hasn't changed; our members will always come first to us. While I wish we could be together tonight, I hope we can gather together as a group next year. He thanked all the TXBCU staff for making everything happen on a daily basis. Without them, our credit union would not function successfully. As Chair Chapa mentioned, we had our largest net income in the history of the credit union in 2021. We also continued to grow with \$75 million in assets. Referring to the Annual Report, David highlighted that TXBCU only had \$11,000 in charge-offs in 2021. For a credit union our size and loan volume, it's almost unheard of in Texas or in any other state. That indicates our members believe in paying their loans in a timely manner. Lower charge-offs allows us to put additional money to build capital and grow our products and services. Last year, we grew our assets about 6.8% which has been our goal to achieve steady asset growth. Our loans grew by 12.5% in 2021 which, during a pandemic, is phenomenal performance. Our loan portfolio is now over \$51 million while having one of the lowest delinquency ratios in the state of Texas. I'm very proud of how we've achieved these results.

President David Brooks continued by acknowledging his management team and noted that there were no changes in management in 2021. They are the ones that help me get everything done (Mark Avelar, Executive Vice President, Katie Dominguez, Member Services/IT, Maria Mendez-Igou, Teller Manager, Debbie Miller, Loan Manager and Christine Hinojosa, Vice President-Accounting). These are the individuals that makes this credit union operate on a daily basis.

David highlighted new products and services introduced in 2021 including a new server for our computer system to help reduce cybersecurity fraud. We are proud to say that we have not incurred any issues related to cybersecurity and your data remains secure. We invested in new software that allows members to conduct external transfers to other financial institutions electronically from your phone or computer. We continue to invest in digital products to serve the needs of our members. We are also evaluating debit card processors that can help us enhance your experience and provide new features.

Membership growth continues to be a priority for TXBCU. Members may have been seeing our new digital advertising on social media to encourage membership growth. We have been promoting our Auto Rate Sale. We are offering one of the lowest interest rates for auto financing in the area as low as 1.89% APR. Our deposit rates also remain amongst the most competitive in the market. David promoted the benefits of eDocs that allows members to apply for a loan and get a loan funded electronically. This was a big benefit during the pandemic.

David again referred to the Annual Report regarding periodic audits. TXBCU is required to conduct numerous audits annually to ensure your funds are safe and we are doing our job properly. Our State of Texas Examination took place in January 2022 and included the National Credit Union Administration and David was pleased to report that we had one of the cleanest audits in our history. The Annual Report also highlights our balance sheet, statement of income and operating expenses. Last year we made over \$400,000. Our membership also shows growth but we always want more and David again encouraged members to refer friends and family to join. We are truly a local business. We also had one bylaw amendment that allowed us to conduct Board Director meetings virtually, if necessary. Before he wrapped up the Presidents Report, David encouraged members participating virtually to ask any questions they may have of him or the Board by using the Q&A feature on the webinar page. He also noted the agenda, minutes from the 2021 Annual Meeting and the 2021 Annual Report are all available on our website.

David invited TXBCU Executive Vice President, Mark Avelar, to come up and provide specific information and updates regarding the TXBCU Scholarship Program. Mark highlighted the partnership with the JAG-Education is Our Freedom organization. TXBCU's Board agreed to renew our partnership for another 3 years. TXBCU will be offering 10 each \$800 scholarships and 1 each \$1,000 scholarship in honor of former TXBCU Board Director, Fred Vela. These funds will be matched if the student attends a local community college or university. Deadline for applications is Friday, April 1, 2022.

David returned to recognize 3 employees who are celebrating milestone anniversaries with TXBCU. First, Katherine Rojas in our Member Services Department and my right-hand in getting so many things completed. Katherine is celebrating 10 years with TXBCU. Lisa Moreno is also celebrating 10 years with us. She has transitioned from our Member Services to Teller Department and is always willing to work wherever we need her. Lisa's positive attitude and sincerity is one I receive feedback from our members about constantly. Finally, Candice Elizalde is celebrating 15 years in the Accounting Department with TXBCU. Candice overcame one of the toughest years in 2021 with various challenges with third-party vendors and handled them all phenomenally.

David invited Chair Chapa back to continue with the agenda. Mr. Chapa indicated there is no Old Business from the 2021 Annual Meeting. For New Business, Mr. Chapa asked for a motion from those in attendance to approve the minutes from the 2021 Annual Meeting. Board Director Eddie Martinez made the motion and was seconded by Board Secretary Lou Villagomez. Motion passed unanimously.

Chair Chapa then mentioned the next item is the election of the person to the Board of Directors. There is one position on the Board that is up for election by the membership this year. As in the past, a Nominating Committee composed of TXBCU members has been appointed to consider applicants and nominate a person to fill the slot. Chair Chapa introduced Irma Caballero, Chairperson of the Nominating Committee, to give the committee's report. Ms. Caballero is a member of the credit union and a retired VP of Human Resources in one of the local industries. Other members joining her on the committee were a retired firefighter and a

retired police officer.

Nominating Committee Chair Irma Caballero came up to address the membership. She mentioned that she was pleased to present to the membership of TXBCU this year's Nominating Committee Report. Committee members included Milo Loa, Urban Villagran and Irma Caballero. We were charged with selecting this year's Board candidate. Before we got started meeting with candidates, the committee met with TXBCU management to learn more about the credit union's needs, goals and objectives to best match the candidate to the needs of the credit union. The committee then met twice and developed a structured interview process in which questions were weighted based on the needs of the credit union. The committee then conducted interviews with the two candidates. Once the interviews were completed, there was discussion, rating, ranking and deliberation. The Nominating Committee is pleased to present for position on and election to the Board of Directors Lou Villagomez, incumbent, to serve a three-year term. It was a pleasure for us to do this. I had a great committee and great support from the staff at TXBCU. Ms. Caballero thanked the Board of Directors, President David Brooks and Executive Vice President Mark Avelar for the opportunity they provided.

Chair Chapa returned to thank Ms. Caballero and address the membership. He thanked the Nominating Committee for their recommendation. He continued by stating, 'Since only one member was nominated for the position to be filled, the nominee can be elected by acclamation. Congratulations to newly elected Board member, Lou Villagomez. We look forward to your continued service to the Board of Texas Bridge Credit Union.'

David Brooks returned to address questions from the membership. First question, 'Do applicants for the scholarship program need to have an account open?' Mark Avelar responded that applicants do not have to have an account if they are a dependent of someone who has an account at TXBCU.' Second question, 'Where do we get the applications from?' Mark Avelar responded that applications are available online at www.txbcu.com or can be picked up at the credit union offices during normal business hours. Third question/statement, 'The ATM machine at the Gollihar office needs to be looked at. In using the machine, it takes numerous taps on the machine to go to the next screen. The tapping continues throughout the process. It becomes annoying. I do want to thank Katie for all her help and kindness she provides when I visit the credit union.' David Brooks replied that he has experienced similar problems with the Gollihar ATM and is addressing the problem with our third-party vendor who maintains the ATM. Fourth question, 'I appreciate the TXBCU ATM at the RTA Staples Street location. Are there any plans for an ATM in the Northwest area?' David Brooks responded that an ATM in the Northwest area is not currently in our strategic plan but TXBCU is always looking at additional options for expansion.

TXBCU Executive VP Mark Avelar conducted the drawing for a combination of 23 gift cards and cash prizes totaling \$1,350 for those participating in the Zoom meeting. Once the drawings were complete, Chair Chapa adjourned the 70th Annual Meeting at 7:50PM.