

Management List

Pierre Cardenas, President/CEO
Brennan Daniels, Chief Financial Officer
Lisa Malesky, Chief Operations Officer

2020 Board of Directors

Position 1 – Colin Parrish, Director 2019-2022
Position 2 - Jaime Lynn, Vice Chair 2019-2022
Position 3 - Nancy Hrin, Director 2019-2022
Position 4 - Karim Hirani, Director 2017-2023
Position 5 - Michael Jones, Chair 2017-2023
Position 6 - Kevin Cooper, Treasurer 2017-2023
Position 7 – Mario Lozano, Director 2019-2022
Position 8 – Kelly Evans, Director 2018-2021
Position 9 – Bekki Lammert, Director 2018-2021
Position 10 - Joel Bennett, Secretary 2017-2023
Position 11 - Wayne Hamilton, Director 2018 -2021

Management Changes 2020

Brennan Daniels was hired as the CFO in Oct'2020

Capitol Credit Union Membership

Capitol Credit Union is an ever-growing full-service financial institution that is proud to be 12,867* members strong!

*Total Number of Members as of December 31, 2020

Statement of Financial Condition

As of December 31, 2020

ASSETS	12/31/2020	12/31/2019
Loans (Net)	117,291,871	101,215,305
Cash on Hand	1,488,006	1,568,885
Investments	46,344,499	29,192,390
Accrued Income	431,881	391,530
Fixed Assets (Net)	3,705,850	2,761,237
Deferred Assets	417,255	404,765
Other Assets	6,363,889	5,509,855
TOTAL ASSETS	176,043,251	141,043,968

Loans

- Auto Loan
- Fully Collateralized Loan
- Personal Loan
- Share Secured Loan
- CD Share Secured Loan
- Line of Credit
- Home Equity Loan
- Home Equity Line of Credit
- Mortgage Loan
- Credit Cards

LIABILITIES & EQUITIES

Accounts Payable	1,867,452	1,583,519
Accrued Interest Payable	12,454	10,979
Other Liabilities	627,571	472,175
Member Deposits	150,551,818	127,276,303
EQUITY	22,983,956	11,700,992
TOTAL LIABILITIES AND EQUITY	176,043,251	141,043,968

Income Statement

As of December 31, 2020

	12/31/2020	12/31/2019
Loan Interest Income	4,902,861	4,368,095
Investment Income	488,728	691,666
Dividend/Interest Expense	127,994	107,804
Net Interest Income	5,263,595	4,951,956
Fee and Other Income	2,054,790	2,248,765
Gross Operating Income	7,318,385	7,200,721
Operating Expenses	6,052,823	5,800,145
Provision for Loan Loss	257,071	252,295
Total Operating Expenses	6,309,894	6,052,440
Net Operating Income	1,008,491	1,148,281
Non-Operating Income (Expense)	9,985,273	(779)
Net Income Before NCUSIF		
Stabilization Expense	10,993,764	1,147,502
NCUSIF Stabilization Expense		
NET Income	10,993,764	1,147,502



CAPITOL
CREDIT UNION



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CAPITOL
CREDIT UNION

VIRTUAL



Celebrating 67 Years of Service & Revolutionary Banking Solutions



April 22, 2021 @ 5 PM (CT)

AGENDA

- I. **Call to Order**
- II. **Determination of Quorum**
- III. **Invocation**
- IV. **Appointment of Parliamentarian**
- V. **Reading and Approval of the Minutes of the 66th Annual Meeting of the Membership**
- VI. **Report of the Chair**
- VII. **Report of the Treasurer**
- VIII. **Report of the President (Video)**
- IX. **Old Business**
- X. **New Business**
- XI. **Report of the Nominating Committee**
- XII. **Election of Directors**
- XIII. **Question and Answer Session**
- XIV. **Drawing for Door Prizes**
- XV. **Adjournment of Meeting**

Message from the Chairman

It was the best of Times. It was the worst of times."The opening paragraph of Dickens "A Tale of Two Cities" is an appropriate description of the past 11 months since our last annual meeting. The 67th annual meeting of Capitol Credit Union and our second virtual meeting takes place as our community is recovering from an unprecedented combination of challenging events. Many of us have spent months semi-quarantined at home. We miss the opportunity to meet friends at our favorite restaurants or worship in person.

Despite numerous pandemic-related barriers to providing services to members, Capitol Credit Union employees completed millions in new loans online and by phone. Thanks to the hard work of the entire staff, management and the board, our credit union ended 2020 with our highest level of total assets. The credit union's net worth ratio, a key indicator of our financial health, jumped to the strongest rate in our nearly seven-decade history. We now have the resources to introduce an improved online banking platform and additional services for members.

As we prepare for more success during the next three quarters of 2021, I want to acknowledge the contributions of two former board members. Kevin Cooper completed 14 years of selfless service on the board in January. Kevin played an important role in several board activities, including serving as Treasurer and Chair of the Information System Security Committee.

We were saddened to learn of the passing of former director Lewis E. Roland last month. Director Roland provided an astonishing 30 years of service to the credit union as a board member. He played a role in every major decision made during his long tenure and he frequently reminded other board members of the awesome fiduciary responsibility we owe to the members of this organization.

In the spirit of our past leadership, the board, management and staff of Capitol Credit Union look forward to implementing new ideas that will lead to better times during the rest of this new decade for all our members. As always, we thank you for making Capitol Credit Union your financial institution of choice.

Michael A. Jones
Capitol Credit Union Board of Directors, Chairman

Message from the President

What a rollercoaster ride 2020 turned out to be. The COVID crisis basically shut-down our economy for the entire year. Most Americans hunkered down in their homes waiting for the virus to pass or for an injection solution. Today it appears we have a little of both as we wait in line with thousands of others for an "injection of hope" that we pray will bring back those mask-less days we took for granted. As the new year rolled in, the winter storm of 2021 shut Texas down again. While in the uncertainty and haze of all these uncontrollable events Capitol Credit Union was able to have one of its best years ever. The CU grew by over \$35M in assets in 2020 ending the year at \$176M in total assets outstanding. We had a great lending year as well! While our credit union peers were averaging 4% loan growth, we had an outstanding 16% loan growth during this crisis. We had our technology infrastructure in place to quickly shift our employees to work from home without any disruption in service. Our call center and loan team are still working from home today and I bet you could never tell! Our loans to you our members grew to over \$117M in loans outstanding. Our Wealth Management program continues to grow in serving our members investment and retirement needs as we begin to approach \$10M in assets under management. I am proud to say that Capitol Credit Union was one of the first credit unions in the city to open its lobbies to our members. We were also the first CU to go back to full days and even expanded our hours to be open for full branch service every Saturday from 9am – 2pm. We did this while protecting both our employees and members.

As many of you are aware, we sold our current Burnet branch location and moved just up the street to a new branch location within the Domain. I think you would agree our current Burnet Branch location was in need of some major upgrades. This move not only not only gave us a new state-of-the-art facility, but it places us in a prominent position within the Domain. We are right across from Whole Foods location next door to Spectrum. In addition to owning our location in the Domain, we were also able to double our net worth putting us in the strongest financial position the credit union has ever been in. As part of this move the Domain location will have a 24X7 vestibule which will house a Smart ATM that will have depository capabilities. In the event of another major crisis in the future that would force our branches to close, our members would still be able to take care of monetary transactions 24 hours a day 7 days a week. We will also be establishing a walk up ATM with video capability in the parking area of our current Burnet location. This will give those members a quick easy access right off Burnet to handle their transactions and get back on the road without having to drive up into the Domain. The technology we are placing in our new branches, the vestibule, and video capable walk-up ATM will allow for us to more efficiently place smaller footprints (express service centers) in new locations at a fraction of the cost of a traditional branch. These will be full service "mini-branches" with the same Capitol CU Team Members who you have grown to love over the years. This is all great news, and we hope it excites you as much as it does us. Here is even greater news: Capitol Credit Union will be launching a new state-of-the-art mobile banking platform. This is one area we knew we needed to upgrade and have been working on this initiative for over two years. We have selected one of the top online/mobile banking platforms in the country and have tentatively set the "go-live" date for October of this year. While 2020 did slow down the country it did not slow Capitol Credit Union down, we came out better than ever because the **Best Is Yet To Come!**

Pierre Cardenas
Capitol Credit Union President / CEO

Message from the Nominating Committee

The Board of Directors appointed us to the Nominating Committee and tasked us with reviewing candidates who wish to fill vacant and expired positions on the Board. This said, the Nominating Committee unanimously recommends the following candidates to serve on the 2021 Capitol Credit Union Board of Directors:

Position 6 – Gregory White
Position 7 – Maria Lozano
Position 8 – Kelly Evans
Position 9 – Bekki Lammert
Position 11 – Wayne Hamilton

We appreciate the opportunity to serve the Board of Directors of Capitol Credit Union.

Capitol Credit Union Nominating Committee, Stefanie Medack, Darrell Ketchem, David L. Davis, Aaron Demerson, Chairman

Message from the Treasurer

Capitol Credit Union ended 2020 serving 12,867 members, an increase of 5.6% over 2019. We are very proud that despite the challenges presented by COVID-19, we increased our loan portfolio by \$16.07M or 15.8% over 2019. Capitol continues to make strategic decisions to focus on growing our core membership and deepening our relationship with our existing members. We continue to drastically outperform our peers when it comes to Asset quality. Our credit quality is strong with a net charge-off ratio of 0.27%, and delinquency ratio of 0.12%. We continue to remain well below the PEER average of 0.36% and 0.63%, respectively. The Board of Directors engaged the CPA firms of Eide Bailly and Nearman Maynard Vallez to perform a comprehensive review of the financial statements, policies, and procedures of the credit union. The firm's review showed that the financial statements of Capitol Credit Union fairly represent the financial position, its operations, and its cash flows in accordance with Generally Accepted Accounting Principles (GAAP).

Some of the financial highlights include:

- Assets grew by 24.8 %, ending the year with \$176 million in total assets.
- Net operating Income for 2020 was the \$1,008,491. Net income including the sale of the Burnet branch was \$10,993,764.
- Net Worth balance has increased from \$11,593,726 at the end of last year to \$22,983,956 in 2020.
- We are well capitalized, with a net worth ratio of 12.83% an increase of 4.61% from 2019.

In closing, we would like to thank our members for their trust and support, and for allowing Capitol Credit Union to be your financial institution of choice. You can count on us to make financially sound decisions to ensure that your credit union is always here for you.

Karim Hirani
Capitol Credit Union Board of Directors, Treasurer