

2019



**Texas Bay**  
CREDIT UNION

ANNUAL REPORT

# ANNUAL MEETING AGENDA

February 18, 2020

## THE ORDER OF OUR ANNUAL MEETING AGENDA IS FIXED BY SECTION 3.03, ARTICLE D OF OUR BY-LAWS.

The order of business at the annual meeting shall be as follows:

1. Ascertain that a quorum is present.
2. Reading and approval of the minutes of the last meeting.
3. Report of the directors by the chairman of the board of directors, or in his absence by the vice-chairman.

4. Report from the president.
5. Unfinished business.
6. New business, other than election of directors.
7. Election of directors.
8. Adjournment.

*NOTE: Chairman may rearrange agenda if so authorized by vote of members present.*

## 2019 ANNUAL MEETING ADDRESS

*Thoughts from our CEO and our Chairman of the Board*

As we enter a new decade, it's a great time to reflect on the past. The last 10 years was a tremendously successful decade for Texas Bay Credit Union. During this time, we have more than doubled the size and reach of the organization. We have an increased number of branches now soon to be 9 with 3 of them on the West side of Houston. The assets of the credit union now exceed over \$500 million and the number of members exceeds 47,000. We have also greatly increased and enhanced the number of delivery channels and products and services. Members have benefited greatly with the growth as evidenced by the significant increase in loans granted to the members and the increase in deposits they have entrusted to the credit union.

As a financial cooperative, the success of our credit union is your success. When you participate in the credit union, whether you are a saver, borrower, or both, you are contributing to our growth. And because of our cooperative structure, we are able to return our profits back to you through competitive rates, new products, enhanced services, and additional points of service to mention a few.

Our credit union is a locally owned and governed financial institution. We have a strong connection to this vibrant community, and we are well-positioned to support our growing demand for a financial institution that cares about your financial future. In 2019, we were again proud to be named the Official Credit Union for the Houston Astros. In addition to being the Official Credit Union of the Astros, your credit union was also a major sponsor of the Pasadena Strawberry Festival, Wings Over Houston Air Show, Pasadena ISD Education Foundation, and donated significant resources within our communities to support a variety of efforts including student scholarships, school sports programs, battle against cancer, law enforcement, children's charities, and more. All of these community partnerships allow us to give back to a community that has given us so much.

Our presence in this community is known. Core membership at our credit union continues to grow year over year. As our membership grows, so do our assets, indicating that you

are taking full advantage of the products and services we have to offer. The credit union continues to grow year over year and our current assets are \$501.5 million.

We are pleased that loan demand continued to be strong in 2019, increasing to \$402.3 million a 7.91 percent increase over the last year. This increase is a result of the value you place on the competitive rates we are able to offer and the strong commitment to honoring your financial obligations with your credit union.

Just as you are committed to Texas Bay Credit Union, we are committed to you, and the following are but a few highlights from 2019 that demonstrate this.

- Construction on a new Branch in Pearland broke ground in November 2019. The opening day is expected to be late spring 2020.
- Construction on a new branch for our North Shore members broke ground in August 2019. We are relocating the branch to better serve members. The new facility is less than 1-mile away and will offer a spacious lobby, ample parking, less traffic congestion, and much more. The opening day is expected to be in the summer of 2020.
- Our new branches in the west Houston area (Katy, Cypress, & Richmond) are experiencing excellent growth.
- Introduced instant issue credit and debit cards available at all branches.
- Continuous member education on new products throughout the year (Save Easy Auto Loan, Guaranteed Growth Investment account, CardValet, etc.).
- Selected to be the top sponsor of the new Sheldon ISD sports complex.
- Continuous upgrades to system technology, redundancy, and security.
- Continuous enhancements to home banking to provide additional features and ease of use.
- Continuous enhancements to mobile banking to provide additional features.
- Continuous internal training to provide the best and most efficient service to our members, which resulted in a 96 percent quality service ratio based on our most recent member satisfaction survey.

- We have a talented volunteer board of directors who share their expertise and knowledge to guide this organization toward continued success. Annually, our board of directors complete many training hours. To us, this illustrates their strong desire to ensure they are a highly skilled and educated governing body.

It is worth pointing out that we were able to add all of these new products and services without compromising the bottom line. Texas Bay Credit Union is a well-capitalized financial institution, with a strong capital ratio of over 9 percent. To put that in perspective, 7 percent is the industry standard.

We have a strong foundation and we performed well in 2019, and with steadfast commitment, diligence and hard work, in 2020, we will once again deliver on our promise to you by offering each member the right product, at the right time, and delivered the right way. Our commitment to you is that we will continue to:

- grow responsibly
- listen and respond to your needs
- explore innovative product/service solutions to enhance your financial life
- develop our staff and board so they can confidently serve you

We look forward to working together and making 2020's a successful decade.



*Jesse Gutierrez*  
**Jesse Gutierrez**  
President



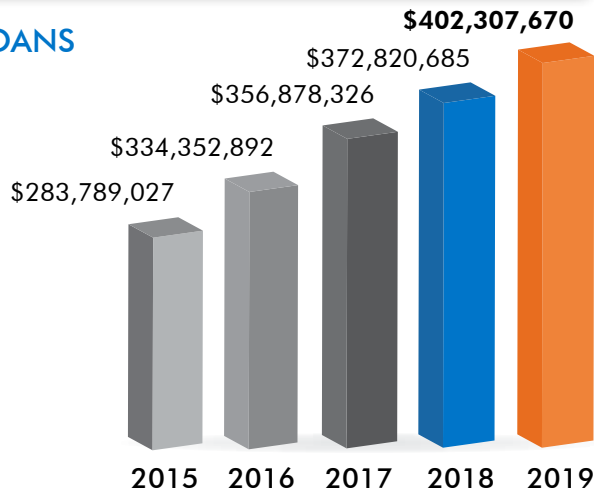
*Rudy Wright*  
**Rudy Wright**  
Chairman



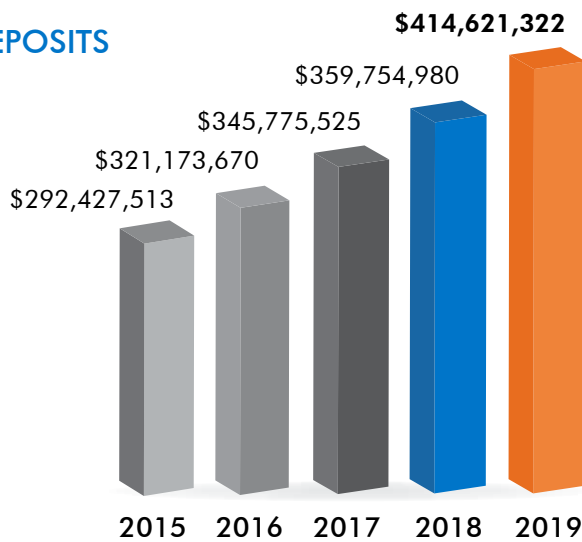
## GROWTH OVER A 5 YEAR SPAN

Comparison 2015-2019

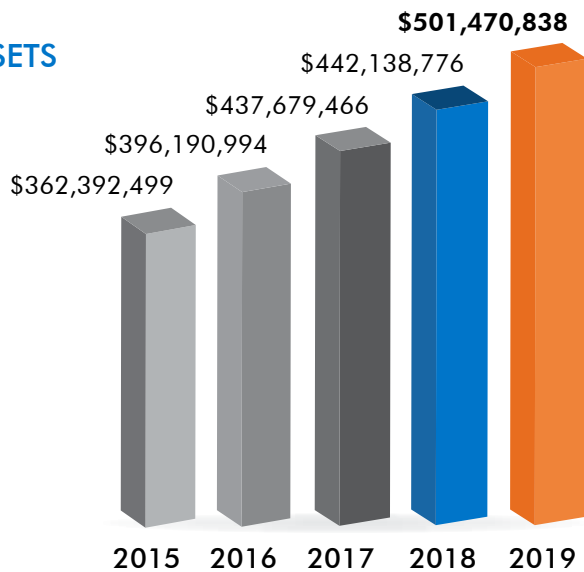
### LOANS



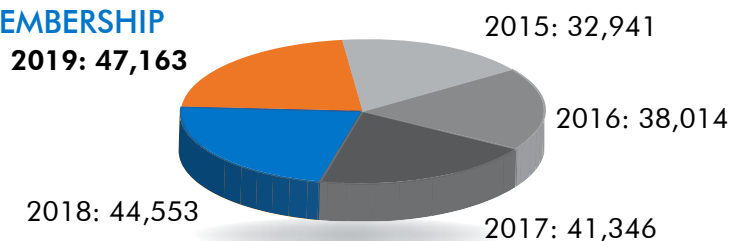
### DEPOSITS



### ASSETS



### MEMBERSHIP



## COMPARATIVE FINANCIAL STATEMENT

Comparison 2018-2019

Assets	Dec. 31, 2018	Dec. 31, 2019
Loans	\$372,820,685	\$402,307,670
Allowance for Loan/ODP Losses	(5,281,155)	(4,953,939)
Accounts Receivable	11,483,814	12,737,455
Cash on Deposit	7,969,173	20,027,079
Investments	34,290,489	49,142,523
Other Assets	20,855,770	22,210,050
<b>Total Assets</b>	<b>\$442,138,776</b>	<b>\$501,470,838</b>

Liabilities	Dec. 31, 2018	Dec. 31, 2019
Payable & other Misc. Liabilities	\$34,959,987	\$37,144,734
Share Accounts	359,754,980	414,621,322
Reserves	44,758,197	47,425,305
Net Income	2,665,612	2,279,477
<b>Total Liabilities &amp; Equity</b>	<b>\$442,138,776</b>	<b>\$501,470,838</b>

Income & Expense Statement	Dec. 31, 2017	Dec. 31, 2018
Interest on Loans	\$22,348,891	\$23,449,407
Income on Investments	963,560	1,890,600
Total Interest Income	23,312,451	25,340,007
Fee & Other Income	11,142,890	12,313,533
<b>Total Income</b>	<b>\$34,455,341</b>	<b>\$37,653,540</b>

Operating Expenses	\$22,198,451	\$25,680,045
Provision for Loan/ODP Losses	7,264,207	6,255,128
Dividends	2,327,176	4,323,759
Total Expenses	31,789,834	36,258,932
Disposition of Assets	3,325	773,688
Extraordinary Gain/Loss	0	0
Gain/(Loss) on Investments	(3,220)	0
Gain/(Loss) on Loans Sold	0	111,181
<b>Net Income</b>	<b>\$2,665,612</b>	<b>\$2,279,477</b>

## 2019 INDEPENDENT AUDITOR'S REPORT

Board of Directors, Texas Bay Credit Union, Houston, Texas  
Audit as of June 30, 2019

The Board of Directors is primarily responsible for overseeing the overall safety and soundness of Texas Bay Credit Union as well as the organization's adherence to operating policies, procedures, and regulations.

Each year, the Board reaffirms their commitment to ensure your credit union is financially stable and maintains the highest member service standards possible.

The Board oversees the annual audit performed by an independent auditing firm. Nearman, Maynard, Vallez, CPAs, P.A. performed an audit of the credit union's financial statements as of June 30, 2019 and 2018 which was reviewed by the Board with no exceptions. Additionally, the Board oversees a number of third party on-site audits of each branch and the review of member account records to verify their accuracy.

As a result of these combined efforts, I am proud to report that Texas Bay Credit Union and its assets remain financially sound and secure.

Rudy Wright  
Board Chairman

## BOARD OF DIRECTORS 2019

Chairman  
Rudy Wright  
Next elections:  
2020-2023-2026

Vice-Chairman  
Tom Merchant  
Next elections:  
2022-2025-2028

Secretary  
Raymond Andrews  
Next elections:  
2020-2023-2026

Treasurer  
John Swanson  
Next elections:  
2022-2025-2028

### Directors

Larry Clowers  
Next elections:  
2020-2023-2026

Mark Wygant  
Next elections:  
2021-2024-2027

Mike Cacciotti  
Next elections:  
2022-2025-2028

Wayne Otwell  
Next elections:  
2021-2024-2027

Jeff Barba  
Next elections:  
2021-2024-2027

### Advisory Directors

Ron Rainer

Curt Burnett

## ADMINISTRATIVE OFFICERS 2019

President & CEO  
Jesse Gutierrez

Executive Vice President/CFO  
Syed Dinar

Vice President  
Human Resources  
Chelly DeLeon

Vice President  
Branches/Operations  
Brandy Guzman

Vice President  
Mortgages  
Roseanna West

Vice President  
Chief Technology Officer  
Dennis Y'Barbo

Vice President  
Lending-Consumer &  
Indirect  
Rachel Hunt

Vice President  
Marketing & Business  
Development  
Brian Ellis

Vice President  
Compliance/Training  
Jeremy Bratton

## CHANGES

### Changes to Membership Size

Members as of  
December 2018: 44,553  
Members as of  
December 2019: 47,163

### Products & Services Offered Since Last Annual Meeting

New instant issue service for credit cards at all branches. The same competitively priced products & services continued to be offered throughout the year.

### Management & Board

Mark Wygant was appointed to the board of directors to complete Fred Bender's term.

## OFFICE LOCATIONS & CONTACT INFORMATION

**North Shore**  
Branch Office  
15245 Wallisville Rd.  
Houston, TX 77049

**Pasadena**  
Branch Office  
1301 Highway 225  
Pasadena, TX 77506

**South Shore**  
6640 South Shore Blvd.  
Suite 100  
League City, TX 77573

**Summerwood**  
12310 W. Lake  
Houston Parkway  
Houston, TX 77044

**Katy**  
4747 FM 1463  
Suite 1000  
Katy, TX 77494

**Cypress**  
9212 Fry Rd.  
Suite 100  
Cypress, TX 77433

**Richmond**  
18320 W. Airport Blvd.  
Suite 100  
Richmond, TX 77407

### Fuqua (Main Office)

12611 Fuqua Street • Houston, TX 77034  
Phone: 713-852-6700 • FAX: 281-464-9230 • Audio Response Service: 713-852-6755  
Website: [TexasBayCU.org](http://TexasBayCU.org)  
Email: [webmail@tbacu.org](mailto:webmail@tbacu.org)