



Friendly, Done Right.

A wide-angle photograph of a vast field of bluebonnets in full bloom. The flowers are a mix of vibrant blue, white, and orange. In the background, a line of trees stands on a grassy rise under a warm, golden sunset sky. The overall scene is peaceful and scenic.

2022

ANNUAL REPORT



Contents

- 5.....Mission Statement
- 6.....Annual Meeting Agenda
- 8.....Board Chairperson’s Report
- 9.....Board Members
- 10.....Supervisory Committee’s Report
- 12.....President’s Report
- 16.....Staff
- 18.....Financial Statements
- 20.....2022 Annual Meeting Minutes





Our Mission

The mission of United Texas Credit Union is to improve the financial well-being of our members and the communities we serve.



2023 Annual Meeting Agenda

- I**Registration
- II**Call to Order
- III**Ascertainment of a Quorum
- IV**Minutes from the 2022 Annual Meeting
- V**Supervisory Committee's Report
- VI**President's Report
- VII**Board Member Election
- VIII**New Business
- IX**Adjournment



Board Chairperson's Report

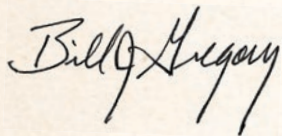
Welcome to the 68th Annual Membership Meeting of United Texas Credit Union. I am Bill Gregory, and I have served as your Board Chairperson for the past nine years.

Your nine-member Board is charged with setting policies and directing the organization in your best interest. Board members each serve three-year elected terms and keep the credit union movement's "People Helping People" philosophy as a guide for their mission of service.

Your fellow members who serve on the Board are unpaid volunteers who donate their time. This is the primary difference between directors of a bank versus a credit union. They selflessly perform their duties to ensure that United Texas Credit Union continues to be a superior financial option for members and potential members.

The Board of Directors is dedicated to ensuring that United Texas Credit Union and its members are successful. The Credit Union's mission is to improve the financial well-being of our members and the communities we serve, and to deliver on this promise, your support is crucial.

It continues to be my honor to serve as your Chairperson. On behalf of the entire Board, we sincerely appreciate your loyalty and support.



Bill Gregory
Board Chairperson (2024)



Your 2022 Board Members



Rick Tobias
1st Vice Chairperson (2025)



James Wheeler
Treasurer (2023)



Richard Baggs
Secretary (2024)



Don Mann
(2025)



Rosaura Ramirez
(2023)



John Rees
(2025)



Anthony Sanchez
(2023)



Jodie Sanders
(2024)

(Year refers to term expiration date.)

Supervisory Committee's Report

Your Board of Directors selects four volunteers from the membership and appoints them to serve on the Supervisory Committee. The committee's primary responsibilities include:

- retaining services for an examination of the Credit Union's financial condition,
- monitoring the review of internal controls,
- and ensuring compliance with laws and regulations.

Through these roles, the Supervisory Committee evaluates United Texas Credit Union's operational soundness and helps ensure that members' assets are safeguarded and protected.

To accomplish the above responsibilities, the Supervisory Committee annually ensures that a number of on-site audits of various operations are completed. In 2022, Fisher, Herbst and Kimble, P.C. (FHK) Certified Public Accountants, the Texas Credit Union Department and American Share Insurance each performed comprehensive audits in accordance with regulatory requirements. The results concluded that in all material respects, the financial condition, operations and cash flows of United Texas Credit Union conform to generally accepted accounting principles.

As a result of these combined efforts, in addition to our own internal audits, I am proud to report that United Texas Credit Union and its assets remain financially sound and secure. The Supervisory Committee will continue to strive to meet the expectations of the member-owners and the Board of Directors.

I am honored to serve as your Supervisory Committee Chairperson. On behalf of the committee, I would like to express our appreciation to the Credit Union's members, Board of Directors, management and staff for their continued assistance and cooperation.



Rosaura R. Ramirez

Rosaura R. Ramirez

Supervisory Committee Chairperson

Supervisory Committee Members

Richard M. Adams • Lorraine Lewis • Jody Welchans



President's Report



United Texas Credit Union is a different kind of financial institution. We are a cooperative, which means that you, our members, are the owners. When you bank with us, you are not just a customer; you are part of something bigger. Your membership is an investment in your future and your community's future. Your money is used to help other members improve their financial well-being, not to line the pockets of stockholders.

Financial Performance

We are committed to improving our members' lives. We do this by providing superior financial products and services that help members achieve their financial goals. We believe that financial success leads to a higher quality of life, and we are grateful for the opportunity to partner with you on your financial journey. United Texas Credit Union continued to improve its financial performance in 2022, and we implemented several initiatives to strengthen our financial position.

Loans

Loans and investments are our two main sources of revenue. Yield on Average Loans decreased slightly to 4.32% from 4.37% one year ago, while Investment Yield increased to 1.79% from 0.75% in 2021. Loans have historically produced a higher yield than investments, so it is important for us to focus on loan growth. This allows us to invest in improving our member offerings. Net Loans increased by over \$58 million, or 23.7%, from 2021 to 2022. The majority of this growth was in real estate, home equity and commercial loans. However, we also saw increases in most other consumer loan categories.

Loan quality continues to improve year after year. As of December 2022, Loan Delinquency was down to just 0.35% of the portfolio. This compares to a peer average of 0.50%. In addition, Loan Charge-offs dropped to a historically low 0.12% of loans. So, while the loan portfolio continues to grow, losses from loans continue to decline. This is accomplished by having an excellent membership base of borrowers, a knowledgeable and dedicated team of lenders, and a conservative lending philosophy that builds a portfolio that thrives through all business cycles.

Loans are the core financial service we provide, and they are essential to the success of the Credit Union. We are committed to providing our members with the best possible loan products and services, and we believe that our focus on pricing, efficiency, and service will continue to drive loan growth in the future.

Earnings

We are committed to generating enough income to pay competitive rates on our deposit products and to grow our capital as a buffer against unexpected events. In 2014, United Texas began to recover its Net Income. Here is a summary of earnings since then:

2014: \$291,157	2018: \$1,001,944
2015: \$776,043	2019: \$1,010,908
2016: \$1,456,488	2020: \$1,762,063
2017: \$887,284	2021: \$1,988,550

In 2022, United Texas Credit Union's Net Income increased by 55.9% to \$3,099,256. The Return on Assets (ROA) ratio also increased slightly, from 0.56% in 2021 to 0.77% in 2022. The ROA ratio measures how efficiently the organization uses its assets to generate revenue. Strong net earnings are achieved by building a strong loan portfolio that minimizes loan losses, investing wisely to build revenue, and keeping a keen focus on operational efficiency to drive down operational costs. The Credit Union's focus on meeting member needs and adhering to sound business practices will continue to drive member and institutional growth. We believe that this focus will continue to pay off in the years to come.

Equity

Equity is a financial cushion that helps the Credit Union weather unexpected losses and promote stable growth. In 2022, Total Regulatory Equity increased by over \$3 million from almost \$32.7 million to \$35.8 million, or 8.9% of assets. The Credit Union has consistently built Regulatory Capital through sustained profitability year after year.

Assets

In 2022, Assets grew by 5.9%, from \$382 million to almost \$405 million. This growth was driven primarily by increased member savings in response to uncertain economic conditions. Management's goal is to foster moderate and balanced asset growth that aligns with the institution's capital position.

Member Savings

Total Member Shares increased by 3.5% in 2022, from \$348 million to \$360 million. Members continue to view the Credit Union as a safe, secure avenue to invest their savings. Especially in the current turbulent banking environment, the Credit Union remains a beacon of financial stability. Subscribing to conservative, member-centric philosophy, the Credit Union maintains its posture as a safe haven for family savings. It is always the institution's goal to pay our members the highest possible dividends while simultaneously building the strength of the institution. We will continue to focus on steady share growth in 2023 and the coming years.

We are confident that our financial condition will continue to thrive as we continue to focus on our mission and our members' needs.

Products and Services

While 2022 presented many challenges, it also offered many opportunities. In 2022, we accomplished the following initiatives:

HomeTraQ: In February, we started offering this service to members. It works like Uber – when someone finds a home to tour, they can use the HomeTraQ service to schedule and confirm a showing with a network realtor in less than five minutes.

First Class American Merger: In March, the data merger between the former First Class American Credit Union and United Texas was completed, which was the final step in the process. We are proud to serve the former FCACU members as United Texas.

Stuff the Smart Car: This was the fourth year for this event. In July, we held a drive to benefit Boone Elementary School in Northside ISD, Curington Elementary School in Boerne ISD, and Sam Rosen Elementary in the Fort Worth ISD. With the support of our generous members, we were able to raise almost \$8,500 towards this effort. Thanks so much for your help with this initiative!

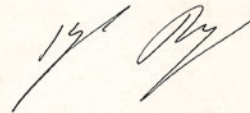
Upstart Loans: In July, we started this partnership to provide unsecured loans to people in our field of membership. The platform uses a "big data" platform to price credit and automate the borrowing process. Upstart gives us the opportunity to serve new members who previously were unfamiliar with United Texas.

Liquid Asset Account: With deposit rates steadily increasing, in August, this account returned as an additional saving option for personal and business members. It offers a variable rate for balances of \$2,500 or more based on the Federal Funds Rate and allows members to make unlimited deposits of new money and limited free withdrawals. Existing funds may be transferred into the account with an equivalent deposit of new money.

Day 1 Bags Elf Project: In November, we conducted a donation drive to benefit Day 1 Bags, a nationwide organization based in Boerne that supplies bags for children in foster care. Our generous members and staff donated almost \$8,900, which was able to help 161 children in foster care have a positive holiday experience!

I am excited for the future of United Texas Credit Union. We will continue to focus on providing you with a full range of products and services that are at the forefront of the financial industry. We are committed to your financial success and appreciate your choice to be a member. We look forward to serving you and your family now and in the future.

Respectfully,



Kyle D. Ashley

President & CEO



Staff

Headquarters Location

5500 UTSA Boulevard
San Antonio, TX 78249

Kyle Ashley
President & CEO

Elizabeth Pollreis
Administrative Assistant

Alfred Saker
Chief Financial Officer

Melissa Petoskey
VP Accounting

Tanner Ashley
Data Analyst

Melodie Flores
Accountant II

Elizabeth Hernandez
Accountant I

Haley Johnson
Special Projects

James Baumann
Chief Lending Officer

Pati Rhodes
VP Consumer Lending
& Compliance

JoAnn Guzman
Lending Support Specialist

Raul Meza
Quality Control Auditor

Marco Ortega
Financial Services Officer I

Beverley Vidaurri
Title/Insurance
Coordinator

Gordon Chin
E-Branch Manager

Robert Watkins
E-Branch Financial
Services Officer I

Jesus Castillo
VP Mortgage

Jon Llanes
Mortgage Loan Officer

Jorge Rocha
Mortgage Loan Officer

Amanda Miller
Mortgage Loan
Processor

David Gray
VP Member Business
Lending

Sharon Miller
Member Business
Lending Officer

Denise Swinson
Member Business
Lending Administration

Laura Hickok
Member Business
Lending Coordinator

Jackie Galindo
Member Solutions
Manager

Rachel Castillo
Member Solutions
Representative

Gadiel Munoz
Member Solutions
Representative

Tammie Johnson
Chief Operations Officer

Rosanne Hernandez
VP Member Services

Angela Hodo
Senior Teller

Jonathon Saldivar
Senior Teller

Brittaney Landon
PT Financial Services
Officer

Gilbert Sanchez
PT Financial Services
Officer

Jess Serna
Call Center Supervisor

Alicia Seaman
Call Center Supervisor

Noemi Aguilar
Call Center
Representative

Kardiale Arila
PT Call Center
Representative

Ashley Hernandez
PT Call Center
Representative

Brenda Hernandez
Call Center
Representative

Vanessa Montelongo
PT Call Center
Representative

Virginia Munoz
Call Center
Representative

Maria Perez
Fraud Specialist

Erica Sanchez
Call Center
Representative

Debra Bradberry
VP Project Specialist

Mario Saldivar
Chief Information Officer

Michael Martinez
IT Systems Analyst

Karla Sarra
Marketing Director

Branch Staff

Medical Center Branch

7318 Louis Pasteur
San Antonio, TX 78229

Lisa Rakus
Branch Manager

Michelle Longoria
Operations Supervisor

Cristina Escobedo
PT Financial Services
Officer

Surangika Wijesundara
PT Financial Services
Officer

1604/Braun Branch

10023 West Loop
1604 North
San Antonio, TX 78254

Adolfo Martinez
Branch Manager

Marcy Trevino
Operations Supervisor

Catherine Aguirre
PT Financial Services
Officer

Juan Nunez
PT Financial Services
Officer

Boerne Branch

1440 South Main
Boerne, TX 78006

Karina Hernandez
Financial Services Officer II

Alexis Pastrano
Senior Teller

Ann Villarreal
PT Financial Services
Officer

Golden Triangle Branch

5120 Golden Triangle
Boulevard
Fort Worth, TX 76244

Kris Boiles
AVP Member Business
Lending/Branch Manager

Francheska Gonzales
Operations Supervisor

Richard Avina
Financial Services Officer II

Shelby Johnson
Financial Services Officer II

Layton Shelton
Mortgage Loan Officer

Polaris Branch

2595 Polaris Drive
Fort Worth, TX 76137

Crystal Dunn
Operations Supervisor

Juana Montalvo
Financial Services Officer II

Bailey Meyer
PT Financial Services
Officer

Gerlie Riecker
PT Financial Services
Officer

Brittney Tabb
Financial Services Officer



Statement of Financial Condition

Assets	2022	2021
Cash and Cash Equivalents	\$7,204,547	\$24,215,290
Investments	60,983,157	76,698,471
Loans to Members, Net	304,204,327	245,879,202
Accrued Interest Receivable	977,010	807,623
Property and Equipment	16,254,857	16,730,450
American Share Insurance Deposit	4,527,626	4,166,158
Other Assets	10,797,511	13,920,529
Total Assets	\$404,949,035	\$382,417,723
Liability and Members' Equity		
Liabilities		
Member Shares	\$360,111,065	\$348,031,039
Accrued Expenses and Other Liabilities	23,216,000	5,514,545
Net Liabilities	383,327,065	353,545,584
Members' Equity		
Reserves	\$5,282,372	\$5,282,372
Undivided Earnings	16,339,598	23,589,766
Net Reserves	21,621,970	28,872,138
Total Liability and Members' Equity	\$404,949,035	\$382,417,722

Statement of Income

Interest Income	2022	2021
Interest on Loans to Members	\$12,123,909	\$9,180,255
Investment Income	1,167,878	855,552
Total Interest Income	\$13,291,787	\$10,035,807
Interest Expense		
Dividends on Members' Shares	\$1,820,301	\$1,335,518
Total Interest Expense	\$1,820,301	\$1,335,518
Net Interest Income	\$11,471,486	\$8,700,289
Provision for Loan Loss	308,613	(95,467)
Net Interest Income After Provision Expense	\$11,162,873	\$8,795,756
Non-Interest Income		
Fees and Charges	\$1,879,553	\$1,463,145
Miscellaneous Income	3,024,010	2,890,909
Non-Operating Income (Expense)	277,218	280,848
Total Non-Interest Income	\$5,180,781	\$4,634,902
Non-Interest Expense		
Compensation and Benefits	\$6,585,361	\$5,823,306
Operations	6,659,037	5,618,802
Total Non-Interest Expense	\$13,244,398	\$11,442,108
Net Income	\$3,099,256	\$1,988,550

2022 Annual Meeting Minutes

Bill Gregory, Board Chairperson, introduced himself and Kyle Ashley, President/CEO, and welcomed the members to the United Texas Credit Union Annual Membership Meeting. He called the meeting to order and ascertained that a quorum was present so the meeting could proceed.

Bill then referred the attendees to the 2021 Annual Report and asked for a motion to waive the reading of last year's Annual Meeting minutes. The motion carried.

Bill then reviewed the Supervisory Committee Report for the attendees and asked for a motion to approve the report. The motion carried.

Bill introduced the Board of Directors to the attendees.

Bill then continued to the new business – this year's Board nominations. The Board was pleased to submit Don Mann (election), John Rees (re-election), and Rick Tobias (election) as nominees for three-year terms on the United Texas Board of Directors.

Bill Gregory asked for a motion to approve the three candidates listed and the motion carried. Bill congratulated all on their election to the Board of Directors for United Texas.

Bill then turned the meeting over to Kyle Ashley, President and CEO.

Kyle started with the scholarship presentations. He awarded college scholarships to four graduating high school seniors, presenting them with a check for \$1,000 each.

Kyle continued with the President/CEO's Report and Financials for 2021.

The Credit Union continued to experience a consistent improvement in financial performance in 2021. Though the ongoing pandemic was still a factor that slightly affected productivity, we implemented several initiatives to improve our financial strength and stability.

In 2021, Net Loans increased compared to 2020's total by over \$66 million, or 36.8%. While the vast majority of this growth occurred in participation and vehicle loans, we experienced slight increases in most of our other consumer loan categories as well.

We strive to generate sufficient income to pay competitive rates on our deposit products and, at the same time, grow our capital as a cushion against unanticipated events. 2014 was the first year that United Texas started a recovery of Net Income. Here is a summary of earnings since 2014:

2014: \$291,157	2018: \$1,001,944
2015: \$776,043	2019: \$1,010,908
2016: \$1,456,488	2020: \$1,762,063
2017: \$887,284	

In 2021, Net Income increased by 12.9% over the prior year to \$1,988,550. The Return on Assets (ROA) ratio decreased slightly, from 0.60% in 2020 to 0.56% in 2021. The Credit Union continues to concentrate on meeting member needs, which will position the Credit Union to maintain a strong ROA in subsequent years.

Total Equity grew from \$26.6 million in 2020 to almost \$31.9 million in 2021 and stands at 8.30% as a percentage of assets.

The Credit Union's assets grew from \$292 million to \$382 million, which is an increase of 30.8%. The merger of First Class American's assets with United Texas fueled most of this growth. Members are still continuing to save at higher levels due to uncertain economic conditions.

Total Member Shares increased by over 31% in 2021, from \$265.4 million to \$348 million. The vast majority of this increase was due to the merger of shares from First Class American. The ongoing pandemic has also continued to influence members' savings levels. The Credit Union must strive to achieve steady share growth, so the institution's capital is not diluted. While there are several Prime rate increases forecasted for 2022 in order to stave off inflation, deposit rates will adjust accordingly to local market forces.

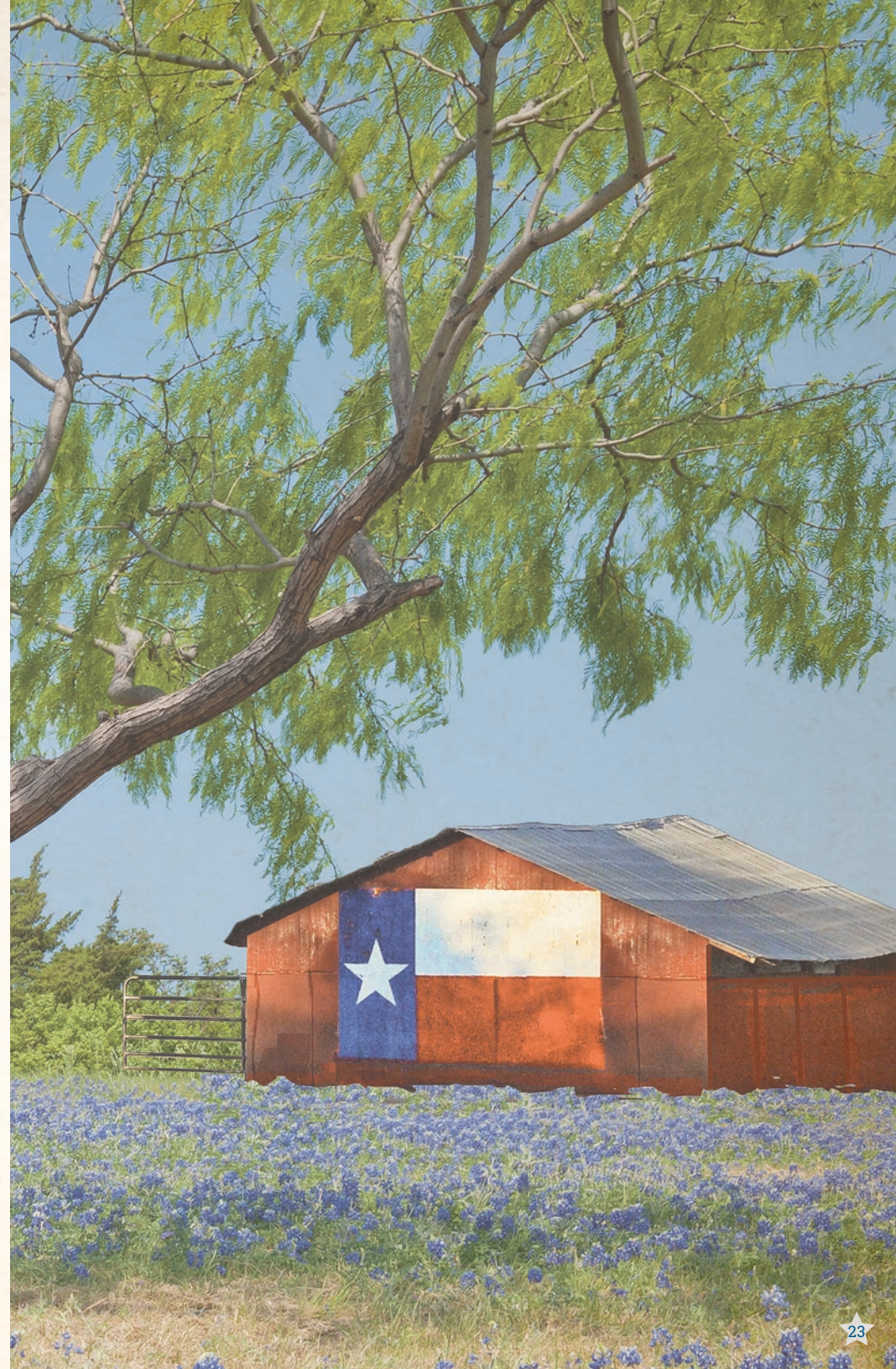
Operational Achievements for 2021 include:

- **Video Member Service** – This service delivers an improved member experience, more efficient service, reduced wait times and more personalized one-to-one service.
- **First Class American Merger** – This endeavor took 10 months to complete, and data was finally merged on March 1, 2022, so both institutions are now combined.
- **Spirit Rewards** – This account gives members an easy way to support education. It is currently set up for the Boerne Education Foundation (BEF), and our goal is to expand as more beneficiaries of the funds enroll in the program. By using your United Texas Debit Mastercard®, you earn cash back, which is donated to the BEF.
- **Stuff the Smart Car** – This drive benefited Boone ES in Northside ISD and Curington ES in Boerne ISD. For Boone, we donated 147 fully stocked backpacks, along with supplies for the teachers and students. This was a 30% increase over last year's total. For Curington, donations included \$1,050 in cash and supplies for the students.
- **Enhanced Ultimate Checking** – This new and improved version helps to better protect members by providing ID protection services, AD&D insurance, cell phone protection, roadside assistance and more.
- **Roy Maas Youth Alternatives (RMYA)** – We conducted a donation drive for the Boerne location of RMYA. Members and staff donated over \$5,300, which we used to purchase items on their wish list. This was over 250% more than last year's donation amount.

Kyle stated, as we look ahead, we also reflect on 2021. We will continue to dedicate our efforts to ensuring that you have access to a full range of products and services on the cutting edge of the dynamic financial industry. As always, your financial success is our primary goal.

Kyle thanked everyone for attending and then began the drawings for the Door Prizes – 20 door prizes of \$100 were awarded.

The Annual Membership Meeting was adjourned at 7:50 pm.





Friendly, done right.

HEADQUARTERS

5500 UTSA Boulevard
San Antonio, TX 78249

Boerne Branch

1440 South Main
Boerne, TX 78006

Medical Center Branch

7318 Louis Pasteur
San Antonio, TX 78229

Polaris Branch

2595 Polaris Drive
Fort Worth, TX 76137

1604/Braun Branch

10023 West Loop 1604 North
San Antonio, TX 78254

Golden Triangle Branch


5120 Golden Triangle Boulevard
Fort Worth, TX 76244

Connect with us!



utxcu.com

ask@utxcu.com ★ 1.800.531.8456

YOUR SAVINGS INSURED TO \$250,000 PER ACCOUNT
 **AMERICAN SHARE INSURANCE**
This institution is not federally insured. Members' accounts are not insured or guaranteed by any government or government-sponsored agency.

