



ANNUAL MEETING ORDER OF EVENTS

- ★ Call to Order and Ascertain Quorum
Maylene Neal, Board Chairperson
- ★ Invocation
James Johnson, Board Member
- ★ Approval of Minutes - 67th Annual Meeting
Wilma Jamerson, Secretary
- ★ Board of Directors' Report
Maylene Neal, Board Chairperson
- ★ President's Report
Byron Norton, President/CEO
- ★ Credit Committee's Report
John Griffin, Senior VP/Lending Operations
- ★ Financial Review
Debbie Pearce, Senior VP/Accounting Manager
- ★ Audit Committee's Report
Wilma Jamerson, Secretary
- ★ Unfinished Business
- ★ New Business (Other Than Elections)
- ★ Nominating Committee's Report
George Shankle, Committee Chairperson
- ★ Board of Director Elections
- ★ Adjournment
- ★ Cash Prize Drawings

In 1953, East Texas Professional Credit Union began as a member-owned and operated financial cooperative with a membership of 13 East Texans and an initial asset size of \$65. Today, our membership has grown to more than 77,000 and our asset size exceeds \$898 million. Thank you for your continued support over the past 68 years. We value your membership and stand ready to help you achieve financial success.



Federally Insured By NCUA



ANNUAL MEETING MINUTES AUGUST 22, 2020

The 67th Annual Meeting of the East Texas Professional Credit Union was held at the Spring Hill Football Stadium (3101 Spring Hill Rd, Longview, TX 75605) on Saturday, August 22, 2020. Chairperson of the Board, Dr. Marty Warren, called the meeting to order at 9:00 a.m. She began by ascertaining and recognizing a quorum of members (25) present. She then called on Greg Jeffery, VP/Branch Operations Manager, to give the invocation. Following the invocation, Dr. Warren appointed Dr. Rutledge McClaran, to serve as Parliamentarian of the meeting. Dr. McClaran accepted the appointment.

Dr. Warren then called on Wilma Jamerson, Secretary/Treasurer, to present the minutes of the 66th Annual Meeting (held April 27, 2019) for approval. Vera Hall, member, made a motion to dispense with the reading of the minutes and approve them as printed. Arthur Lorenzo, member, seconded the motion, and the motion carried without objection. Dr. Warren noted that these minutes would become part of the permanent file and available for future review.

Dr. Warren then proceeded with the introductions of our current Board of Directors. The directors in attendance included: Maylene Neal from Nacogdoches, Texas; Bobby Moore from Laneville, Texas; Dr. Rutledge McClaran from Marshall, Texas; Wilma Jamerson from Longview, Texas; Dr. Marty Warren from Gilmer, Texas; Reba Allison from Carthage, Texas; Vince Huerta from Tyler, Texas; and Joel Hale from Henderson, Texas.

Dr. Warren then presented the Board of Directors' Report. The entire Board of Directors' Report was included in the Annual Meeting brochure. It focused on the successes of East Texas Professional Credit Union in 2019. She further stated that East Texas Professional Credit Union, with dedication from its Board of Directors, management and staff, is well positioned to face any challenges and seize any opportunities that arise in 2020. Upon completion, she asked for any questions to be voiced. Hearing none, she submitted the report as part of the permanent Annual Meeting file.

Dr. Warren then called on Byron Norton, President/CEO, to present the President's Report. Mr. Norton read the report that was included in the Annual Meeting brochure. He gave the state of the Credit Union address, and his commitment to our members for 2020. Upon completion, he asked for any questions to be voiced. Hearing none, he submitted the report to become part of the permanent Annual Meeting file.



Dr. Warren called on John Griffin, Senior Vice-President/ Lending Operations Manager, to present the Credit Committee's Report. The report reflected 15,114 loans granted to members, constituting a total amount financed of \$222,431,422. Total loans outstanding increased by over \$27.3 million for the year. Time was allowed for any questions to be voiced. Hearing none, Mr. Griffin submitted the report to become part of the permanent Annual Meeting file.

Dr. Warren then called on Debbie Pearce, Senior Vice-President/Ac-counting Manager to present the 2019 Year-End Financial Review. She gave a brief review of the Statement of Financial Condition. Time was allowed for any questions to be voiced. Hearing none, she submitted the report to become part of the permanent Annual Meeting file.

At this time, Dr. Warren called on Secretary/Treasurer, Wilma Jamerson, to present the Audit Committee's Report for 2019. The report noted that the Texas Credit Union Department (TCUD) conducted its annual exam as of March 31, 2019. In addition, the accounting firm Doeren Mayhew performed an independent audit as of September 30, 2019. Each closely reviewed all areas of operation and found the Credit Union to be in excellent financial condition. Doeren Mayhew also conducted an Annual Automated Clearinghouse (ACH) Audit. Internal audits and compliance audits were conducted quarterly in order to ensure safety and soundness as well as general compliance with federal and state regulations. Time was allowed for any questions to be voiced. Hearing none, she submitted the report to become part of the permanent Annual Meeting file.

Dr. Warren then asked if there was any unfinished business. Hearing none, she asked if there was any new business, other than the election of the board members. Hearing no further business, Dr. Warren called on Eddie Cannon to present the Nominating Committee Report. Those members who served on the 2020 Committee were Eddie Cannon, Sharon Gathright and Theresa Sparks. The Committee met on Tuesday, March 3, 2020, to select a slate of nominees to present as candidates to serve on the Credit Union's Board of Directors. The Committee voted unanimously to re-nominate James Johnson, Reba Allison, Joel Hale and Vince Huerta. At that meeting, they also named Mr. Cannon as Nominating Committee Chairperson, and Ms. Gathright as Vice-Chairperson. On behalf of the Nominating Committee, Mr. Cannon submitted the names of James Johnson, Reba Allison, Joel Hale and Vince Huerta for consideration and approval. Time was allowed for any questions to be voiced. Hearing none, Dr. Warren proceeded with the elections.

Dr. Warren asked those present three (3) times for any other nominations from the floor. Hearing none, she declared the nominations closed. Arthur Lorenzo, member, then made a motion to accept the slate of candidates by acclamation. Thomas Burns, member, seconded the motion. The motion carried by a voice vote, with no opposing votes being cast. Dr. Warren then recognized James Johnson, Reba Allison, Joel Hale and Vince Huerta as re-elected board members, each to serve an additional three-year term.

Dr. Warren then allowed time for any further business to be introduced.

Hearing none, she declared the business portion of the meeting adjourned at approximately 9:25 a.m.

Cash prizes were then handed out at the conclusion of the meeting. There were a total of one hundred nine (109) members in attendance.

BOARD OF DIRECTORS' REPORT

Welcome to the 68th Annual Meeting of East Texas Professional Credit Union. I am proud of and humbled by the level of trust and support you have placed in your board of directors.

I'd like to take this opportunity to thank my fellow board members for their continual commitment, passion and service to ETPCU, because that dedication has contributed greatly to its overall success. Ultimately, we are here to represent you, our members, and we do not take that responsibility lightly. The continued success of the Credit Union allows us to offer a wealth of savings tools and other financial products and services that enhance your life, improve our delivery channels, and expand our outreach in the community and surrounding areas.

2020 proved to be a year of firsts. The Credit Union staff and management team had to adapt, as we all did, to effectively meet the needs of our members and continue to provide quality member service. As you can see from the Annual Report, despite all the unique challenges and obstacles that 2020 presented, East Texas Professional Credit Union continued to perform well.

We remain grateful for your steadfast confidence in ETPCU and for making us your financial institution of choice. Last year, the members and owners of this institution borrowed a total of more than \$236.4 million, amounting to over 14,000 new loans. Of those loans, 406 were home loans (worth more than \$50 million) and 6,711 were vehicle loans (worth more than \$166.8 million). Even as loan growth continues to increase, the median delinquency ratio continues to remain low at .51 percent. This indicates that despite all the difficulties presented in 2020, you all have maintained a strong commitment to honoring your financial obligations.

We are always looking for new and improved ways of redefining our success as we grow, learn and evolve to ensure a promising future for both our members and our staff. By exercising sound business and service strategies, ETPCU strives to help you navigate your life-cycle challenges, endure the uncertain economic periods, and recognize the true benefits of your membership with the Credit Union.

For instance . . .

- ★ We want to grow our community impact through basic interest payouts, financial capability programs, payment deferral during community emergencies, and working with members facing the challenges of any life phase they might be in;
- ★ We want to target particular segments of our community where we can make the greatest impact—for example, helping with financial literacy and account management for our members who are most vulnerable, such as students, young adults, retirees, and our elderly;
- ★ We want to increase and improve resources that allow us to focus more attention on our members using the most efficient and secure use of technology available; and
- ★ We want to be a knowledge hub that places the Credit Union at the center of our members' financial lives by allowing them to trade peer advice and insights about budgeting, buying, retiring, and saving.

In closing, let me express my confidence in the leadership of Byron Norton, the guidance of our esteemed board of directors, the commitment of a dedicated staff, and the support and loyalty of our more than 77,000 members. I look forward to another successful year for the Credit Union and am excited for all that is to come. I can assure you that East Texas Professional Credit Union is well positioned to overcome any challenges that have and will arise and will readily seize any opportunity that presents itself in 2021.

Thank you ladies and gentlemen, and I wish you all the best for 2021!



PRESIDENT'S REPORT

Good afternoon Members and Friends,

Welcome to the 68th Annual Meeting of East Texas Professional Credit Union. My name is Byron Norton, and I have the pleasure of serving as your Credit Union President and CEO. I am pleased to report to you that ETPCU once again recorded a strong year both financially and operationally in 2020. This is an outstanding achievement, taking into consideration the unprecedented challenges that were brought about by the global pandemic.

ETPCU ended the year with more than 76,480 members and almost every one of those individuals was impacted directly by Covid-19 during 2020. Stress, uncertainty, income loss, job loss and physical illness were at the forefront of our minds throughout the past year. ETPCU faithfully fulfilled our role as an essential service provider by striving to continue to conveniently deliver our products and services, throughout the duration of the pandemic, while placing an emphasis on maintaining high levels of both member and employee safety during the transaction. Our Credit Union expanded our remote services capabilities during this time and offered financial assistance programs such as credit counseling, loan payment deferrals, temporary waiver of fees, and emergency loans throughout the pandemic. Together, we have been able to successfully navigate the troubled waters that were frequent during the 2020 calendar year.

I would like to take this opportunity to recognize both our Board of Directors and our Management Staff for their leadership, dedication, and passion for the credit union movement. Their selfless service throughout the course of the pandemic set an example of what true leadership and accountability looks like. Here at ETPCU, we continually look for better ways to serve our membership and are humbled by the trust that you place in us collectively.

As the Annual Report reflects, East Texas Professional Credit Union outperformed the industry once again during 2020. Our primary goal is to provide our membership with the highest quality of member service while ensuring your credit union remains financially healthy and well positioned to continue to lead the way in East Texas financial services. We focus on offering our member's competitive rates on their loans and deposits and we continue to work to reduce or eliminate fees whenever possible. Some of the highlights of this year's report include:

- ★ The number of primary accounts increased from 73,351 to 76,480 members representing a year-over-year membership growth of 4.27 % a full percent higher than our peer group average.
- ★ As our membership grows so does our assets and in 2020 we saw our assets grow from \$653.8 Million to \$826.2 Million, an increase of \$172.3 Million dollars or 26.4 %. A new record for ETPCU.
- ★ Our loan portfolio grew from \$464.2 Million to \$491.3 Million, an increase of \$27.2 Million or 5.9 % while combined asset quality improved by 24 basis points moving down from 66 bp to 42 bps.
- ★ Capital equates to financial strength and in 2020 ETPCU's capital grew from \$141.2 Million to \$158.7 Million an increase of \$17.5 Million or 12.4%. Your Credit Union remains well capitalized and East Texas Professional Credit Union is proud to once again be rated A+ by Weiss Ratings, an honor shared by only 24 Credit Unions in the United States and the only credit union in East Texas to earn that rating. ETPCU also received a five star rating, the highest awarded, by Bauer Financial Ratings for the twenty-first consecutive years.

During 2020, we implemented a number of new technologies to improve services or to expand our membership which included:

- ★ Conducted continued modeling of nCino Software in preparation for the upcoming C.E.C.L. regulatory requirement
- ★ Completed a merger and acquisition of LeTourneau Credit Union
- ★ Added new southside location located at 2301 South High Street
- ★ Added electronic signature or esign IMM capabilities to our loan and membership documents
- ★ Began construction of a 45,000 sq ft Administration Building to be located on the corner of George Ritchie and Airline Road
- ★ Decreased overdraft transfer fee from \$3.00 to \$1.00
- ★ Removed the SWBC phone payment fee of \$10.00 from 4-1-20 until 9-1-20
- ★ IRA Direct Ascensus integration into our core processor
- ★ Removed gift card fee for the onset of the pandemic and during the holiday season
- ★ Added an additional security layer to our Mobile Banking Product
- ★ Installed new electronic document tracking module
- ★ Added epresentation to our mobile application
- ★ Added P2P payments by email and text via lpay to our Online system
- ★ Voted Best Credit Union by "2020 Best of East Texas"

In closing, I'd like to express my extreme confidence in the guidance and wisdom shown by our Board of Directors. I fully applaud the hard work and dedication of our strong management team and capable staff, and I fully appreciate the loyalty and support given to us by our 77,000 member owners who have chosen East Texas Professional Credit Union as their financial institution of choice. While we look back and celebrate our accomplishments in 2020, we want our members to know that ETPCU stands ready and is well positioned to face all of the challenges and opportunities that 2021 may bring.

Once again, I want to express my gratitude for your trust and confidence and your continued support, and I wish each of you the very best that 2021 has to offer.

CREDIT COMMITTEE'S REPORT

It is my pleasure to present to you the Credit Committee's Report for 2020. During the course of the year, there were 14,066 loans granted to members, constituting a total amount financed of \$236,431,283. Loans increased by more than \$27.1 million overall. The automobile loan portfolio saw the largest net increase at more than \$20.1 million for the year. An analysis of the Credit Union's loans outstanding as of December 31, 2020 is evidenced below.

1,672	New Car Loans	\$44,732,624
9,365	Used Car Loans	\$140,897,610
1,619	New Cars - Indirect Financing	\$41,183,828
2,674	Used Cars - Indirect Financing	\$41,363,624
1,849	Real Estate Loans (includes HI and HE Loans)	\$173,840,411
36	Commercial Loans	\$4,791,791
8,119	Credit Cards/Lines of Credit	\$9,117,017
7,641	All Other Personal Loans	\$35,417,008
32,975	Total Outstanding Loans*	\$491,343,912

*Total Outstanding Loans includes Allowance for Loan Loss and Repossessions and excludes Dealer Reserves	Allowance	\$1,701,044
	Dealer Reserves	(\$576,071)
	Repossession	\$382,667

STATEMENT OF FINANCIAL CONDITION

AS OF DECEMBER 31, 2020 - AFTER CLOSING

CURRENT ASSETS	2019	2020
LOANS	\$463,762,611	\$491,537,315
ALLOWANCE FOR LOAN LOSS	(\$2,006,134)	(\$1,701,044)
NET LOANS	\$461,756,476	\$489,836,272
CASH AND INVESTMENTS	\$176,754,046	\$319,742,502
FIXED ASSETS	\$11,570,615	\$13,633,043
OTHER ASSETS	\$3,757,424	\$2,963,619
TOTAL ASSETS	\$653,838,562	\$826,175,436
CURRENT LIABILITIES		
ACCOUNTS PAYABLE & OTHER LIABILITIES	\$7,042,229	\$10,818,493
SHARES	\$197,697,705	\$268,545,109
MEMBER DEPOSITS	\$309,906,529	\$389,796,940
EQUITY		
RESERVES	\$12,472,787	\$12,435,322
CAPITAL ACQUIRED	\$0	\$4,781,292
UNDIVIDED EARNINGS	\$126,895,928	\$139,059,750
AFS	(\$176,615)	\$738,531
TOTAL EQUITY	\$139,192,099	\$157,014,895
TOTAL LIABILITIES & EQUITY	\$653,838,562	\$826,175,436

AUDIT COMMITTEE'S REPORT

East Texas Professional Credit Union has a foundation of sound business practices and procedures. Annual examinations and audits of our operations provide valuable insight in maintaining these strong financial policies.

The Texas Credit Union Department (TCUD) conducted an annual exam as of June 30, 2020. In addition, the accounting firm Doeren Mayhew performed their regulatory required independent audit as of September 30, 2020. All areas of operation were closely reviewed and found the Credit Union to be in excellent financial condition. The Board reviewed the written reports of the findings and any exceptions were noted and corrected accordingly.

An Annual Account Verification was conducted to ensure the accuracy of our member records. Random notices were sent as of June 30, 2020 asking members to review their accounts. Discrepancies were to be reported directly to Doeren Mayhew.

An annual automated clearing house (ACH) audit as of November 12, 2020 was conducted by Doeren Mayhew. In addition, internal audits and compliance audits were conducted quarterly in order to ensure safety and soundness as well as general compliance with federal and state regulations.

BOARD OF DIRECTORS

Dr. Marty Warren Treasurer Term Expiration: 2021	Mr. Bobby Moore Director Term Expiration: 2022	Ms. Reba Allison Director Term Expiration: 2023
Mrs. Wilma Jamerson Secretary Term Expiration: 2021	Judge Joel Hale Director Term Expiration: 2023	Dr. Rutledge McClaran Director Term Expiration: 2022
Mr. James Johnson Director Term Expiration: 2023	Mrs. Maylene Neal Chairperson Term Expiration: 2022	Mr. Vicente Huerta Vice - Chairperson Term Expiration: 2021

SENIOR MANAGEMENT

Mr. Byron Norton President/CEO	Mrs. Kerri Dalme Senior VP/Branch Operations Manager	Mr. Doug Martin VP/Indirect Lending Manager
Mr. John Griffin Senior VP/Lending Operations Manager	Mrs. Kelly Evans VP/Account Resolution Manager	Mrs. Kristal Martin VP/Product Development and Electronic Services
Mr. Scot Haines Senior VP/Operations Manager	Mr. Greg Jeffery VP/Branch Operations Manager	Mr. Kevin Wasson VP/Information and Technology
Ms. Debbie Pearce Senior VP/Accounting Manager	Mr. Flip Kraus VP/Real Estate Manager	Mrs. Meagan Staples VP/Human Resource Manager



NOMINATING COMMITTEE REPORT

Good afternoon. My name is George Shankle. I was honored to serve on the 2021 East Texas Professional Credit Union Nominating Committee, alongside Ruth Williams and Edith Burrell. Our meeting was held on Tuesday, February 23, 2021 at the Longview Loop Office in Longview, TX. At that meeting, I agreed to serve as Chairperson of the Committee and Edith Burrell agreed to serve as Vice-Chairperson.

Our Credit Union Board of Directors is currently composed of nine individuals. Each member is responsible for serving a staggered three-year term, with three members eligible for re-nomination or replacement each year. Our job, as the Nominating Committee, was to select a slate of three members to present to you as candidates to serve on the East Texas Professional Credit Union Board.

The three Board members whose terms will expire at today's meeting are Wilma Jamerson, Dr. Marty Warren and Vince Huerta. Each has expressed their desire to serve an additional term, and each returned an application for committee review.

Throughout the course of our meeting, all applications were reviewed and discussed. The qualifications to serve, the amount of volunteer time committed and the training required to be a Board of Director was disclosed. The current geographical makeup of the Board was also examined.

After review, our Committee voted unanimously to re-nominate each of the Board members whose terms expire at this year's Annual Meeting.

Therefore, as Chairperson of the 2021 Nominating Committee, I submit the following nominations for member approval:

- Wilma Jamerson
- Dr. Marty Warren
- Vince Huerta

George Shankle
2021 Nominating Committee Chairperson

