

### Management List

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

### 2022 Board of Directors

Position 1 – Colin Parrish, Director 2022-2025  
 Position 2 – Jaime Lynn, Vice Chair 2022-2025  
 Position 3 – Nancy Hrin, Director 2022-2025  
 Position 4 – Karim Hirani, Treasurer 2020-2023  
 Position 5 – Michael Jones, Chair 2020-2023  
 Position 6 – Gregory White, Director 2021-2024  
 Position 7 – Mike Warner, Director 2022-2024  
 Position 8 – Kelly Evans, Director 2021-2024  
 Position 9 – Bekki Lammert, Director 2021-2024  
 Position 10 – Thomas Niland, Director 2022-2023  
 Position 11 – Wayne Hamilton, Director 2021-2024

### Capitol Credit Union Membership

Capitol Credit Union is an ever-growing full-service financial institution that is proud to be 13,371\* members strong!

*\*Total number of members as of December 31, 2022.*

### Statement of Financial Condition as of December 31, 2022

ASSETS	12/31/22	12/31/21
Loans (Net).....	161,577,445	137,746,082
Cash on Hand.....	1,610,570	1,737,598
Investments.....	34,321,925	45,741,238
Accrued Income.....	453,811	462,451
Fixed Assets (Net).....	8,807,915	5,127,731
Deferred Assets.....	392,334	318,551
Other Assets.....	5,929,379	5,377,423
<b>TOTAL ASSETS.....</b>	<b>213,093,379</b>	<b>196,512,074</b>

### LIABILITIES & EQUITIES

Accounts Payable.....	1,926,041	2,119,057
Accrued Interest Payable.....	40,953	12,714
Other Liabilities.....	7,628,918	327,164
Member Deposits.....	180,678,653	170,400,809
<b>EQUITY.....</b>	<b>22,818,814</b>	<b>23,652,330</b>
<b>TOTAL LIABILITIES &amp; EQUITY.....</b>	<b>213,093,379</b>	<b>196,512,074</b>

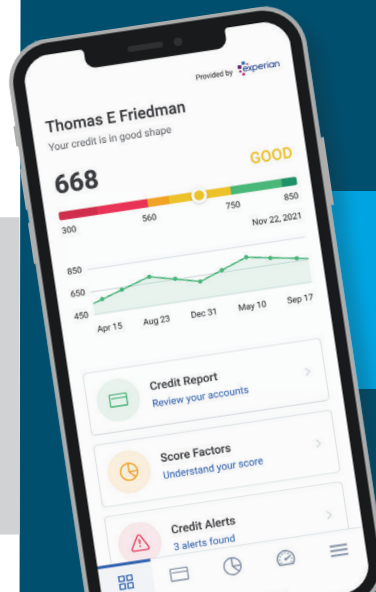
### Income Statement as of December 31, 2022

	12/31/22	12/31/21
Loan Interest Income.....	6,175,465	5,215,572
Investment Income.....	564,598	435,683
Dividend/Interest Expense.....	254,444	130,855
Net Interest Income.....	6,485,619	5,520,400
Fee and Other Income.....	2,342,652	2,239,104
<b>Gross Operating Income.....</b>	<b>8,828,271</b>	<b>7,759,504</b>
Operating Expenses.....	7,511,848	6,252,552
Provision for Loan Loss.....	94,933	57,342
<b>Total Operating Expenses.....</b>	<b>7,606,781</b>	<b>6,309,894</b>
Net Operating Income.....	1,221,490	832,402
Non-operating Incoming (Expense).....	456,099	344,292
Net Income Before NCUSIF.....		
Stabilization Expense.....	1,677,589	1,176,694
<b>NET Income.....</b>	<b>1,677,589</b>	<b>1,176,694</b>



**CAPITOL**  
 CREDIT UNION

## MyCredit



Great benefits of the new feature:

- Full Credit Report
- Credit Alert & Notifications
- Score Simulator & Advice
- Debt Analysis

Access MyCredit from the CCU app or by desktop login!

*This credit score is based on the Experian Vantage 3.0 scoring model. Please note that credit scores can differ depending on both the Credit Bureau and scoring model leveraged. Terms and conditions apply.*

# 69TH ANNUAL MEETING

APRIL 20TH, 2023 | 6 PM CST  
 THE CAPITOL GRILL

*Celebrating 69 Years of Service & Revolutionary Banking Solutions*



**CAPITOL**  
 CREDIT UNION



©2023 Capitol Credit Union. All rights reserved. Capitol Credit Union is in accordance with the Federal Fair Housing Law and the Equal Credit Opportunity Act. Your savings are federally insured to at least \$250,000 through the National Credit Union Share Insurance Fund (NCUSIF) managed by the National Credit Union Administration, a U. S. Government Agency.

## Agenda

- I. Call to Order
- II. Determination of Quorum
- III. Invocation
- IV. Appointment of Parliamentarian
- V. Reading and Approval of the Minutes of the 68<sup>th</sup> Annual Meeting of the Membership
- VI. Report of the Chair
- VII. Report of the Treasurer
- VIII. Report of the President
- IX. Old Business
- X. New Business
- XI. Report of the Nominating Committee
- XII. Election of Directors
- XIII. Question and Answer Session
- XIV. Adjournment of Meeting

## Message from the Chairman

Welcome to the 69th annual meeting of Capitol Credit Union and our first ever hybrid meeting. Whether you are joining us in person or online, we thank you for taking the time to attend to the business of our credit union.

It's understandable that many members are concerned about the nation's current economic conditions, including the highest inflation rates in 40 years. Many people were also disturbed by the high-profile failure of a small number of large regional and international banks.

In contrast, our credit union's sound fiscal management practices have been exemplary. During the past 12 months, CCU set new records for lending to members. The continued growth in total member deposits is further evidence of the trust members have in this credit union. As a result, our total assets reached a record \$213 million at year's end.

The Board of Directors play an important role in approving measures to support healthy growth and improve services to members. As you consider the Nominating Committee's slate of recommended candidates, I want to express my appreciation for the contributions of departing board member Thomas Niland. During his term on the board, Tom used his expertise in the information technology field to help the board make decisions on the use of new web-based services to benefit members.

Serving your financial needs is the main standard we use to measure the success of this organization. During the next 12 months, the board, management team and staff will continue our focus on finding ways to improve or expand services. As always, we thank you for giving us the opportunity to make Capitol Credit Union your financial institution of choice.

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

## Message from the President

I proudly and humbly give this 2022 annual membership update, as I am proud of the accomplishments, we were able to deliver this past year in what was a very difficult and unstable economic environment. And I am humbled by the dedication and commitment of the Credit Union Team members who worked tirelessly to make 2022 one of our best years in Credit Union history. Our total "net" loans outstanding to our membership grew by \$23M from \$138M to \$161M at the end of Dec 2022. We funded over \$72M in new loans to our Members in 2022. Our total assets grew by \$17M, from \$196M to \$213M at the end of Dec 2022. Capital Ratio was over 12% and ROAA ended the year at a strong 82bps. Our net income for the year was the best in our history at a healthy \$1.6M, the highest we have ever had. Our loan portfolio is in a very strong and clean position and continues to perform very well in the midst of the inflationary pressures we are facing. As I mentioned in my letter to the membership earlier this year, the Silicon Valley Bank and Signature Bank collapse did not have an impact on Capitol CU as we maintain a conservative approach to investments and focus primarily in serving our community and membership here locally. As a non-profit organization with unpaid volunteer board of directors made up of our membership, our entire focus and commitment is to provide you our members the very best products and services that will bring you financial value with all your banking needs. A few highlights of these accomplishments:

- Our wealth management program continues to grow as we exceeded \$12M in assets under management helping our members save for retirement and navigate through financial uncertainty.
- We now provide "Home, Auto, Life, Motorcycle, RV & Boat Insurance" as we partnered with the Credit Union Finance Group. This is a credit union-based insurance organization dedicated to the Credit Union movement. We have 17 carriers such as Allstate, Travelers, Progressive, Foremost, Safeco and others that provide special credit union pricing to our membership.
- We launched a free Credit Score Reporting and Monitoring solution to all our members using our CU App. This App provides our members with an updated credit score and helps you determine what financial changes will help you increase your credit score for better interest rates.
- We are deploying 24X7 Drive-up Depository ATM machines to make your teller transactions more convenient. We have walk up units at our old Burnet Branch location and in a vestibule at the Domain Branch. We placed the first drive up depository ATM at Ben White with another one coming downtown in front of the Barbra Jordan building right outside the new cafeteria.
- Chat/Texting with Capitol CU Team members is now available on our website in addition through our mobile app.
- Message Pay your new text service, reminds you of a payment due and allows you to click a link on the text to make the payment to keep your credit score high and avoid any late fees.
- We now have a Fee Free Checking that allows you to avoid any NSF fees as an option which compliments our 4% Rewards checking on balances up to \$15,000 and our 2% savings account on balances up to \$100,000.

In addition to these items mentioned, we also eliminated inactive and transfer fees and had our first Home Buyers Seminar. All this to say, we are just getting started 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 2023 Capitol Credit Union Board of Directors:

Position 4 - Karim Hirani  
Position 5 - Michael A. Jones  
Position 10 - Diana Maldonado

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

**Capitol Credit Union Nominating Committee**  
**Stefanie Medack, David L Davis, Aaron Demerson, Chairman**

## Message from the Treasurer

Capitol Credit Union ended 2022 serving 13,371 members. We are very proud that despite the challenges presented by a post-COVID rising interest rate environment, we increased our loan portfolio by \$23.8M or 17.3% over 2021. 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 2022 average charge-off ratio of 0.12%, and delinquency ratio of 0.08%. We continue to remain well below the PEER average of 0.23% and 0.35%, 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 8.44%, ending the year with \$213 million in total assets.
- Net operating Income for 2022 was the \$1,221,490.
- Equity balance has decreased from \$23,652,330 at the end of last year to \$22,818,814 in 2022.
  - This was due to the rapid rise in interest rates causing an unrealized loss accumulation on our investment portfolio.

We are well capitalized, with a net worth ratio of 11.94% a slight decrease of 0.15% from 2021.

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 to serve you, our members.

**Karim Hirani**  
Capitol Credit Union Board of Directors, Treasurer