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Chairman and President's Report



George Thompson Jr.
Chairman



Lonnie Nicholson
President & Chief Executive Officer

Dear Members and Friends,

We are pleased to report that EECU experienced another exceptional year in 2022. Our promise to provide Members with *A Better Way of Banking*® remained the driving force in everything we did during the year. We continued to enhance our products and services to better the lives of our Members and help them meet their financial goals. By anticipating and responding to the changes in the marketplace and advances in technology, we were able to enhance our services and convenience, and provide more value to our Members through lower interest rates on loans, higher savings rates, and low-or-no fee products and services.

Operating Performance

Our commitment to our Members and, in return, their support of the credit union led to another solid year financially. We ended the year with \$3.4 billion in assets and a capital ratio of 12.31 percent. We continued to exceed the NCUA's well-capitalized minimum of 7 percent, underscoring our financial strength. Our strong financial condition places us in a great position to continue investing in our Members and the future of EECU.

We also had an exceptional year for Member growth welcoming over 38,000 new Members, which brought our year-end membership total to over 267,000.

Delivering Solutions to Help Make Your Life Better

At EECU, our Members come first in every decision we make, and we take great pride in the services we provide our Members. We delivered best-of-class products and services, convenient access to accounts, and provided expert advice and counsel necessary to help our Members make sound financial decisions.

In 2022 we introduced new payment solutions to send money between accounts you own and to other people. The solution includes Zelle®, which is a fast, safe, and easy way to send and receive money with friends, family, and other people you trust. We also introduced EECU Auto Advantage, our new vehicle auto concierge service which gives Members the power to shop and upgrade their car, trade in their vehicle, and secure financing with EECU in just a few clicks from the comfort of their home. We will even deliver your new car to your front door!

Listening to our Members share ways we can improve their experience with us is a top priority for EECU. As result, we launched a new online loan application so that Members may enjoy a fast and streamlined experience for auto loans, personal loans, and credit cards from start to finish. We also launched a new online and mobile banking experience for our business Members, featuring new tools and services that make it easier for Members to manage the financial complexities of their businesses.

Along with our focus on enhancing your digital experience, we continued to deliver best-in-class member engagement through the personal touch of our financial centers and contact center. In 2022, EECU's 16 financial centers performed over 1.2 million transactions and our contact centered answered over 570,000 phone calls, chats, and texts.

We are proud to report that our commitment to delivering *A Better Way of Banking*® is recognized as our Member satisfaction rankings for EECU's Financial Centers, Contact Center, and Digital branch, all score a 9 or higher, out of 10, in Member satisfaction.

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 providing financial education to the communities we serve.

Throughout 2022, EECU employees proudly volunteered over 700 hours to non-profit organizations across DFW. They supported events such as the Cook Children's Radiothon, helping raise over \$1.4 million to serve local patients and their families, taught business acumen to elementary students as part of the Junior Achievement "JA in a Day" program, delivered meals to homebound seniors, and painted houses to help local families improve their living spaces and neighborhoods.

We provided over 15,000 hours of financial education to over 40 high schools, educated over 3,400 adults through our self-guided digital financial wellness program, and expanded our financial education program across the campuses of Tarrant County Community College.

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

We believe that helping our neighbors across our many communities is a prerequisite for being a premier financial institution for Texans. These efforts didn't go unnoticed. EECU was named "Best Credit Union" by Living Magazine, "Favorite Bank" by Local Life Magazine, "Editor's Choice" by Lifestyle Magazine, and "Reader's Choice All-Star Credit Union" by Arlington Today. We were also awarded "Small Business of the Year" by the Mansfield Area Chamber of Commerce and "Greatest Company Impact in Large Division" by Junior Achievement. And in recognition of our commitment to our employees, we won the "Best Place for Working Parents" by the Fort Worth Chamber of Commerce.

A Team Dedicated to Success

We realize that running a successful credit union is a collaborative effort by a focused team of skilled professionals, and that begins with strong leadership. As in years past, EECU's Board of Directors is firmly at the helm, driving the organization forward, while the management team and employees execute the business strategy. We applaud these outstanding individuals and the critical contributions they made in 2022 to ensure exceptional service to our Members, the community, and the financial stability of the credit union.

The Road Ahead

In 2023, we will continue to focus on delivering *A Better Way of Banking*® and improving the financial well-being of our Members. EECU will continue to leverage modern

technologies, expand convenience, and develop new products designed to make our Members’ lives simpler.

One of our efforts already underway is the construction of our new financial centers located inside the new H-E-B flagship stores in Frisco and Plano. The financial centers are scheduled to open in April and June, respectfully, and will feature Personal Teller Machines and video conferencing to connect Members with one of our mortgage, investment, or insurance advisors. We will also introduce digital credit and debit cards that will enable Members to immediately begin using their cards without having to wait for their plastic.

Thank You for Your Loyalty and Support

We remain keenly aware that you have a choice of financial service providers. All of us at EECU – your board of directors, management, and staff – thank you for your membership. You can continue to trust EECU to deliver *A Better Way of Banking®* in 2023 and beyond.

Thank you for your continued support.



George Thompson Jr.
Chairman



Lonnie Nicholson
President & Chief
Executive Officer

2022: Moving Forward with You

**IMPROVED OUR
MEMBERS' EXPERIENCE**
with a
**NEW ONLINE
APPLICATION SYSTEM**



**Introduced
NEW ONLINE &
MOBILE
EXPERIENCE**

for our business
Members.



Launched

EECU AUTO
ADVANTAGE

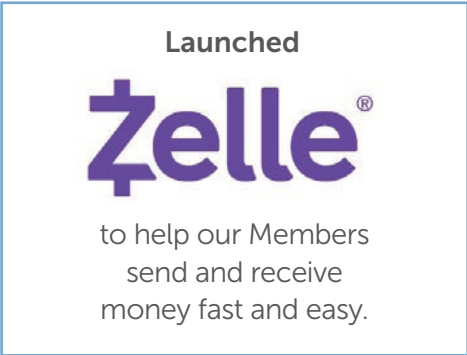
to help Members upgrade to
a brand-new car online, for a
lower monthly payment.



Launched

zelle®

to help our Members
send and receive
money fast and easy.



AUTO LOANS

30,302

Vehicle Loans Funded



HOME LOANS

1,806

Home Loans Funded

Our Zero Down Mortgage
program helped more Members
become homeowners.



PERSONAL LOANS

6,756

Personal Loans Funded

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



Treasurer and Credit Committee Report



Frank Molinar
Treasurer, Chairman of
the Audit Committee



Johnny Largent
Chairman of the
Credit Committee

At EECU, we strive to deliver consistent, sustainable, long-term financial results to our membership. As we all continue to navigate economic disturbances, such as inflation, volatile energy prices, rising interest rates, supply chain disruptions, and labor shortages, your credit union has maintained its sound credit quality and strong capital and liquidity position. 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.

EECU generated a record \$48.2 million in net income, an increase of \$11.6 million or 32 percent from 2021, while returning \$17.4 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 ratio. Our ROA increased from 1.17 percent in 2021 to 1.42 percent, our ROE increased from 10.74 percent in 2021 to 12.72 percent, and our efficiency ratio declined from 70% in 2021 to 60%. This record financial performance has provided the resources necessary to continue investing in digital capabilities and key business initiatives to provide you *A Better Way of Banking*®.

Core building blocks of long-term value creation – loans, deposits, and capital – continued to grow in 2022. At year end, total deposits eclipsed \$3 billion, up 1.8 percent from the prior year, total net loans outstanding finished 2022 at \$2.7 billion, up 15.1 percent, and total capital grew to \$399 million, up 11.4 percent.

EECU’s commitment to meeting the borrowing needs of our Members resulted in over \$1.5 billion in loan originations, up 8.1 percent from 2021, 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 0.215 percent in 2021 to a record low 0.205 percent in 2022, 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, increased from 11.2 percent in 2021 to 12.3 percent in 2022, remaining well above our regulatory minimum of 7 percent. Membership growth, another critical measure of success, increased 5.2 percent, resulting in a year-end membership total of 267,094.

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 considerable 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



Frank Molinar
Treasurer, Chairman of
the Audit Committee



Brad Schone
Chief Financial Officer

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

8 Board of Directors



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)



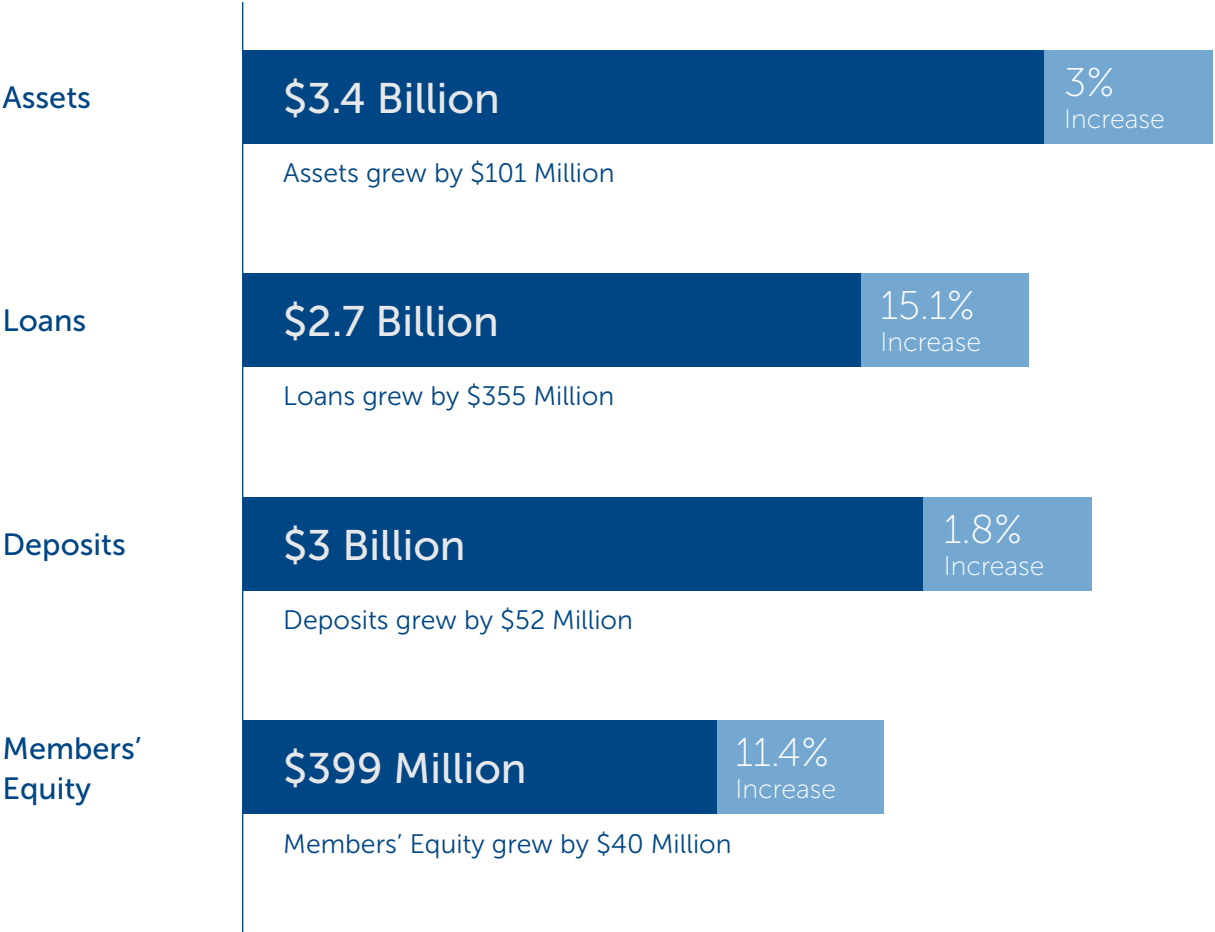
Dr. Nikita Russell
Director
(2020-2023)



Mauro Serrano
Director
(2022-2025)

Meet the Members of EECU's Board of Directors. Each director works hard to act in the best interest of our Members and to meet the demands of governing a financial institution with over \$3.4 billion in assets.

2022: Financial Highlights



2022 Returns to Members



CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

Assets	2022	2021
Cash and cash equivalents	\$391,723,780	\$659,752,869
Investment securities:		
Equity Securities	37,003,464	41,544,213
Available-for-sale	203,159,338	191,405,372
FHLB stock	1,714,800	1,698,800
Loans held-for-sale	4,307,820	15,421,786
Loans to Members, net of allowance for loan losses	2,710,222,311	2,355,072,858
Accrued interest receivable	7,405,913	6,146,192
Property and equipment	37,851,835	37,758,372
Share insurance deposit	26,791,329	25,021,248
Investments in CUSOs	100,000	100,000
Defined benefit pension plan	13,097,142	2,858,932
Other assets	14,514,744	10,037,408
Total Assets	\$3,447,892,476	\$3,346,818,050

Liabilities and Member's Equity	2022	2021
LIABILITIES:		
Members' shares and savings accounts	\$3,005,099,202	\$2,952,547,462
Defined benefit pension plan	—	—
Accounts payable and other accrued liabilities	43,325,220	35,796,127
TOTAL LIABILITIES	3,048,424,422	2,988,343,589
COMMITMENTS AND CONTINGENT LIABILITIES	—	—
MEMBERS' EQUITY - SUBSTANTIALLY RESTRICTED	399,468,054	358,474,461
Total Liabilities and Members' Equity	\$3,447,892,476	\$3,346,818,050

The consolidated financial information presented in the 2022 Annual Report on pages 10-11 are a condensed representation of the EECU December 31, 2022, 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.

CONSOLIDATED STATEMENTS OF EARNINGS

Earnings	2022	2021
INTEREST INCOME:		
Loans receivable	\$97,390,828	\$87,475,655
Investment securities	11,775,403	2,346,484
TOTAL INTEREST INCOME	109,166,231	89,822,139
INTEREST EXPENSE:		
Interest and dividends on Members' savings accounts	17,408,662	16,664,332
Interest on borrowed funds	(86,181)	61,146
TOTAL INTEREST EXPENSE	17,322,481	16,725,478
NET INTEREST INCOME	91,843,750	73,096,661
Provision for loan losses	2,914,983	2,291,291
NET INTEREST INCOME after provision for loan losses	88,928,767	70,805,370
NON-INTEREST INCOME:		
Fees and charges	23,213,472	22,124,081
Corporate Stabilization Recoveries	7,167,993	830,487
Interchange Income	17,366,858	17,052,348
Gain/Loss on trading securities	(4,655,152)	2,856,308
TOTAL NON-INTEREST INCOME	43,093,171	42,863,224
NON-INTEREST EXPENSES:		
Compensation and benefits	42,682,060	40,353,939
Office operations	19,024,862	17,451,327
Occupancy	5,170,352	4,603,804
Operating expenses	16,923,749	14,714,409
TOTAL NON-INTEREST EXPENSES	83,801,023	77,123,479
Net Earnings	\$48,220,915	\$36,545,115

Making An Impact




Charitable Giving

-  **\$1.4 Million**
Helped raise for Cook Children’s
-  **\$104,000**
Donated to non-profits from our charitable donation account
-  **\$40,000**
In college scholarships

Employee Volunteerism

-  **700+**
Employee volunteer hours
-  **70**
Tons of non-perishable food sorted for families in need
-  **200+**
Meals delivered to home-bound seniors

Financial Literacy

-  **15,000+**
Learning hours
-  **4,904**
Students educated
-  **40+**
Schools impacted

Community Support

-  **\$235+ Million**
Originated in EECU home loans
-  **\$650,000**
Provided in small dollar loans
-  **\$7.7 Million**
In business loans

2022 Awards



MANSFIELD AREA
CHAMBER of COMMERCE

Small Business of the Year



Living
MAGAZINE

Keller, North Richland Hills, Fort Worth,
and North East Tarrant County

Best Credit Union



Local Life
MORE THAN JUST A MAGAZINE!

Burleson

Favorite Bank/Credit Union



Lifestyle
Magazine

Editor’s Choice



ARLINGTON
Today

Reader’s Choice
All-Star Credit Union



FORT WORTH
CHAMBER

Best Place for
Working Parents



Junior
Achievement

Greatest Company Impact in
Large Division



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.

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