



2024 ANNUAL REPORT

For **TEXANS,** By **TEXANS**

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PRESIDENT and CHAIRMAN'S Report

For more than seven decades
Texans Credit Union has
steadfastly supported the
financial well-being of our
valued members, and 2024
upheld this tradition.



David Frazier PRESIDENT | CEO



George Consolver CHAIRMAN

Texans Credit Union has had many historically significant years in its storied past. However, we would put 2024 alongside any other noteworthy achievements over the previous 71 years. The credit union continued our tradition of innovation and transformation across multiple facets of the organization. Our commitment to member well-being and improving the communities we serve was our north star for each stride made throughout the year.

Texans' commitment to putting members first led to strong and healthy financial results. Most notably, we achieved a significant milestone by surpassing our 2024 goal and increasing the credit union's net worth ratio to 10.12%. For comparison, the Texas Credit Union Department's highest Net Worth rating of "Well Capitalized" is met at 9.00%. Being well-capitalized allows Texans to enhance its value

for our members. Over 25.5 million dollars were returned to members as dividends, which is nearly double the amount from 2023.

2024 was a year of unveiling for Texans Credit Union. We marked a new chapter in the credit union's history by launching our newly refreshed brand and logo to the public. This change was an outward display of the bolder Texans we've become while staying true to our roots and commitment to service. Texans' new look is a great milestone in the credit union's history and allows us to be notably visible for the growth and success we've achieved together. The new brand has been a strategic objective for the past several years and we were very proud to introduce it to you and the world in May of 2024. This step was just the beginning of sharing the proud Texans way with rest of DFW.

Texans also made a significant stride in 2024 to prioritize our commitment to members' most valuable assets – their homes. Our Real Estate Lending team invested considerable effort in transitioning our mortgage origination systems to an in-house operation. This strategic initiative will enable Texans to provide a more tailored mortgage and home equity lending experience.

Supporting our commitment to growth, we are in the process of acquiring land for the construction of our first new branch in over a decade. Texans remains dedicated to serving our communities by establishing a physical

presence across the market. Building new branches in the coming years is a key strategy to uphold this commitment. This expansion is fueled by strong financial and member growth over the last year. Our membership increased by just over 6%, bringing our total membership to 130,320.

Our digital account opening technology has been upgraded to make it faster and easier to open additional checking, savings, and CD accounts from your phone or computer. This same technology allows new members to join Texans more efficiently than ever and set up their digital banking accounts simultaneously.

In 2024, Texans launched the Card Manager feature in our mobile app that allows you to have personalized control over your card and where it's used and gives you insights into your spending habits and the ability to manage your recurring payments all in one spot. This upgrade gives you control over your cards more than ever before by introducing increased controls, alerts, and settings that you can manage within your Texans CU mobile app.

As we look to continuously add value to your membership, we have expanded our credit card offerings to include a premier rewards card that lets you earn up to four times the points and lets you choose what you redeem your points for, like cash, travel, or technology. We've also added a share-secured credit card to help anyone who is just starting to build their credit or may need a fresh start.

Expanding the types of credit cards Texans offers allows our members to access big rewards while enjoying the value of credit union membership at lower rates.

We always strive to give you personalized control over your membership wherever possible. This past year, we created technology to help people getting a new auto loan choose their own terms and protection options, showing the impact to your monthly payments in real-time. Another thing we've added to save you time and money is the ability to schedule an appointment at your branch from the Texans website, eliminating time spent waiting to speak with one of our great team members.

We also launched a direct deposit switch tool to give members complete control over their paycheck, making it easier to update your direct deposit and split your paycheck between Texans accounts without needing to fill out forms or talk to HR.

One accomplishment we are particularly proud of is that Texans was named to Dallas Morning News' Best Places to Work list for the second year in a row. This recognition is a direct reflection of our team's commitment to making Texans an exceptional place to work. When our employees feel empowered and motivated, it contributes to the high-quality service that members expect from Texans.

Philanthropy continues to be a cornerstone of Texans Credit Union. In 2024, Texans' employees served over

880 hours at charities near and dear to our hearts, a 35% increase from 2023. Also, with your help we were able to donate thousands of in-kind donations to the North Texas Food Bank, Dress for Success Dallas, and HopeKids North Texas. Texans is committed to the communities where we live and work.

We thank our board of directors for their bold vision and support over the last year. We are making important strides toward being the premier credit union for Texans. As we reflect on our accomplishments in 2024, we are proud of the success, growth, and major accomplishments achieved throughout the organization. On behalf of the Board of Directors, the management team, and all members of Team Texans, we extend our sincere gratitude for your trust, confidence, and ongoing support.

It is a great day to be a Texan!

YOURS IN SERVICE,

George Consolver & David Frazier



BOARD of DIRECTORS



GEORGE CONSOLVER
CHAIRMAN | TERM EXPIRES 2027



ED FAWCETT
VICE CHAIRMAN | TERM EXPIRES 2026



TOM BOEDECKER
TREASURER | TERM EXPIRES 2025



ESTELLA MARTINEZ
SECRETARY | TERM EXPIRES 2026



LORI DANIEL
DIRECTOR | TERM EXPIRES 2025



FAHAD AWAIS
ADVISORY DIRECTOR | TERM EXPIRES 2025



SHYAMAL PARIKH
ADVISORY DIRECTOR | TERM EXPIRES 2025

TEXANS

SENIOR Leadership



DAVID FRAZIER
PRESIDENT | CEO



MIKE MCWETHY
EXECUTIVE VICE PRESIDENT



BEN HART
CHIEF FINANCIAL OFFICER



JENNI SHORT
CHIEF PEOPLE OFFICER



MATTHEW MOORE
SENIOR VICE PRESIDENT,
RETAIL



TRACY MONTEZ
SENIOR VICE PRESIDENT,
CONTROLLER



TANYA PATTERSON
SENIOR VICE PRESIDENT,
STRATEGIC SOLUTIONS



JESSIE SWENDIG
SENIOR VICE PRESIDENT,
MARKETING & BUSINESS DEVELOPMENT



JJ BAI
VICE PRESIDENT,
DEVELOPMENT
& HOST SYSTEMS



IAN BEIRNES
VICE PRESIDENT,
IT SYSTEMS



ANGIE JACKSON
VICE PRESIDENT,
REAL ESTATE LENDING



KRIS JONES
VICE PRESIDENT,
ENTERPRISE
RISK MANAGEMENT



DAN MATHEWS
VICE PRESIDENT,
CONSUMER LENDING



RAMY SAKTHIVEL
VICE PRESIDENT,
DATA ANALYTICS*

**In 2024, the Data Analytics Department was established under the leadership of Ramy Sakthivel.*

TEXANS GROWTH in 2024

130,320 Memberships

Membership growth allows us to bring our unique member service and dedication to financial success to more Texans. We grew overall membership by 6% in 2024.

282 Employees

Texans Credit Union has employees spread across all the communities we serve. Their passion for Texans' mission helped the credit union win a Best Places to Work in DFW honor in 2024.

880 Volunteer Hours

One of the stand out aspects of Texans is our community involvement. We give back in ways that are impactful to the unique needs of the communities we serve. Texans has fostered a culture that encourages employee involvement in charitable endeavors.

\$2,243,918,289 Assets

Texans assets continue to grow as we proudly serve our members with all their lending, saving, and future financial needs.

BYLAWS

On April 11, 2024, the Board of Directors adopted a new set of bylaws to incorporate changes to the Credit Union's Field of Membership and Meetings of Members. The new state approved bylaws remove redundancies and streamlines our current list of those eligible for membership in the Credit Union as well as, allow the Credit Union to hold its annual meeting of the members in hybrid format, consisting of virtual and in-person attendance and participation without an in-person quorum if certain conditions are met. Copies of our bylaws are available and will be provided to any member upon request.

TEXANS

AUDIT COMMITTEE Report

The Board of Directors ensures the Credit Union's policies and procedures comply with state and federal guidelines. Texans' Chairman of the Board, George Consolver, appoints an Audit Committee to represent the membership's best interests. The Committee consists of a Board Member, an Advisory Director, and a Member at Large. This committee closely monitors financial statements and internal controls, overseeing audit functions and regulatory compliance.

The Texans Audit Committee utilized Doeren Mayhew, LLP for an independent financial audit, resulting in an unqualified opinion on the consolidated financial statements for the year ending December 31, 2024. Texans Credit Union was also examined by the State of Texas Credit Union Department and National Credit Union Administration, confirming secure and sound operations.

On behalf of the Audit Committee, I am pleased to report that Texans is in excellent financial condition, with sufficient policies and procedures to safeguard member assets.

RESPECTFULLY SUBMITTED,

Tom Boedecker AUDIT COMMITTEE CHAIR

Shyamal Parikh AUDIT COMMITTEE MEMBER | **Jeanne Clark** AUDIT COMMITTEE MEMBER



Tom Boedecker AUDIT COMMITTEE CHAIR

“...Texans is in excellent financial condition...”



TEXANS 2024 Updates

At Texans, we strive to elevate your experience at every touchpoint. In 2024, we upgraded several products and services and introduced new ones to make banking with Texans an even more enjoyable experience.



MORTGAGE ORIGATION SYSTEM

Texans transitioned our mortgage origination systems to provide a more tailored mortgage and home equity lending experience.



DIGITAL ACCOUNT OPENING

In 2024, Texans upgraded our digital account opening technology to make it faster and easier for you to open additional accounts from your phone or computer.



CARD MANAGER

Texans launched the Card Manager feature, allowing you to have personalized control over your card and where it's used and giving you insights into your spending habits.



EXPANDED CREDIT CARDS

Texans Credit Union now offers four credit cards with rewards and benefits designed to fit your lifestyle.



PERSONALIZED AUTO LOANS

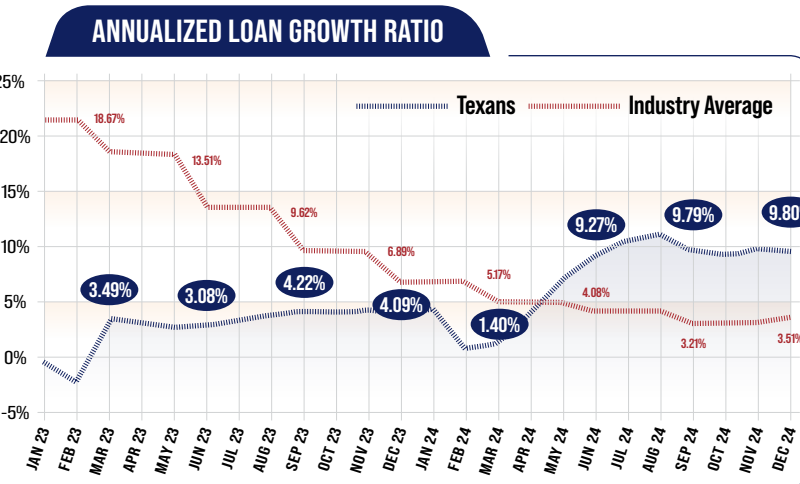
Texans created technology to help people getting a new auto loan choose their own terms and protection options, showing the impact to their monthly payments in real time.

CHIEF FINANCIAL OFFICER Report



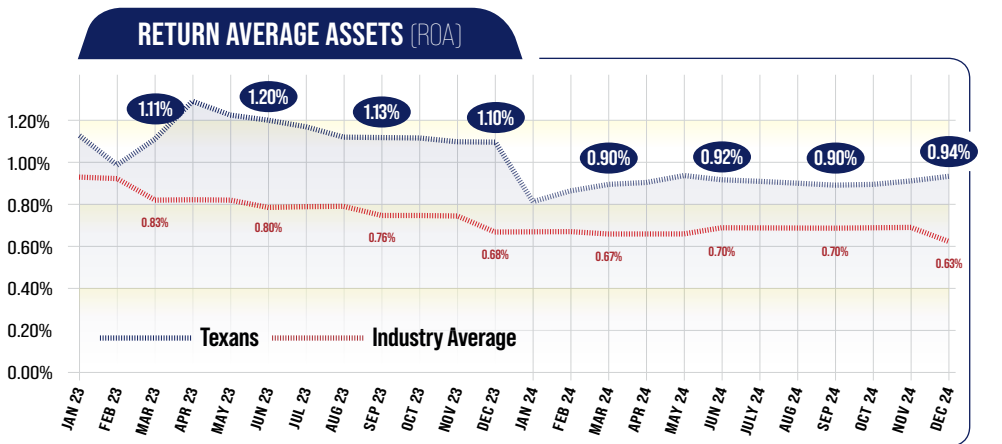
Ben Hart CHIEF FINANCIAL OFFICER

Similar to the prior year, the financial industry faced significant challenges in 2024. Specifically, the industry continued to endure elevated inflation, rising costs of funds, weakened loan demand, and tightened liquidity, which affects the credit unions' ability to attract loans and deposits. Despite the Federal Open Market Committee lowering the overnight Federal Funds rate by 100 basis points, the short end of the yield curve remained elevated. As a result, Texans' cost of funds ratio, which measures dividend and interest expense relative to average assets increased by 73 basis points. The rising cost of funds, placed upward pressure on loan rates. However, Texans overcame these challenges and grew the loan portfolio at a faster pace than the industry. As illustrated, the annualized loan growth rate for Texans was 9.80% compared to the industry average of 3.51%.

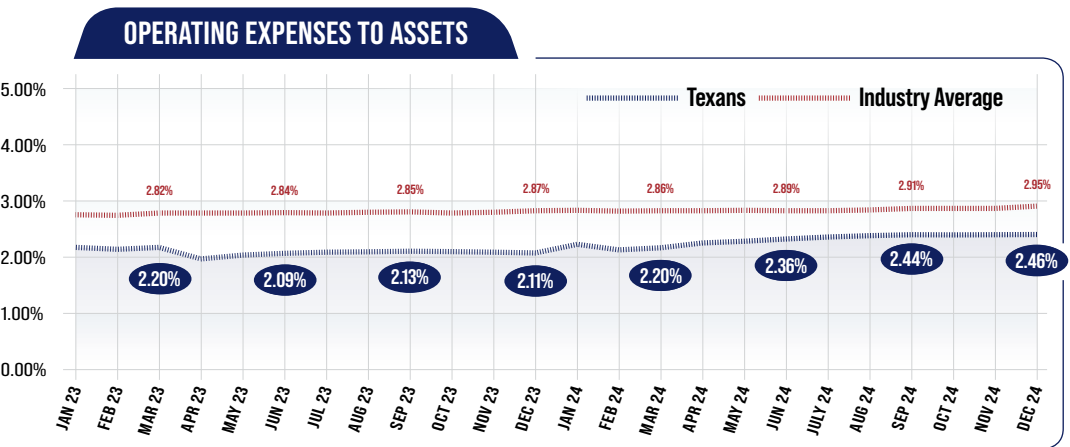


Over the past year, Texans generated positive earnings, which contributed to a strong net worth position. By year-end, net worth reached \$243.2 million, up from \$222.3 million the previous year. As a result, the net worth ratio, which measures net worth relative to total assets, continued its upward trend, rising from 10.12% to 10.84%. Additionally, the risk-based net worth ratio, which accounts for the risks associated with assets, settled at 17.74%. These net worth ratios demonstrate that Texans has a strong capital position. Further, the credit union is considered "well-capitalized" as defined by NCUA Rules and Regulations.

In 2024, Texans Credit Union continued to generate favorable earnings. Specifically, loan and deposit pricing strategies enabled the return on average assets (ROA) to outpace industry averages. As a result, the credit union grew member equity at a faster rate than its peer counterparts. Texans ended the year with an ROA of 0.94%, compared to the industry average of 0.63%. Annual net income totaled \$20.9 million, down from \$23.9 million the previous year. The decline in earnings were largely attributed to an increase in dividends paid back to you, our members.



In 2024, the credit union continued to operate with a favorable operating expense structure. Specifically, operating expenses totaled \$54.6 million up from \$45.8 million the prior year. Despite the increase, operating expenses continued to settle below industry averages as evidenced by an operating expense to asset ratio of 2.46%. For comparison, the industry average for this ratio is 2.95%. Thus, Texans continues to operate with more efficient operating expense structure when compared to peer counterparts.



Growth rates held relatively steady in 2024. Specifically, assets grew by \$48.0 million, or 2.19% over the past year. As a result, total assets settled at \$2.2 billion. Similarly, member deposits grew by \$15.8 million, or 0.79% before settling at \$2.0 billion at year end.

Loan losses were considered low in 2024. Specifically, the charge off ratio ended at 0.24% after finishing the prior year at 0.12%. Moreover, the delinquency ratio ended at 0.44% compared to 0.21%

last year. As a result, the provision for credit loss expense settled at \$4.8 million compared to \$2.3 million the prior year. Although higher from the previous year, the charge off and delinquency ratios continue to indicate there are low amounts of credit risk associated with the loan portfolio when compared to other credit unions our size. To put in perspective, the industry average for the charge off and delinquency ratios were 0.84% and 0.98%, respectively.

I am proud to report that Texans Credit Union remains financially sound. Our favorable financial performance is attributed to the strong field of membership we serve. We truly appreciate our members who choose Texans to meet their financial needs and look forward to serving you for many years to come.

RESPECTFULLY SUBMITTED,

Ben Hart
CHIEF FINANCIAL
OFFICER

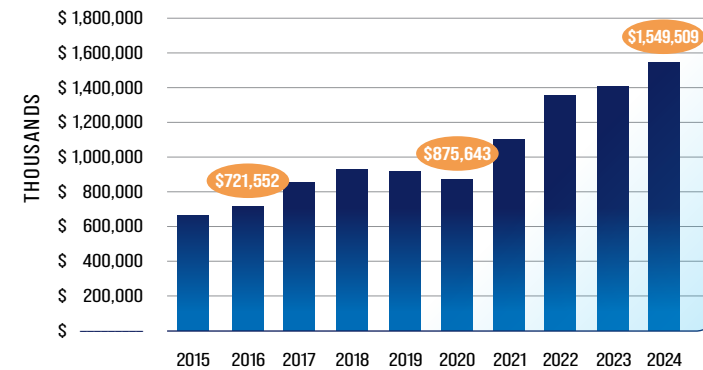
Consolidated Statement of Financial Condition

DECEMBER 31, 2024 - 2023 (AUDITED)

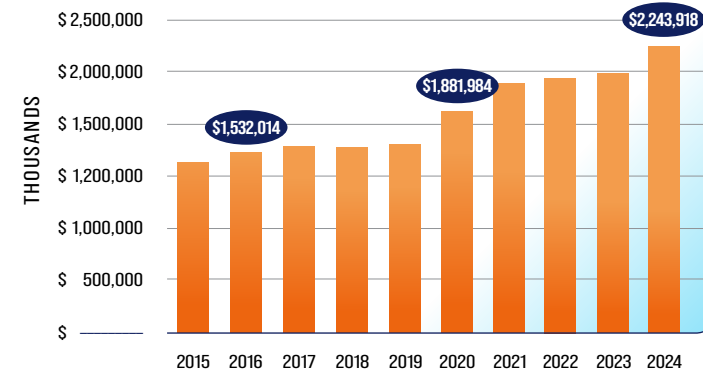
ASSETS	2024	2023
Cash and cash equivalents	\$ 169,662,597	\$ 69,062,136
Investments	\$ 434,682,454	\$ 632,078,735
Loans to members, net	\$ 1,549,508,908	\$ 1,411,283,459
Premises and equipment, net	\$ 26,939,068	\$ 26,101,091
National Credit Union Share Insurance Fund Deposit	\$ 18,249,457	\$ 17,925,032
Other assets	\$ 44,875,805	\$ 39,482,799
Total Assets	\$ 2,243,918,289	\$ 2,195,933,253

LIABILITIES AND EQUITY	2024	2023
LIABILITIES		
Member deposits	\$ 2,008,527,719	\$ 1,992,716,056
Accrued expenses and other liabilities	\$ 30,382,725	\$ 32,311,724
Total Liabilities	\$ 2,038,910,444	\$ 2,025,027,780
Unrealized Losses	\$ (38,179,132)	\$ (51,358,527)
NET WORTH		
Regulatory Reserves	\$ 35,135,126	\$ 35,135,126
Undivided earnings	\$ 208,051,851	\$ 187,128,875
Total Net Worth	\$ 243,186,976	\$ 222,264,001
Total Liabilities and Equity	\$ 2,243,918,289	\$ 2,195,933,253

TOTAL NET LOANS (IN THOUSANDS)



TOTAL ASSETS (IN THOUSANDS)



Consolidated Statement of Income

FOR THE YEARS ENDED DECEMBER 31, 2024 - 2023 (AUDITED)

INCOME	2024	2023
Interest on loans to members	\$ 74,592,658	\$ 56,976,140
Interest on investments	\$ 31,233,879	\$ 24,399,241
Fees and service charges	\$ 9,434,714	\$ 8,158,946
Other non-interest income	\$ 7,806,404	\$ 8,336,492
Total Income	\$ 123,067,655	\$ 97,870,819

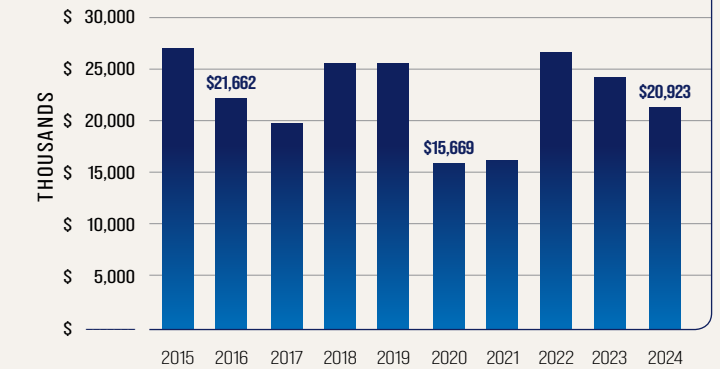
EXPENSES	2024	2023
Operating expenses	\$ 54,610,336	\$ 45,807,674
Dividends to members and borrowings costs	\$ 42,720,077	\$ 25,828,010
Total Expenses	\$ 97,330,413	\$ 71,635,684

Provision for Loan Losses	\$ 4,814,267	\$ 2,321,005
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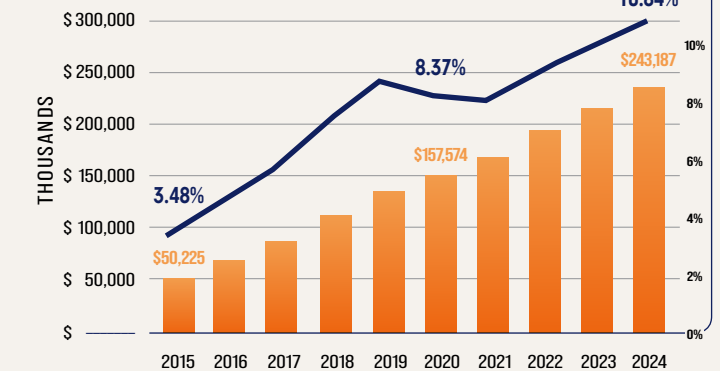
Net Earnings to Members' Equity	\$ 20,922,976	\$ 23,914,130
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TEXANS
CREDIT UNION

NET INCOME (IN THOUSANDS)



TOTAL NET WORTH (IN THOUSANDS) AND NET WORTH RATIO





TEXANS Gives Back

Over **1,000** holiday gifts donated to HopeKids North Texas

TEXANS Brand

IN 2024, we refreshed our take on our Texans brand to express the journey we've taken together. We're building a new belief system all across Texas, for Texans, on a firm foundation of 70+ years. Texans Credit Union is a place where people are always glad to see you. A place where smiles are bigger than bank accounts and a handshake still gets the deal done. A place where you and your money will always feel at home.

THAT'S THE TEXAN WAY



Provided over **50,000** meals through donation drives and volunteer events at the North Texas Food Bank

Over **2,100** socks donated to Veteran Center of North Texas



You're
never far
from
TEXANS

Allen – McDermott Dr

406 W MCDERMOTT DR • ALLEN, TX 75013

Carrollton – Josey Ln

3601 N JOSEY LN • CARROLLTON, TX 75007

Dallas – Irving Blvd

2241 IRVING BLVD • DALLAS, TX 75207

Dallas – Preston Rd

5925 FOREST LN SUITE 100 • DALLAS, TX 75230

Frisco – Main St

3232 MAIN ST • FRISCO, TX 75033

Garland – Austin St

626 AUSTIN ST • GARLAND, TX 75040

Garland – Telecom Pkwy

7220 TELECOM PKWY • GARLAND, TX 75044

McKinney – Eldorado Pkwy

3174 S HARDIN BLVD • MCKINNEY, TX 75070

Plano – Spring Creek Pkwy

101 W SPRING CREEK PKWY, SUITE 733 • PLANO, TX 75023

Richardson – Campbell Rd

777 E CAMPBELL RD • RICHARDSON, TX 75081

Wylie – Hwy 78

430 S HIGHWAY 78, SUITE 199 • WYLIE, TX 75098

Member Connect Call Center

Phone: 972.348.2000 | Text: 972.348.2045

TexansCU.org

TEXANS

