

85th ANNUAL MEETING

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BP Federal Credit Union **2021 Annual Report**

Virtual Annual Meeting via ZOOM

Wednesday | February 23rd, 2022 | 5:00pm

Your savings federally insured to at least \$250,000
and backed by the full faith and credit of the United States Government

NCUA

National Credit Union Administration a U.S. Government Agency



**EQUAL HOUSING
LENDER**

85th ANNUAL MEETING AGENDA



Approval of Minutes of 84th Annual Meeting

Chairman's Report

President's Report



Nominating Committee

Election of Officials

Unfinished Business



New Business

Adjournment

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85th ANNUAL MEETING REPORT

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:

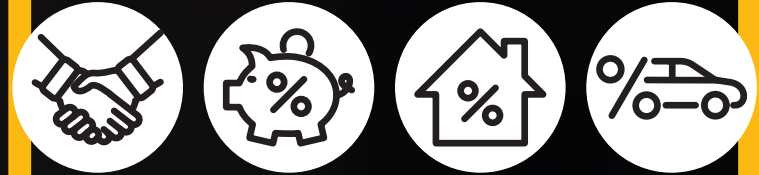
Annual Audit: The records of BPFUCU, including balance sheet & related statements were reviewed by independent auditors.

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 BPFUCU to be in excellent fiscal condition. Our financial fitness is attributed to safety & soundness of operations, record keeping, compliance & earnings.

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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 85 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.

85th ANNUAL MEETING REPORT

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	2021	2020
ASSETS		
Total Loans	\$109,589,939	\$96,326,278
Allowance for Loan Loss	(\$190,676)	(\$220,840)
Cash Accounts	\$4,455,918	\$5,044,598
Investments	\$17,534,565	\$21,439,272
NCUSIF	\$1,219,285	\$1,054,548
Fixed Assets	\$1,061,303	\$443,196
Other Assets	\$5,711,155	\$8,335,304
Total Assets	\$139,381,489	\$132,422,356
LIABILITIES		
Accounts/Dividends Payable	\$466,994	\$534,942
Total Liabilities	\$466,994	\$534,942
EQUITY		
Shares	\$40,324,364	\$39,615,786
Checking	\$40,367,482	\$42,443,499
Money Markets	\$23,612,942	\$23,175,077
Certificate Accounts	\$18,666,418	\$11,696,839
Total Deposits	\$122,971,207	\$116,931,201
Regular Reserves	\$824,124	\$824,124
Undivided Earnings	\$15,072,517	\$14,000,834
Total Member Capital	\$15,896,641	\$14,824,958
Unrealized Gains/Losses on Available-For-Sale Securities	\$46,648	\$131,255
Total Equity	\$138,914,495	\$131,887,413
Liabilities & Equity	\$139,381,489	\$132,422,356
OPERATING INCOME		
Total Income	\$5,214,498	\$4,998,333
OPERATING EXPENSE		
Total Expenses	\$3,684,089	\$3,536,887
TOTAL DIVIDENDS/MISC		
Total Dividend Expenses	\$458,723	\$418,615
Non-Operating Gain/Loss	(\$2)	(\$32,551)
Net Income	\$1,071,683	\$1,010,280
Number of Members	6,839	7,026

85th ANNUAL MEETING REPORT

BP FEDERAL CREDIT UNION
84th ANNUAL MEETING
MINUTES

The 84th Annual Meeting of the BP Federal Credit Union was held on February 24, 2021.

Janiece Andrus, Chairman of the Board, chaired the meeting. It was determined that a quorum was present with 35 members in attendance virtually via WebEx 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 2020 from the Board of Directors in her Chairman's Report:

Welcome to the 84th annual meeting of the BP Federal Credit Union. I would like to thank everyone for taking the time to join us today in the virtual world. Hopefully, this will be the only annual meeting that will need to be hosted 'exclusively' online under these circumstances, though going forward we may keep this in tandem with the usual event to ensure everyone can join us that wishes to, even virtually.

2020 was a difficult and challenging year for everyone, this certainly held true for our credit union. Obviously, the COVID virus had its impact on how we functioned. Our Helios branch and newly re-opened Westlake 1 branch were both closed when BP limited access to those buildings early last year. These branches remain closed today, but we are poised to reopen them when and if BP employees return to those buildings.

We also faced the unanticipated challenge of moving our main branch in July from Westlake 2 to a new location across from Westlake 1 on Memorial Dr. It is located in the Memorial Plaza shopping center right next to Café Benedicte. The Westlake 2 building was acquired by a new owner who decided to remove all existing tenants.

Through all the difficulty of 2020, it led to new business opportunities for the credit union within the Republic Square development right next to the BP campus. This was formerly the Exxon Chemical facility. We signed a lease for office space and this location will become our new main branch when construction is completed later this year.

In addition to that, NCUA (our governmental regulatory agency) approved the expansion to our field-of-membership to include all Republic Square tenants. These include Samsung, Spark Energy, Techwave and many others.

We certainly remain committed to our core employee group, BP. Demand for our credit union services has remained strong and is growing despite all the headwinds of the past few years. BP employees were key to that fact and they remain our focus. To highlight the financial success of last year, a few facts...

- Our capital rose 7.3% to \$14.8 million;
- Our total dividend payout on deposits rose 28% in 2020 and deposits grew 9.6% to \$116.9 million;
- Our total assets ended the year at \$132.4 million... a growth of 9.6%;
- Outstanding loan balances increased 8.4% to \$96.3 million;
- We closed 152 real estate loans for \$32.8 million; funded 262 vehicle loans for \$7.8 million; and 154 personal loans for \$2.4 million;
- Our 60-day delinquency ratio on member loans remained very low at .32% of all outstanding loan balances and is well below the peer average of .57%

And for 2021 we have several strategic initiatives we intend to pursue. A few of these include...

- Complete the buildout of the Republic Square branch, which should lead to continued growth and sustainability of our credit union;
- Maintain our competitive position on deposit rates. Currently we rank 1st or 2nd on all deposit account types versus the local competition;
- Add the ability to open new accounts online, which is now more critical than ever in the banking world for distancing as well as convenience;
- Reopening Westlake 1 and Helios branches when the opportunity presents itself, to remain central to BP employees.

Cont'd

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85th ANNUAL MEETING REPORT

BP FEDERAL CREDIT UNION
84th ANNUAL MEETING
MINUTES

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As a member of BPFUCU, you are our number one priority. As we move further into 2021, we will continue to work hard and provide the quality service you deserve. Please keep in mind that we value feedback from our membership. You can send an email to comments@bpfcu.org for any comments, suggestions, or questions you have. There is of course always a suggestion box at our branches that go directly to the Board of Directors.

Thank you for entrusting us with providing your banking services and we look forward to serving you in the future.

The Board, Supervisory Committee, ALCO Committee, Advisory Directors and Directors Emeritus were all recognized. In the absence of President/CEO Robert Corolla due to illness, EVP Ben Newcomb presented the President's Report:

Good evening everyone, thank you for joining us. This has certainly proven to be a unique year. Despite all the various setbacks, our net income exceeded \$1 million for the second year in a row, helped along by a partial refund from the NCUA in the amount of \$281,000 for assessments taken from all credit unions in 2008 through 2011 for the 'bail-out' of a corporate credit union, and we've been told to expect more of those funds to come back to us over time.

As a credit union we pay windfalls such as these forward to our membership in the form of maintaining above market dividend payments as much as possible. It is our intention to grow our deposits again after a few years of stagnancy in this area. The same goal applies to our CDs, with options ranging from 6 months to 5 years, where we would also like dividends to remain "ahead of the pack."

We are happy to report that the new Memorial Branch opened in August will be remaining, this was not the original intent for this office, however it has proven to be a popular and convenient location for our members. Indeed, we are seeing more foot traffic than we have seen in quite some time, even prior to the pandemic.

As Janiece mentioned, in addition to keeping Memorial, we will be adding a new Main Branch in the Republic Square office complex, which of course comes with the potential of expanding our membership to include all current and future tenants. We also hope to re-open the Westlake 1 and Helios branches as well - as soon as we are able.

We have continued the rollout of our new Visa credit cards via our new provider, this has been a multiyear project that has seen a great improvement in our overall offerings in this area and came with a number of enhancements and controls that could not previously be achieved. We hope to continue to improve on this and build out an all-new rewards program sometime this year.

In the wake of all the new social rules we find ourselves following, we plan to add the option to open new accounts online, a feature long requested, but that we have lacked the ability to implement due to a limitation of our core software. In recent months, this feature has now been made available. This product also would allow existing members to open additional accounts online, such as a money market or a CD.

Finally, to reiterate how important it is that we hear from you, please send us any feedback you may have; questions, comments, or suggestions to comments@bpfcu.org

Again, thank you for joining us tonight, and we look forward to serving you into 2021 and beyond.

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

Sheree Fournierat, Nominating Committee Chair, announced the slate of directors for election: Roger Golden, Brent Hill, and Bill Mills. 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 WebEx participants.

The meeting adjourned.

Janiece Andrus, Chairman April Inman, Secretary



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BP Federal Credit Union Staff & Board of Directors

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
Loss Prevention/Compliance: Sandra Burton
Member Services Supervisor: Jennifer Garza
Member Services: Kathy Callis
Member Services: Keenan Thompson

Member Services: Tanya Garcia
Member Services: Kristy Martinez
Member Services: Gemely Martinez

BOARD OF DIRECTORS

Chairman: Janiece Andrus
Vice Chairman: Roger Golden
Secretary: April Inman
Treasurer: Brent Hill
Directors: Bill Mills
Lynn Williams
Sheree Fournerat
Steve Hanson
Kira Diaz-Tushman
Advisory Directors: Ken George
Joni Clark

Thank you to our Volunteer Board of Directors and BPFCU Staff

Gift Card WINNERS will be chosen at random.

..... THANK YOU *for attending the*
85th BP Federal Credit Union Annual Meeting!

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Make your money work for you!

Thank you for choosing BP Federal Credit Union!