



# 2023 | ANNUAL REPORT





# FINANCIAL SERVICES

INDUSTRY

**TOP  
WORK  
PLACES  
2023**

**The Dallas Morning News**

NAMED TEXANS

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**THE TOP PLACES TO WORK**

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# PRESIDENT AND CHAIRMAN'S REPORT

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*Texans Credit Union's commitment to community and member service  
advanced their aspirations to be the premier financial partner for all Texans.*

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**F**or the past 70 years, Texans Credit Union has remained a steadfast resource in the financial lives of our members. This commitment held true in 2023. Our dedication to improving the lives of our members and serving our communities kept Texans grounded in the importance of today, while continuing to build toward an even brighter future.

Texans' member-first focus led to healthy and strong financial results. Most notably, Texans reached a new milestone accomplishment, surpassing our 2023 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%. This accomplishment allows Texans to continue to reinvest in new ways to support members' financial goals through technology and innovative services.

Finding innovative ways to serve our membership is at the forefront of what we do every day. In 2023, Texans launched new ways to communicate with members, including secure live chat, video chat, and co-browsing with members, all quickly and easily available within digital banking. To provide additional payment options, the ability to send and receive money via Zelle was also added to digital banking. Texans' Digital Banking now also allows members to securely initiate wire transfers from anywhere, as well as the option to view their mortgages from the same portal. In addition, SavvyMoney, a credit monitoring and improvement tool, was added to digital banking to assist Texans' members with their credit and financial goals.

Each of these improvements was made with our members and our dedication to providing a convenient and accessible financial experience in mind. Our array of product offerings also grew with the addition of Lot & Construction Loans to serve the growing local housing market. New Auto Loan MultiShield and Electric Vehicle warranties were also added to Texans' suite of auto protection products.

Our debit cards were updated with Visa contactless card technology, helping to keep your financial information safe and secure. Both debit and credit cards are now available to use in mobile wallets like Apple Pay and Samsung Pay, and the new ability to instantly issue credit cards in the branches has been very impactful for members' fast-moving lives. Another state-of-the-art convenience for debit and credit cards is the ability for members to control their card within digital banking – turning it on or off with the flip of a switch.

Partnership and engagement within our communities was a large focus for Texans in 2023. We spent time within all the communities we serve. We got to know our members and neighbors face-to-face through involvement in 25 local community events, from Richardson's Wildflower Arts & Music Festival to Carrollton's Festival at the Switchyard. Texans also entered a multi-year partnership with McKinney ISD Athletics, championing our local student athletes and engaging in further support of the financial well-being of students and families in the McKinney community.



To celebrate the longevity of our proud institution and our members who make Texans what it is today, we also hosted a 70th Birthday Party. Members, employees, city officials, and community and business partners joined us for food, games, and live music to honor 70 amazing years of Texans Credit Union.

As Texans continued to support our local Dallas-Fort Worth area members and communities, the By Laws were amended adding a much larger community to Texans' field of membership. The entire state of Texas is now eligible for Texans Credit Union membership, meaning that anyone who lives in Texas can become a Texan. Our statewide expansion is a significant milestone for the credit union, and we look forward to the opportunities it provides our members, their families, and our fellow Texans.

One of our proudest accomplishments of the year was receiving the award for Top 150 Best Places to Work in Dallas-Fort Worth and ranking as the #1 Credit Union in the Financial Services category. Team Texans is dedicated to creating a fun, inclusive environment where all employees have the opportunity to learn and grow within the organization. We look forward to continuing to make Texans an exceptional place to work.

Philanthropy continues to be a cornerstone of Texans Credit Union. In 2023, members of Team Texans served over 650 hours in our communities and donated to local charities near and dear to our hearts, including Dress for Success and the Veteran's Center of North Texas. Texans reaffirmed our commitment to the North Texas Food Bank and HopeKids North Texas by hosting

events for the eighth consecutive year. This past year, members and employees donated over 2,000 pounds of non-perishable food items in-turn providing 1,715 meals to help hungry North Texans, over 2,700 articles of clothing for Dress for Success, and hosted over 100 families of HopeKids to celebrate the Halloween and Christmas holidays in a fun and safe environment.

Our Board of Directors lead Texans so well, and we appreciate their dedicated service to the credit union. In March of 2021, Lori Daniel was initially appointed by the Board to serve as an Advisory Director. In Summer of 2023 long time Director, Jurgen Arts, stepped away from his role and Lori was appointed by the Board to fill his unexpired term. Our Board truly appreciated Jurgen's service to Texans and his guidance and leadership will be missed.

While we celebrate our accomplishments in 2023, we want our members to know that Texans is prepared both financially and strategically to face any challenges and opportunities that 2024 may bring. On behalf of the Board of Directors, management team, and all Team Texans, we want to express our gratitude for your trust, confidence, and continued support. We are proud to be Texans, and we hope you are too.

***Yours in service,***



**George Consolver**  
Chairman



**David Frazier**  
President | CEO

# Board of Directors



**George Consvler**

Chairman  
Term Expires 2024



**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 2024



**Shyamal Parikh**

Advisory Director  
Term Expires 2024

# Executive Staff



**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



**Kris Jones**

Vice President, Enterprise Risk Management



**JJ Bai**

Vice President, Development & Host Systems



**Ian Beirnes**

Vice President, IT Systems



**Angie Jackson**

Vice President, Real Estate Lending



**Dan Mathews**

Vice President, Consumer Lending

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## Officer Updates

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*In 2023, Jessie Swendig was added to the Executive Team as the Senior Vice President of Marketing and Business Development.*

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# Texans Growth 2023

## FOUNDED



# 1953

*Texans Credit Union has been an organization powered by Texans, for Texans. Our mission is not only to improve the financial well-being of its members, but to improve the well-being of the communities it serves.*

## ASSETS

# \$2.15 BILLION



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

## BRANCHES



# 11

*Texans Credit Union remains efficient by serving more members per location as well as digitally. As we continue to grow the number of members we serve, we plan to make our branch services as convenient to you as possible.*

## VOLUNTEER HOURS



# 650

*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.*

## EMPLOYEES



# 252

*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 2023.*

## MEMBERSHIP



# 122,573

*Membership growth allows us to bring our unique member service and dedication to financial success to more Texans. We grew overall membership by 4% in 2023, exceeding our industry peers.*





**Tom Boedecker**  
Audit Committee Chair

**Shyamal Parikh**  
Audit Committee Member

**Jeanne Clark**  
Audit Committee Member

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**T**he Board of Directors is responsible for ensuring the credit union's policies and procedures are adhered to and the operations are performed in compliance with state and federal guidelines. Texans' Chairman of the Board, George Consolver, appoints an Audit Committee to represent the best interests of the membership. The three volunteer committee members consist of an existing Board Member, an Advisory Director, and a Member at Large. This group demonstrates a high level of dedication to and a deep understanding of Financial Statements and Internal Controls. The Audit Committee monitors regulatory supervisory processes, oversees internal and external audit functions, and ensures Board Policy complies with regulatory requirements.

To accomplish these responsibilities, the Texans Audit Committee relied on the services of Doeren Mayhew, LLP to conduct an independent financial audit. Results of this detailed audit led to Texans receiving an unqualified opinion on the consolidated financial statements for the year ending December 31, 2023. In addition, Texans Credit Union was examined by representatives of both the State of Texas Credit Union Department and National Credit Union Administration during 2023 per state and federal regulatory requirements. These examinations verify that the operations of the Credit Union are secure and sound. Based on the combined findings of independent auditors, state and federal regulatory examiners, and financial and operational statements.

On behalf of the Audit Committee, I am proud to report that Texans is in excellent financial condition, and policies and procedures are sufficient in scope to safeguard the assets of our members.

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# Texans 2023 Updates

*Texans strives to elevate our members' banking experiences. In 2023, we upgraded services, introduced new products, and made programs more convenient for our members. Continued innovation is a top priority for Texans Credit Union.*



## Debit Card Upgrade

In 2023, Texans Debit Cards were moved from Mastercard to Visa and upgraded to contact-less technology. This switch was made to enhance our members' experience and services with every tap.



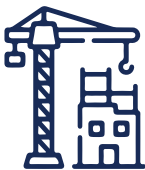
## Automated Member Referral Program

Texans new Member Referral Program makes it easier for our members to get rewarded for recommending the best financial services to their friends and family.



## Zelle

Texans Credit Union now offers Zelle! Zelle gives members a more secure, faster method to send money.



## Construction Loans

Texans added Construction Loans to our Real Estate offerings to serve the growing market of new home construction as more people move to Texas.



## Land & Lot Loans

Our Real Estate team is equipped to offer financing, guidance, and understanding for buying the perfect land plot.



## Texas Field of Membership

Texans Credit Union can now proudly serve any Texan with our new field of membership and partnership with the Texas Consumer Council.

# Bylaws

*On November 17, 2023 the Board of Directors adopted a new set of bylaws to incorporate changes to Credit Union's Field of Membership. The new state approved bylaws allow Members of the Texas Consumer Council who reside in Texas to be eligible for membership at Texans Credit Union. Copies of our bylaws are available and will be provided to any member upon request*



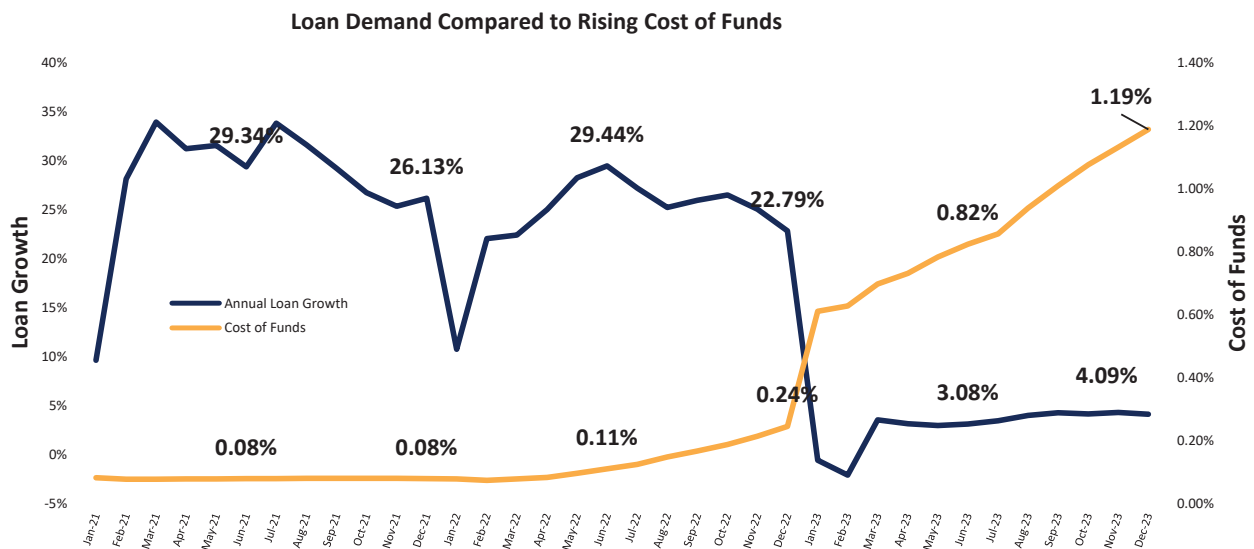


## Ben Hart

### Chief Financial Officer

## Report of the CFO

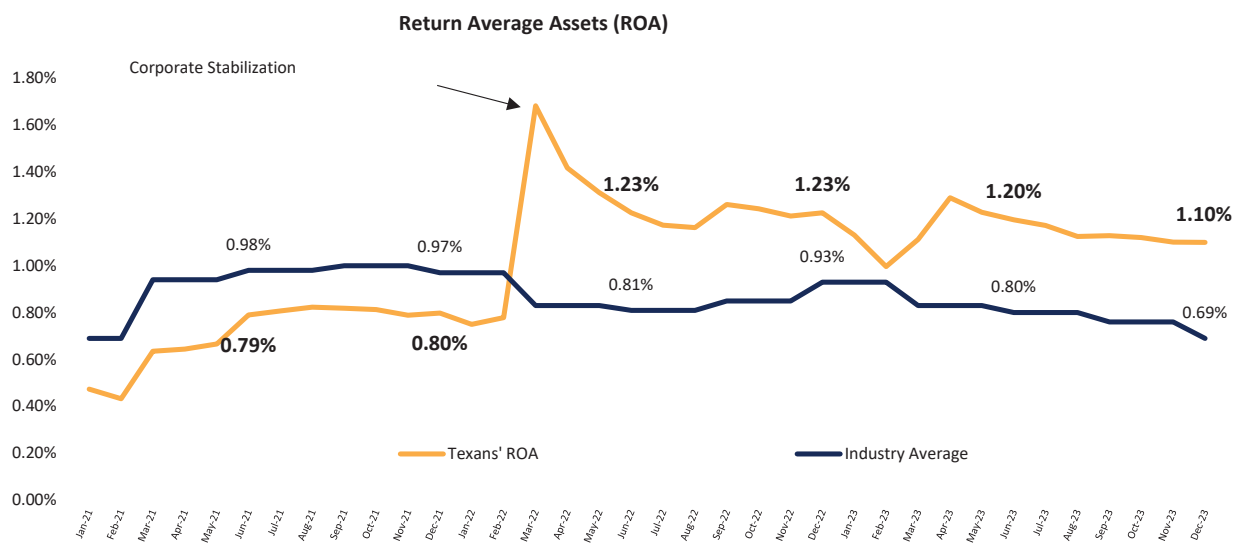
Financial challenges were evident throughout the industry in 2023. Elevated inflation, rising cost of funds, weakened loan demand coupled with the on-going rising rate environment challenged credit unions' ability to garner loans and deposits. In 2023, the short end of the yield curve continued to rise as the Federal Open Market Committee (FOMC) increased the overnight Federal Funds rate by 100 basis points. As a result, Texans' cost of funds, which measures dividend and interest expense in relation to average assets, increased by 95 basis points. The higher cost of funds placed upward pressure on loan rates. As market rates rise, loan demand diminished as the consumer became more sensitive to the rising cost of credit. As illustrated, loan growth and cost of funds are generally inversely related. This element to financial services was most evident over the past three years. When the cost of funds settled at historic lows (blue line), loan growth settled at historic highs (gray line) and vice versa.



Over the past year, net worth benefited from the positive earnings, which will be discussed later. At year-end, net worth totaled \$222.3 million after ending the prior year at \$199.7 million. As a result, the net worth ratio, which measures total net worth in relation to assets, continued on an upward trajectory. Specifically, the ratio crossed the 10% threshold by increasing from 9.26% to 10.12%. In addition, the risk based net worth ratio, which considers the risks associated with assets on the balance sheet settled at 17.63%. These net worth ratios indicate Texans has a strong capital position and considered well-capitalized as defined by NCUA Rules and Regulations.

Despite these macroeconomic challenges, Texans Credit Union had a strong financial year. Specifically, disciplined loan and deposit pricing allowed the return on average assets (ROA) to settle ahead of industry averages. As a result, the credit union contributed to member equity at a faster pace than our peer counterparts. Specifically, the return on average assets, which measures net income in terms of average assets, ended the year at 1.10%. For reference the industry average for ROA was 0.69%. Further, annual net income settled at \$23.9 million down from \$26.2 million from a year ago. But if you recall, last year Texans received recoveries totaling \$7.0 million from the Corporate Stabilization program administered by the National Credit Union Administration (NCUA). The recovery was considered non-operating income and a one-time anomaly. Thus, 'core' earnings improved in 2023 when compared to the prior year.

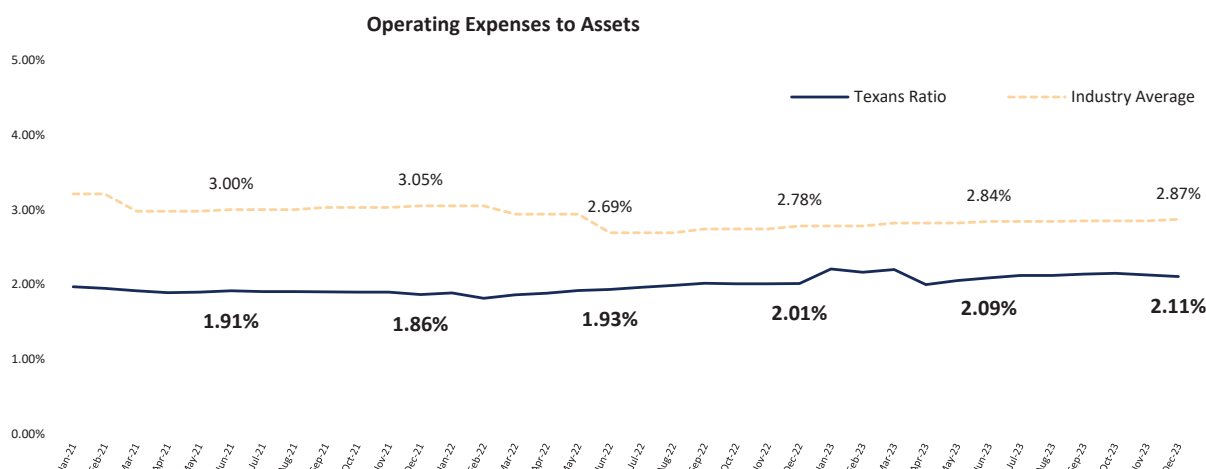
Strong earnings performance was largely attributed controlled operating expenses. In 2023, operating expenses totaled \$45.8 million up from \$42.9 million the prior year. Despite the increase, operating expenses continued to settle below industry averages as evidenced by an operating expense to asset ratio of 2.11%. For comparison purposes, the industry average for this particular ratio is 2.87%. Thus, Texans operates on a more efficient operating expense structure when compared to industry averages.



Growth rates held relatively steady in 2023. Specifically, assets grew by \$40.4 million, or 1.87% over the past year. As a result, total assets settled at \$2.2 billion. Similarly, member deposits grew by \$13.8 million, or 0.70% before settling at \$2.0 billion at year end.

Loan losses were considered low in 2023. Specifically, the charge off ratio ended at 0.12% after finishing the prior year at 0.04%. Moreover, the delinquency ratio ended at 0.21% compared to 0.10% last year. As a result, the provision for credit loss expense settled at \$2.3 million compared to \$1.1 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.

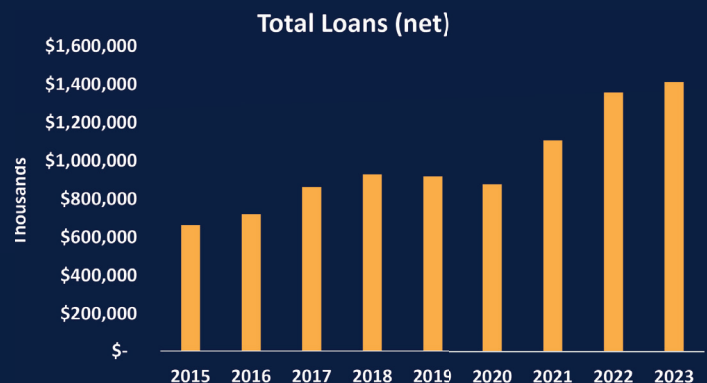
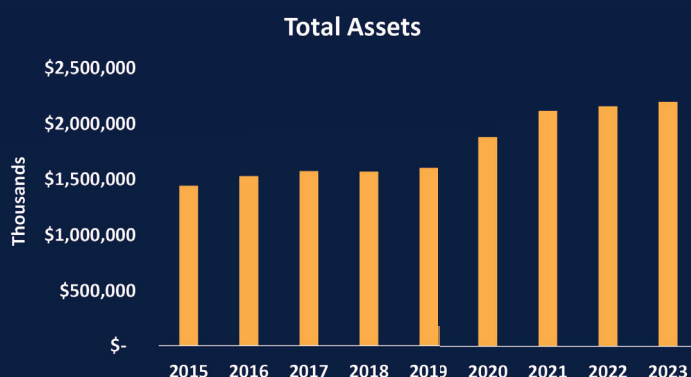
Once again, I am proud to report that Texans Credit Union remains financially sound. Our favorable financial performance is attributed to the strong field of membership we serve. In 2023, the membership grew by 4,976, or 4.24%. As a result, the total membership increased to 122,388. We thoroughly appreciate our members who choose Texans to meet their financial needs. We look forward to serving you and fellow Texans for many years to come.



# Consolidated Statement of Financial Condition

Assets	2023		2022		2021
Cash and cash equivalents	\$	69,062,136	\$	64,995,028	\$ 157,271,014
Investments	\$	632,078,735	\$	662,034,425	\$ 774,427,221
Loans to members, net	\$	1,411,283,459	\$	1,357,516,856	\$ 1,106,666,136
Premises and equipment, net	\$	26,101,091	\$	26,022,178	\$ 25,605,885
National Credit Union Share Insurance Fund Deposit	\$	17,925,032	\$	18,301,285	\$ 16,998,865
Other assets	\$	39,482,799	\$	26,681,892	\$ 33,718,596
<b>Total assets</b>	\$	2,195,933,253	\$	2,155,551,665	\$ 2,114,687,717

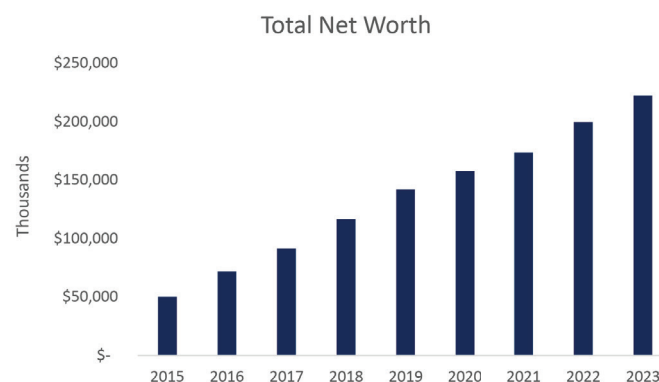
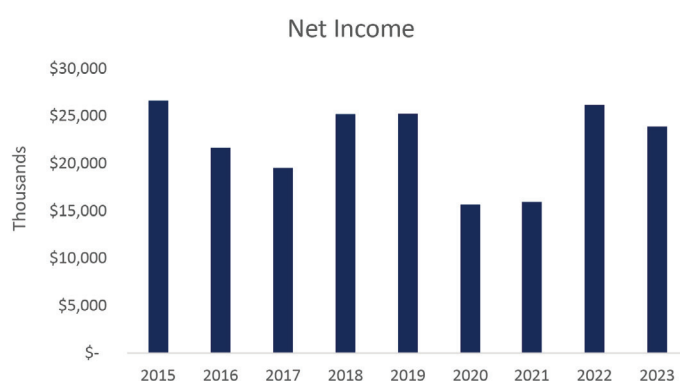
Liabilities and Equity	2023		2022		2021
<b>Liabilities</b>					
Member deposits	\$	1,992,716,056	\$	1,978,885,375	\$ 1,926,592,286
Accrued expenses and other liabilities	\$	32,311,724	\$	48,272,365	\$ 23,952,401
Total Liabilities	\$	2,025,027,780	\$	2,027,157,740	\$ 1,950,544,687
Unrealized Losses	\$	(51,358,527)	\$	71,302,808	\$ 9,377,298
<b>Net Worth</b>					
Regulatory Reserves	\$	35,135,126	\$	35,135,126	\$ 35,135,126
Undivided earnings	\$	187,128,875	\$	164,561,607	\$ 138,385,202
Total Net Worth	\$	222,264,001	\$	199,696,733	\$ 173,520,328
<b>Total Liabilities and Equity</b>	\$	2,195,933,253	\$	2,155,551,665	\$ 2,114,687,717



# Consolidated Statement of Income

Income		2023		2022		2021
Interest on loans to members	\$	56,976,140	\$	40,822,141	\$	33,620,638
Interest on investments	\$	24,399,241	\$	13,280,683	\$	6,540,527
Fees and service charges	\$	8,158,946	\$	7,588,139	\$	6,856,865
Other non-interest Income	\$	8,336,492	\$	13,738,944	\$	8,072,181
<b>Total Income</b>	\$	<b>97,870,819</b>	\$	<b>75,429,907</b>	\$	<b>55,090,211</b>

Expenses		2023		2022		2021
Operating expenses	\$	45,807,674	\$	42,924,202	\$	37,243,014
Dividends to members and borrowings costs	\$	25,828,010	\$	5,203,968	\$	1,564,233
<b>Total Expenses</b>	\$	<b>71,635,684</b>	\$	<b>48,128,170</b>	\$	<b>38,807,247</b>
<b>Provision for Loan Losses</b>	\$	<b>2,321,005</b>	\$	<b>1,125,332</b>	\$	<b>336,733</b>
<b>Net Earnings to Members' Equity</b>	\$	<b>23,914,130</b>	\$	<b>26,176,405</b>	\$	<b>15,946,231</b>





# TEXANS ES BACK



# HOW TEXANS HAS GIVEN BACK

*The steering committee of Texans Gives Back strives to align the time and resources of Texans Credit Union with the needs of our local communities through the identification and promotion of impactful events and giving opportunities.*



## North Texas Food Bank

*Texans donated over 1,712 meals to the North Texans Food bank.*



## Dress For Success Dallas

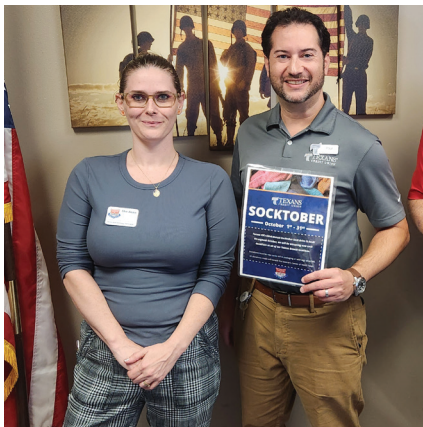
*Texans donated over 250 outfits to Dress for Success.*



## HopeKids Christmas

*Texans members donated over 450 gifts to create a lasting holiday memory for the HopeKids' families.*

## More 2023 Texans Gives Back Accomplishments



### Veterans Center of North Texas

*Texans donated and distributed 300 pairs of socks directly to Veterans Center of North Texas. With our donations from all 11 branches, Texans was able to provide much needed attire for veterans in October.*



### Special Olympics

*In 2023, Team Texans spent time volunteering at the Special Olympics Texas bowling tournament and basketball skills events.*



### HopeKids Halloween

*2023 marked the 8th year of Texans celebrating HopeKids Halloween. We are able to make Halloween a fun and safe experience for HopeKids to trick or treat.*

# TEXANS CELEBRATING *70th Birthday*

*Texans Credit Union was thrilled to celebrate 70 years of service to our members in 2023. We celebrated our birthday with games, food, and prizes. We even had an appearance from Victor E. Green, the Dallas Stars mascot! We appreciate the trust and loyalty from all Texans members over the past 70 years.*





An aerial photograph of a city skyline at sunset. The sky is filled with soft, orange and pink clouds. In the foreground, a complex highway interchange with multiple overpasses is visible. The city is densely packed with various buildings, including several tall skyscrapers and many smaller commercial and residential structures. The overall scene captures a vibrant urban landscape during the 'golden hour' of the day.

# *For Texans, By Texans*

*Built on the foundation of superior member service, Texans has upheld this philosophy for over 70 years.*



## You're never far from Texans.

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### **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

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## Contact Info

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### **Member Connect Call Center**

Phone: 972.348.2000 | Text: 972.348.2045 | [TexansCU.org](https://TexansCU.org)

### ***Texans CU Mobile App***

