

bp



federal credit union



86th bp federal credit union ANNUAL MEETING

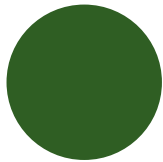
Wednesday
February 15, 2023



Embassy Suites by Hilton Houston West
16435 Katy Fwy
Houston, TX 77094

AGENDA

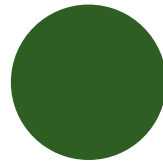
APPROVAL OF MINUTES
OF 85TH ANNUAL MEETING
CHAIRMAN'S REPORT
PRESIDENT'S REPORT
NOMINATING COMMITTEE
ELECTION OF OFFICIALS
UNFINISHED BUSINESS
NEW BUSINESS
DRAWING OF DOOR PRIZES
ADJOURNMENT



2022 IN REVIEW WITH BPFCU

2022 saw the much-anticipated grand opening of our beautiful new main office in the Republic Square complex. Located directly east of the BP Westlake campus, Republic Square is our new hub after 34 years in WL2 and two years in our Memorial Branch, which remains open as a convenient location for walk-in transactions on Memorial Drive across the street from the BP campus. We also continue to serve members with representatives in both WL1 and Helios at BP.

BPFCU paid a bonus dividend on all deposit accounts in September to reward our loyal membership. Your credit union remains a strong and secure institution for your financial needs. We look forward to exciting, continued growth as we embark upon 2023.

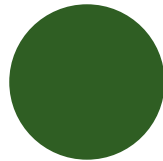


CREDIT UNION PHILOSOPHY

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 86 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.

bp federal credit union



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 of operations, record keeping, compliance & earnings.

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!



2022

86th Annual Meeting Report

	2022	2021
ASSETS		
Total Loans	\$121,537,731	\$109,589,939
Allowance for Loan Loss	(\$126,942)	(\$190,676)
Cash Accounts	\$5,489,795	\$4,455,918
Investments	\$10,481,287	\$17,534,565
NCUSIF	\$1,167,255	\$1,219,285
Fixed Assets	\$891,406	\$1,061,303
Other Assets	\$3,764,410	\$5,711,155
Total Assets	\$143,204,942	\$139,381,489
LIABILITIES		
Accounts/Dividends Payable	\$4,197,884	\$466,994
Total Liabilities	\$4,197,884	\$466,994
EQUITY		
Shares	\$40,260,247	\$40,324,364
Checking	\$41,522,342	\$40,367,482
Money Markets	\$23,896,191	\$23,612,942
Certificate Accounts	\$16,554,835	\$18,666,418
Total Deposits	\$122,233,615	\$122,971,207
Regular Reserves	\$824,124	\$824,124
Undivided Earnings	\$16,107,038	\$15,072,517
Total Member Capital	\$16,931,162	\$15,896,641
Unrealized Gains/Losses on Available-For-Sale Securities	(\$157,719)	\$46,648
Total Equity	\$139,007,058	\$138,914,495
Liabilities & Equity	\$143,204,942	\$139,381,489
OPERATING INCOME		
Total Income	\$5,533,844	\$5,214,498
OPERATING EXPENSE		
Total Expenses	\$3,901,315	\$3,684,089
TOTAL DIVIDENDS/MISC		
Total Dividend Expenses	\$598,008	\$458,723
Non-Operating Gain/Loss	\$0	(\$2)
Net Income	\$1,034,521	\$1,071,683
Number of Members	6,841	6,839

2022

85th Annual Meeting Minutes



The 85th Annual Meeting of the BP Federal Credit Union was held on February 23, 2022. Janiece Andrus, Chairman of the Board, chaired the meeting.

It was determined that a quorum was present with 40 members in attendance virtually via Zoom due to the ongoing COVID-19 pandemic. 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 2021 from the Board of Directors in her Chairman's Report:

Welcome to the 85th Annual Meeting of the BP Federal Credit Union. Thank you so much for joining us today. We certainly didn't expect that we'd have to meet online for a second year in a row; unfortunately, for safety's sake, here we are again.

The build-out of our new main office continued throughout most of 2021. For those familiar with the area, Republic Square is situated right next to the BP campus in the former Exxon Chemical building. Construction was completed in December, however the I.T. setup is ongoing due primarily to equipment delays. We intend to have that branch up and running by the end of March. We'll announce a formal grand opening sometime after that for food, games, and prizes; and we certainly hope to see everyone stop by for a visit.

Our branches at Westlake 1 and Helios did reopen during the year; however, they had to close again at the start of 2022 for several weeks while BP had a "work-at-home" order in place due to the latest round of COVID. Both branches have since reopened.

The Memorial Plaza branch across the street from the BP campus has proven to be very convenient for providing routine transactions and services. The initial lease was for two years, and because of its popularity, we have decided to renew it for another five to maintain this location for our members. In addition to the convenience it provides, we intend to make this branch a "disaster recovery" location in the event of future power outages. We have faced several power outages in the recent past, which have interrupted services for numerous days. The plan is to install a backup generator at that branch that will power all equipment, even if our other branches are down.

Our 2021 financial results were stellar; all key areas had very positive results, and I would like to mention a few, briefly:

- Our capital, which is the accumulation of our net income, rose 7% to \$15.9 million;
- Our total dividend payout on deposits rose 10% and deposit balances grew 5% to \$123 million;
- Our total assets ended the year at \$139 million...a growth of 5%;
- Outstanding loan balances increased 14% to \$109.6 million;
- We closed 93 real estate loans for \$26 million; funded 230 vehicle loans for \$7.8 million; and 117 personal loans for \$1.7 million;
- Our 60-day delinquency ratio on member loans remained very low at .15% of all outstanding loan balances and is well below the peer average of .45%.

Furthermore, I would like to mention a few strategic initiatives we have set for 2022:

- Implement the ability to open or add accounts online without the need to visit a branch;
- Complete a conversion of our mobile app to a new provider, which will allow us to add Zelle, the person-to-person payment app along with some other features;
- Explore expansion of our potential member base to possibly include the Energy Corridor or the surrounding zip code;
- Continue to maintain a top 3 dividend rank on deposit accounts against our nearest competitors using the survey company RateWatch for independent analysis;
- Perform a "refresh" of our website to enhance the look and usability;

As always, thank you for your continued membership and loyalty to BPFUCU, we are here to serve your banking needs. If you should have any comments or suggestions, you can send an email to comments@bpfuc.org, there are also suggestion boxes at each of our branches that go directly to the Board of Directors. We value any feedback you can provide us, thank you.

The Board, Supervisory Committee, ALCO Committee, Advisory Directors and Directors Emeritus were all recognized. President/CEO Robert Corolla then presented the President's Report:

2022

85th Annual Meeting Minutes

Good evening everyone and thank you for joining us today.

2021 was another record-setting year in revenues and net income for the credit union. Since we're not-for-profit, those revenues assist in funding higher dividend payments to members, maintenance of low-cost lending and to support ever-evolving services and locations. I would encourage you to look at the interest rates we're offering on deposit accounts by visiting our website. Monthly, a committee of board directors and employees meet to analyze these rates and compare them to our local competition comprised of 4 credit unions and 3 banks. Our rates have remained 1st or 2nd best for the past year plus...for all account types: checking, savings, money market and CDs. With the prediction that the Federal Reserve Bank will raise short-term interest rates multiple times this year, our dividend rates are likely to go higher later in the year.

The asset size of the credit union in dollars has ranged from 120 to 140 million over the past several years. Granted there have been many head winds to growth during that time-period but going forward we would like to move past that range. Our goal is to reach 200 million plus in assets in the next 3 to 5 years. That's a 44% increase from where we currently are. In order to do that we must continue to grow an active member base. The #1 source is BP employees...BP employees are our bread and butter...and hopefully there will be some new hires to draw upon as well in the near future. Our second source would be the Republic Square office complex. Within RS there are 42 companies (and growing) that we can draw upon for new membership. Another option is to make use of the open-an-account online function, which can bring our services to non-members who work for BP or other eligible companies around the world. Lastly, is to expand our member base footprint to the Energy Corridor and possibly beyond. All these sources combined should drive growth in membership with deposits and loans to follow.

Last year, our efforts toward upgrading the online banking experience to a new system called 'Virtual Branch' were halted, as this would have disabled our current mobile app. Obviously, we would never want to do that, and decided it was in the best interest of everyone to delay this upgrade until a solution could be found.

The path forward has presented itself in not just an upgrade for our online banking, but in an entire suite of products which includes Virtual Branch, a new mobile app, new bill pay and remote deposit systems, all brought together in a comprehensive solution within our own data system. This will ultimately give our members a more refined, user-friendly experience, and will also bring the added benefit of compatibility with the Zelle network; an often-requested feature that previously was not possible. If you're not aware, Zelle is a method to transmit money electronically to another individual within a few minutes.

Your credit union remains financially strong. Our balance sheet is stable and well diversified. We post a more detailed version of our balance sheet and income statement on the website after each year-end. This way you'll know how we are utilizing your deposits and how we are staying true to the credit union purpose of giving back to the members.

In closing, I want to thank the staff and board of directors for ensuring the success of BPFUCU. This credit union could not function without their services. I want to thank our very loyal members...we wouldn't exist if it were not for your trust and your business. And hopefully we are here for another 80+ years! Thank you very much!

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: Janiece Andrus, Joni Clark, and April Inman. The motion carried to elect the above-named directors.

There was no additional unfinished or new business. Cash prizes were to be awarded by CU staff the following day via a drawing amongst all Zoom participants.

The meeting adjourned.

Janiece Andrus, Chairman

April Inman, Secretary

THANK YOU for attending the

86th bp
federal credit union
ANNUAL MEETING

BP FEDERAL CREDIT UNION STAFF

President/CEO: Robert Corolla
Executive Vice President: Ben Newcomb
Vice President of Operations: Aaron Martin
Accounting Assistant: Deysi Rodriguez
Accounting Assistant: Helen Bermudez
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
Collections Specialist: Jon Taylor
Member Services Supervisor: Jennifer Garza
Senior Teller: Kathy Callis
Member Services: Keenan Thompson
Member Services: Kristy Martinez

Member Services:
Member Services:
Member Services:
Member Services:

Mercy Zalic
Gemely Martinez
Jessica Gonzales
Cristina Rodriguez

BOARD OF DIRECTORS

Chairman:
Vice Chairman:
Secretary:
Treasurer:
Directors:

Janiece Andrus
Roger Golden
April Inman
Brent Hill
Bill Mills
Lynn Williams
Sheree Fournerat
Joni Clark
Kira Diaz-Tushman
Ken George

Advisory Directors:

Thank you to our Volunteer Board of Directors and BPFCU Staff

**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!