



2021 ANNUAL REPORT





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CHAIRMAN AND PRESIDENT’S REPORT

March 2022

Dear Members and Friends,

We are pleased to report that EECU experienced another strong year in 2021, both financially and operationally. While the past year was another year defined by the pandemic, EECU remained focused on improving the financial lives of our Members today and in the future. As a not-for-profit, Member-owned credit union, we continue to live the cooperative spirit of “people helping people” so all our Members can reach their financial goals.

In 2021, EECU delivered on our brand promise to provide A Better Way of Banking® to our Members by leveraging modern technologies, expanding convenience and delivering personal service. Our efforts to support our Members was recognized by Forbes this past year, when EECU was named among the top three best Credit Unions in Texas.

We thank you for your support!

Operating Performance

Our commitment to our Members and their support of the credit union, led to another solid year financially. We ended the year with \$3.3 billion in assets and a capital ratio of 11.1 percent. Our Members’ equity position

continues to well exceed the National Credit Union Administration’s well-capitalized minimum of 7 percent, underscoring our financial strength. We also had an exceptional year for Member growth, welcoming over 37,500 new Members, which brought our year-end membership total to 253,925.

Helping Make Our Members’ Lives Simpler

At EECU, we take great pride in delivering convenient, secure, and personalized banking. Our Members balance many roles in their day-to-day lives and it’s our goal to make their lives simpler.

This past year, we introduced contactless debit cards to help our Members shop safely and added the ability for Members to request debit card limit increases online.

We listened carefully to our Members and, as a result, we simplified our online and mobile loan payment solution, enabling Members to easily make their EECU loan payments.

To better serve our Members we launched EECU Auto Leasing Services to help Members find and lease their next car. In addition, we introduced EECU Realty Services, which allows Members earn cash back between \$650 - \$7,200 when they buy or sell their home with one of our select real estate agents.

Whether at an EECU Financial Center, on the phone, or online, we invite you to give us feedback through our Member experience survey to ensure we are continually improving and exceeding your expectations. We review all feedback, making Member ideas a reality at EECU.

Your Community is Our Community

At EECU, we have a strong commitment to giving back to the community, by fostering economic and social well-being, as well as encouraging our Members to improve their financial health.

EECU employees volunteered for many non-profit organizations across Fort Worth in 2021. They supported events such as the Cook Children’s Radiothon, helping raise more than \$630,000 to serve local patients and their families.

And, through the annual EECU Glenn Mandeville Memorial Scholarship, we awarded \$40,000 in scholarships to outstanding student Members to help cover tuition and fees at the college of their choice.

In 2021, we provided nearly 6,000 learning hours of financial literacy to high school students. Our financial literacy curriculum is designed to give students the essential knowledge of how to navigate their financial decisions.

And finally, we were proud to become the Official Credit

Union of TCU® Athletics in 2021.

We believe helping our neighbors, and working with local organizations, across the many communities we serve is a prerequisite for being a premier financial institution.

The Year Ahead

At EECU, we remain focused on making your financial lives easier through the development of emerging technologies, expanded convenience, and new product offerings.

In 2022, we will break ground on our 17th Financial Center in the The Shops of Chisholm Trail Ranch.

We will launch a new person-to-person payment solution featuring Zelle and Venmo, while improving our digital solutions with a new online mortgage application experience, a mobile app for business banking, and more.

With technology increasingly shaping how you engage with us day-to-day, we will continue to challenge traditional methods of banking to ensure your experience with EECU, regardless of how you conduct your business, delivers A Better Way of Banking.®



GEORGE THOMPSON JR.
Chairman



LONNIE NICHOLSON
President & Chief
Executive Officer



OFFICIAL CREDIT UNION OF TCU® ATHLETICS

Thank You for Allowing Us to Serve You

As a financial cooperative, we measure our success by the strength and quality of our member relationships. Every time you trust us by using an EECU Debit Card, financing an auto or home loan, or giving us the privilege of helping you with your retirement plans, you make our organization stronger. All of us at EECU – your board of directors, management, and employees – thank you for your Membership. We hope you will continue to look to EECU as your trusted financial partner.

Thank you for your continued support.



2021 HIGHLIGHTS

We are focused on leveraging modern technologies, expanding convenience, and developing new products designed to help make our Members’ live simpler.

IMPROVED OUR
MEMBERS EXPERIENCE
with a
NEW ONLINE
PAYMENT SYSTEM



CONTACTLESS



Contactless payment technology was integrated into our debit card program in 2021 allowing for fast, secure, and convenient credit card usage.

AUTO LOANS
28,500
Vehicle Loans Funded



Launched
EECU
REALTY SERVICES
to help Members who
are buying and selling
their homes



Introduced
JUMBO
HOME LOANS

to help our Members
buy their next home

Launched
EECU
AUTO LEASING SERVICES

to help Members
find their next car



HOME LOANS
1,616

Home Loans Funded

Our Zero Down Mortgage
program helped more Members
become homeowners.



PERSONAL LOANS
5,247

Personal Loans Funded

Our personal loans help
Members save thousands
compared to high-interest debt.



TREASURER AND CREDIT COMMITTEE REPORT

At EECU, we strive to deliver consistent, sustainable, long-term financial results to our membership. As our economy continues to recover from the impacts of the COVID-19 pandemic, your credit union maintains its sound credit quality and strong capital position, while continuing to invest in digital capabilities and key business initiatives to drive future growth. With thoughtful planning, conservative investment strategies, and effective navigation of changing markets, we are pleased to report EECU delivered another solid year of financial performance.

With lower loan impairment expense and strong operating performance, EECU generated a record \$36.5 million in net income, an increase of \$7.6 million or 26 percent from 2020, while returning \$16.6 million in interest and dividends back to the membership. Moreover, we have consistently maintained industry-leading positions in key performance metrics of return on average assets (ROA), return on average equity (ROE), and efficiency. Our ROA increased from 1.07 percent in 2020 to 1.17 percent, our ROE increased from 9.32 percent in 2020 to 10.74 percent, and our efficiency ratio remained steady at 70%. These results reflect the determination of our team members to provide our membership A Better Way of Banking®.

Core building blocks of long-term value creation – loans, deposits, and capital – continued to grow in 2021. At year end, total deposits reached \$2.95 billion, up 16.3 percent from the prior year, total net loans

outstanding finished 2021 at \$2.35 billion, up 10.3 percent, and total capital grew to \$358 million, up 11.2 percent.

EECU's commitment to meeting the borrowing needs of our members resulted in over \$1.42 billion in loan originations, up 17 percent from 2020, while the credit quality of our loan portfolio continued to strengthen, driven by solid performance in the consumer, residential real estate, and commercial real estate portfolios. EECU's overall rate of loan delinquency declined from 0.293 percent in 2020 to a record low 0.215 percent in 2021, reflecting our sound lending policies and our Members' dedication to meeting their payment obligations.

EECU's regulatory ratio of net worth-to-total assets, a measure of financial strength and stability, declined from 11.7 percent in 2020 to 11.2 percent in 2021, but remained well above our regulatory minimum of 7 percent. Membership growth, another critical measure of success, increased 6.5 percent, resulting in a year-end membership total of 253,925.

Regardless of what future economic and financial challenges lie ahead, EECU remains well-positioned with a high-quality loan portfolio, safe and liquid investments, a strong and stable membership base, and substantial net worth position. We thank you for partnering with us for your financial needs. You are the reason we exist, and our success depends on you!



FRANK MOLINAR
Treasurer, Chairman of
the Audit Committee



JOHNNY LARGENT
Chairman of the
Credit Committee



AUDIT COMMITTEE REPORT

Your audit committee meets on a regular basis to oversee the credit union's audit function. Its mission is to ensure accurate and fair presentation of the credit union's financial condition, and to assist management in evaluating the effectiveness and efficiency of risk management practices, resource management, internal controls, regulatory compliance, and overall governance.

Through comprehensive standards, measurements, and oversight, we work diligently to ensure the continuation of EECU's fiscal health and sound operations. To accomplish its oversight and fiduciary responsibilities, the Audit Committee is assisted by the auditing services of Doeren Mayhew CPAs & Advisors. Working on the Committee's behalf, Doeren Mayhew performs auditing services to ensure the credit union's financial statements are presented in accordance with generally accepted accounting principles, and obtain reasonable assurance that internal controls are in place and are followed to protect member assets.

The audit committee meets on a routine basis to establish auditing plans, review audit results, and ensure timely correction of deficiencies by operating management. Regulatory examinations are performed on an annual basis by the Texas Credit Union Department and the National Credit Union Administration. These examinations focus on EECU's financial condition, safety and soundness, credit administration practices, operating results, and management oversight. The audit committee is pleased to report EECU remains operationally and financially safe and sound.

The Annual Report and related financial statements are true and correct to the best of our knowledge and belief, and present fairly the financial condition and statement of income for the period covered.



FRANK MOLINAR
Treasurer, Chairman of
the Audit Committee



BRAD SCHONE
Chief Financial Officer

BOARD OF DIRECTORS

Meet the members of EECU's Board of Directors. Each director works in the best interest of our members to meet the demands of governing a financial institution with over \$3.35 billion in assets.



GEORGE THOMPSON JR.
Chairman
(2021-2024)



DR. RICH DEAR
Vice Chairman
(2021-2024)



DR. JOE BEAN
Secretary
(2021-2024)



FRANK MOLINAR
Treasurer
(2022-2025)



BEN DAVIS
Director
(2020-2023)



JOHNNY LARGENT
Director
(2020-2023)



KAREL RUCKER
Director
(2022-2025)



DR. NIKITA RUSSELL
Director
(2020-2023)



MAURO SERRANO
Director
(2022-2025)

2021 FINANCIAL HIGHLIGHTS

ASSETS	<div><div>\$3.35 Billion</div><div>15.4% Increase</div></div> <div>Assets grew by \$447.2 Million</div>
LOANS	<div><div>\$2.36 Billion</div><div>10.3% Increase</div></div> <div>Loans grew by \$219.1 Million</div>
DEPOSITS	<div><div>\$2.95 Billion</div><div>16.3% Increase</div></div> <div>Deposits grew by \$414.0 Million</div>
MEMBER'S EQUITY	<div><div>\$358.4 Million</div><div>11.2% Increase</div></div> <div>Members' Equity grew by \$36.2 Million</div>

2021 RETURNS TO MEMBERS

DIVIDENDS & INTEREST PAID TO MEMBERS	<div>\$16.7 Million</div> <div>Returned a record in interest and dividends to the membership</div>
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CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

CONSOLIDATED STATEMENTS OF EARNINGS

Assets	2021	2020
Cash and cash equivalents	\$659,752,869	\$518,898,553
Investment securities		
Equity Securities	41,544,213	38,783,442
Available-for-sale	191,405,372	126,400,439
FHLB stock	1,698,800	1,697,000
Loans held-for-sale	15,421,786	–
Loans to Members, net of allowance for loan losses	2,355,072,858	2,135,979,876
Accrued interest receivable	6,146,192	6,277,849
Property and equipment	37,758,372	40,287,574
Share insurance deposit	25,021,248	21,889,193
Investments in CUSOs	100,000	100,000
Defined benefit pension plan	2,858,932	–
Other assets	10,037,408	9,287,948
Total Assets	\$3,346,818,050	\$2,899,601,874

Liabilities and Member’s Equity	2021	2020
LIABILITIES:		
Members’ shares and savings accounts	\$2,952,547,462	\$2,538,388,519
Defined benefit pension plan	–	1,438,796
Accounts payable and other accrued liabilities	35,796,127	37,507,835
TOTAL LIABILITIES	2,988,343,589	2,577,335,150
COMMITMENTS AND CONTINGENT LIABILITIES		
MEMBERS’ EQUITY - SUBSTANTIALLY RESTRICTED	358,474,461	322,266,724
Total Liabilities and Members’ Equity	\$3,346,818,050	\$2,899,601,874

The consolidated financial information presented in the 2021 Annual Report on pages 12–13 are a condensed representation of the EECU December 31, 2021, financial statements without cash flows, changes in equity, and comprehensive footnotes, prepared by our independent certified public accounting firm Doeren Mayhew in the audited consolidated financial statements, which are available for review in the executive offices of EECU, Fort Worth, Texas.

Earnings	2021	2020
INTEREST INCOME:		
Loans receivable	\$87,475,655	\$88,369,904
Investment securities	2,346,484	2,892,846
TOTAL INTEREST INCOME	89,822,139	91,262,750
INTEREST EXPENSE:		
Interest and dividends on Members’ savings accounts	16,664,332	21,787,452
Interest on borrowed funds	61,146	–
TOTAL INTEREST EXPENSE	16,725,478	21,787,452
NET INTEREST INCOME	73,096,661	69,475,298
Provision for loan losses	2,291,291	8,966,921
NET INTEREST INCOME after provision for loan losses	70,805,370	60,508,377
NON-INTEREST INCOME:		
Fees and charges	22,954,568	22,660,543
Interchange Income	-17,052,348	-14,183,558
Gain/Loss on trading securities	2,856,308	3,709,410
TOTAL NON-INTEREST INCOME	42,863,224	40,553,511
NON-INTEREST EXPENSES:		
Compensation and benefits	40,353,939	37,108,777
Office operations	17,451,327	16,476,500
Occupancy	4,603,804	5,207,463
Operating expenses	14,714,409	13,370,257
TOTAL NON-INTEREST EXPENSES	77,123,479	72,162,997
Net Earnings	\$36,545,115	\$28,898,891

HELPING OUR MEMBERS & COMMUNITIES IN 2021

We Delivered

901

MEALS

through




MEALS ON WHEELS[®]
of Tarrant County




We had

670

EMPLOYEE
VOLUNTEER HOURS





CookChildren's.

Helped Raise

\$630,000

to support the Cook
Children's Medical Center

We made

\$60,000

IN CHARITABLE
DONATIONS





We Gave

\$40,000

in college scholarships to
deserving students

**WE EMPOWERED
OUR YOUTH**
through free financial literacy

6,000
Learning Hours

2,580
Students Educated

31
Schools Impacted

We're
Moving
Forward
With You.

Our Spokesperson -
Ellie, Your Family CFO





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Federally insured by NCUA. National Credit Union Association, a U.S. Government Agency - Member accounts are federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government.