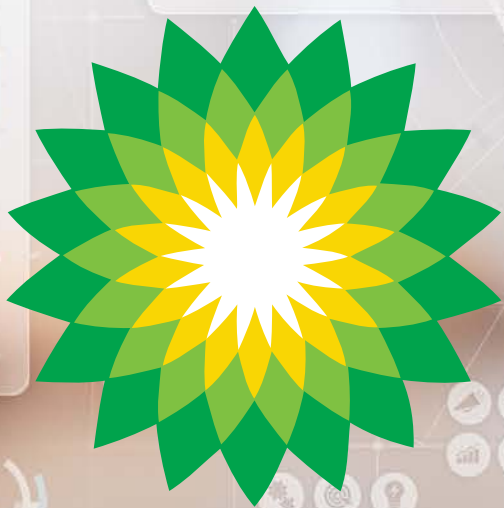


84th

ANNUAL REPORT

BP Federal Credit Union
2020 Annual Report

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84th Annual Report

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2020 IN REVIEW FOR BPFCU

2020 began with the excitement of our return to a new branch in Westlake 1 following renovations to the building after Hurricane Harvey. Unfortunately, the COVID-19 pandemic took hold early in the year, & BP had to close both our WL1 & Helios branches until further notice. The summer months brought more change, as with continued campus closures the credit union moved to a more accessible storefront just across Memorial Drive from WL1. The credit union plans to maintain the new Memorial office as a branch going forward, & will also be moving into a new main office adjacent to BP in the Republic Square complex later in 2021.

Despite all of the challenges 2020 provided, BPFCU continued its focus on doing the best for our members & finding a way. Lending rose to record levels & included mortgages, autos, recreational vehicles & boats, in addition to personal loans & COVID-19 relief loans. It was a challenging year for many, & as we hope for better days in 2021, rest assured that BPFCU will continue to be there for your financial needs as we have been for the past 84 years.

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is comprised of credit union members who serve the membership by providing assurances regarding compliance with policies, regulations, & laws governing the operation of BP Federal Credit Union.

Committee responsibilities:

- Annual Audit: The records of BPFCU, including balance sheet & related statements were reviewed by independent auditors.
- Federal Exam: The examination was performed by National Credit Union Administration in accordance with financial performance standards set by NCUA & mandated by the Federal Credit Union Act.

The audit & the federal exam found BPFCU to be in excellent fiscal condition. Our financial fitness is attributed to safety & soundness operations, record keeping, compliance & earnings.

84th ANNUAL MEETING AGENDA

- ▶ Approval of Minutes of 83rd Annual Meeting
- ▶ Chairman's Report
- ▶ President's Report
- ▶ Nominating Committee
- ▶ Election of Officials
- ▶ Unfinished Business
- ▶ New Business
- ▶ Adjournment



New Memorial Location

CREDIT UNION PHILOSOPHY

The American credit union movement began as a cooperative effort to serve the credit needs of individuals of modest means during the Great Depression. Since then, credit unions continue to fulfill the purpose of people helping people by matching savers with borrowers. Credit Unions are member-owned, democratically operated, not -for-profit organizations with a specified mission of meeting the credit & savings needs of our members.

BP Federal Credit Union started 84 years ago as a means of helping individuals. We continue to grow solely due to our relationship with BP & other select groups. We encourage you to share your credit union with family & co-workers.

Thank you to our Volunteer Board of Directors and Members.



BP Federal Credit Union

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December 31, 2019

December 31, 2020

ASSETS

Total Loans	\$88,905,173	\$96,326,278
Allowance for Loan Loss	(\$275,221)	(\$220,840)
Cash Accounts	\$3,871,853	\$5,044,598
Investments	\$16,129,475	\$21,439,272
NCUSIF	\$1,047,471	\$1,054,548
Fixed Assets	\$334,313	\$443,196
Other Assets	\$10,855,196	\$8,335,304
Total Assets	\$120,868,260	\$132,422,356

LIABILITIES

Accounts/Dividends Payable	\$407,164	\$534,942
Total Liabilities	\$407,164	\$534,942

EQUITY

Shares	\$36,091,739	\$39,615,786
Checking	\$39,631,185	\$42,443,499
Money Markets	\$22,383,746	\$23,175,077
Certificate Accounts	\$8,617,547	\$11,696,839
Total Deposits	\$106,724,217	\$116,931,201
Regular Reserves	\$824,124	\$824,124
Undivided Earnings	\$12,990,554	\$14,000,834
Total Member Capital	\$13,814,678	\$14,824,958
Unrealized Gains/Losses on Available-For-Sale Securities	(\$77,799)	\$131,255
Total Equity	\$120,461,096	\$131,887,413
Liabilities & Equity	\$120,868,260	\$132,422,356

OPERATING INCOME

Total Income	\$4,971,824	\$4,998,333
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OPERATING EXPENSE

Total Expenses	\$3,578,534	\$3,536,887
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TOTAL DIVIDENDS/MISC

Total Dividend Expenses	\$327,425	\$418,615
Non-Operating Gain/Loss	(\$36,520)	(\$32,551)

Net Income	\$1,029,345	\$1,010,280
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Number of Members	7,113	7,026
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**BP FEDERAL CREDIT UNION
MINUTES
83rd ANNUAL MEETING**

The 83rd Annual Meeting of the BP Federal Credit Union was held on February 19, 2020. Janiece Andrus, Chairman of the Board, chaired the meeting.

It was determined that a quorum was present with 68 members in attendance. The minutes from last year's meeting were included in the Annual Report brochure and the motion carried to approve them as written.

Janiece Andrus proceeded with the overview of 2019 from the Board of Directors in her Chairman's Report:

Welcome to the 83rd annual meeting of the BP Federal Credit Union. I would like to thank everyone for taking the time to join us today.

As your Board of Directors, we are entrusted to oversee the operations and success of the credit union via our monthly board meetings, monthly asset/liability meetings and our annual planning session. In addition, the supervisory committee receives a report from external auditors and from the NCUA examiners to ensure the proper functioning of the credit union.

As some you may know, our Westlake 1 branch was lost in Hurricane Harvey in 2017. We will reopen that branch one week from today on February 26th. It will be staffed with 2 Member Service Reps and a part-time loan officer. We look forward to having a presence in Westlake 1 again...and we certainly hope you will come by to visit the new facility.

As outlined in the annual report...

- Our capital rose 8% to \$13.8 million;
- Our total dividend payout on deposits rose 29% in 2019, despite a deposit reduction of 6%;
- Our assets ended the year at \$120.8 million dollars...a 4.5% decline;
- Likewise, we saw a slight decline in outstanding loan balances of 1.3% to a total balance of \$88.9 million;
- We closed 128 real estate loans for \$26.2 million; funded 248 vehicle loans for \$7.3 million; and 82 personal loans for \$1.2 million;
- Our 60-day delinquency ratio on member loans remained very low at .15% and is well below the peer average of .50%.

Each year at a planning session, the board and staff discuss the short and long-term goals for the credit union. Some of our key focus items include:

- Re-opening our Westlake 1 branch;
- Conversion of our debit and credit card portfolios to a new third-party processor, which will provide a more rewarding card experience for the members;
- Continued pursuit of a more robust online experience for all our banking products;
- Perpetuating our premium deposit rates and low loan rates.

In closing, I'd like to express my confidence in the wisdom and guidance of our esteemed board of directors, the commitment of our dedicated staff, and the support and loyalty of our wonderful members. We look forward to the continued growth of our credit union in this new decade.

The Board, Supervisory Committee, ALCO Committee, Advisory Directors and Directors Emeritus were all recognized, and Robert Corolla presented the President's Report, taking questions afterward:

BP FEDERAL CREDIT UNION
MINUTES
83rd ANNUAL MEETING

Hello Everyone, nice to see you and thank you for joining us today.

BP Credit Union had a positive year in 2019. Even though we had slight declines in deposit and loan balances, we achieved another record net income, crossing the million-dollar mark for the first time ever. And we are budgeting for an even better year in 2020. The Westlake 1 branch should help us return loans and deposits back into positive growth. Our discussion at the planning session also included the potential for a bonus dividend to members based on how our net income progresses through the year.

Janiece mentioned our debit and credit card conversions. Just a little more detail on that. We chose a new company, PSCU, to facilitate our card services. The debit card conversion was completed in September of last year without the need to mail out new cards to members. The credit card conversion is scheduled to take place mid-May. This **will** entail mailing out credit cards with new account numbers. If you have automated debits to your credit card you will need to update your card number with those companies. If you currently hold a credit card with us, you will receive information in the mail on how the process works. With this conversion, greater control over cards will be handed to the members via an online app. That means setting transaction limits, setting travel notifications, turning the card on and off, tracking activity, setting alerts, etc. We will also roll-out digital wallet such as Apple Pay, Google Pay and others...contactless pay...and a year-end spending summary that will be provided for credit cards.

In addition, we are planning a new credit card we're calling the "elite card" at this point. We emailed a survey to members late last year asking what options are desired most on a credit card...such as rewards, fixed interest rate, no foreign transaction fee, etc. We received a tremendous response and we're taking that feedback into consideration when designing this new card...which we hope to have available in the latter part of this year.

We are also planning for the ability to open an account online. This will allow for new accounts to be opened without setting foot in a branch, which should connect us better with potential members stationed around the world. Current members will be able to add new accounts as well, such as a money market or CD for example.

Re-opening the Westlake 1 branch will be an added convenience for BP employees in that building. For the credit union, it was fast becoming our main hub for opening new accounts before it was lost in Hurricane Harvey. The restored branch has a side office that will allow us to provide lending operations in a private setting for members.

Our deposit rates continue to be very competitive with other credit unions and banks in the area. Please take a look at our current CD offerings if you're in the market, you will find they compare well. We have from 6-month to 5-year maturity options.

If anyone has a suggestion or comment on how we can improve our services, please do not hesitate to contact us...or come visit us to discuss. We very much value your feedback.

I would like to thank the board and staff for their commitment to our credit union and a sincere thank you to our members for continuing to make use of our services.

The report of the Supervisory Committee was included in the brochure; therefore, reading of the report was dispensed.

Brent Hill, Nominating Committee Chair, announced the slate of directors for election: Kira Diaz-Tushman, Sheree Fournerat, and Lynn Williams. The motion carried to elect the above named directors.

There was no additional unfinished or new business. Door prize drawings were held by Business Development Representative Brandye Wright.

The meeting adjourned.

Janiece Andrus, Chairman

April Inman, Secretary



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THANK YOU *for attending the* 2020 BP Federal Credit Union Virtual Annual Meeting!

BP FEDERAL CREDIT UNION STAFF

President/CEO:	Robert Corolla
Executive Vice President:	Ben Newcomb
Vice President of Operations:	Aaron Martin
Accounting Supervisor:	Shirley Jones
Marketing Manager:	Brooke Adkisson
Business Development:	Brandye Wright
Mortgage Loan Officer:	Pam Henry
Sr. Mortgage Loan Processor:	Julie Smeltzer
Mortgage Loan Servicer:	Jose Llanas
Loan Manager:	Lisa Foster
Loan Officer:	Jessica Augustus
Loss Prevention/Compliance:	Sandra Burton
Member Services Supervisor:	Jennifer Garza
Member Services:	Kathy Callis
Member Services:	Deysi Rodriguez

Member Services:
Member Services:
Member Services:

Keenan Thompson
Helen Bermudez
Tanya Garcia

BOARD OF DIRECTORS

Chairman:
Vice Chairman:
Secretary:
Treasurer:
Directors:

Janiece Andrus
Roger Golden
April Inman
Brent Hill
Bill Mills
Lynn Williams
Sheree Fournarat
Steve Hanson
Kira Diaz-Tushman
Ken George
Edgar Molina
Stephen Wigger

Advisory Directors:

Make your money work for you!

Call (281) 870-8000 or visit us online at bpfcu.org to learn more.

Thank you for choosing **BP Federal Credit Union!**

