EASTEX
CREDIT UNION



2024 Annual Report

Your SUCCESS — Our MISSION

MESSAGE FROM OUR CEO

Good evening. I'm Loretta Chatagnier, the chief executive officer of Eastex Credit Union. Welcome to our 70th annual meeting.

You already know one of the reasons that credit unions are different from other financial institutions, because that difference is you. Our members are also our owners, and we are accountable to you.

While the pandemic is over, its impact continues, not only as a health concern but it forced us to find innovative solutions for everything we do as a credit union. More recently, uncertainty in our economy from the wars in Ukraine and the Middle East, supply chain disruptions, rising prices in general. Because of these challenges, members have come to value and appreciate how their credit union helped them through these past years with fewer disruptions.

We have worked to:

- Develop more online banking tools.
- Expand account options and offer new products.
- Streamline and simplify our processes wherever possible.
- Reduce and cut fees.
- Develop financial literacy resources and tools.
- Have robust cybersecurity measures in place.
- Support advocacy and lobbying efforts on behalf of the credit union community.
- Continuing our priority of outreach and involvement in our local communities.

Online banking is here to stay. Our challenge is to create an experience that still feels personal while offering convenience and easy navigation. As more members bank online, we are focused on making websites and apps that are easy for our members to access and use. Eastex has worked to offer user-friendly, online options with the same personal touch you've come to expect from us.

Cybersecurity

Along with the convenience that technology brings, we must be aware of the risks that come along with it, such as:

- Phishing
- Ransomware
- Password reuse
- Data theft
- Cloud security

Here at Eastex, we safeguard your assets, data, and privacy. Luke Murray, CIO/CSO briefly highlighted our cybersecurity measures.

Summary of Cybersecurity measures:

Phishing Measures:

- Employees are trained in detecting phishing attacks and reporting them.
- Employees are tested on a regular basis that adapts based on the results of previous tests.
- Memos are sent out periodically to all staff with reminders of suspicious signs in emails and other communications.

Ransomware Measures:

- All mission-critical systems have up-to-date backups that can be deployed if irrecoverable ransomware attacks.
- Ransomware is treated as a "Do Not Pay" circumstance, and measures are taken to ensure payment of ransom is never necessary.

Password Reuse:

- Password policies depict that passwords may not be reused within the earlier 3 passwords.
- Password vault is provided to all employees.
- Employees are heavily encouraged to use unique passwords for every account.

Data Theft:

Up-to-date firewalls are in place at all sights with intrusion detection and prevention.

- Alerts are sent when the Intrusion Detection is triggered.
- Firewall logs are monitored regularly for any suspicious traffic.

Cloud Security:

- All cloud accounts that can be, are synchronized with Active Directory through Microsoft EntraID.
- Password policies that can be enforced on cloud services are enforced.

Member Security:

- All member data is stored in WRG's datacenter and security measures for protecting that data are managed by their policies.
- Memos and notices are sent to members encouraging safe practices such as discouraging password reuse.
- When suspicious activity is detected on a member's accounts, the accounts are restricted, and communication is made.

On the legislative front, we supported efforts to defeat the recent Credit Card Competition Act, an amendment to the National Defense Authorization Act. The legislation would have created new routing mandates that would have affected the way financial institutions issue credit and potentially put consumers' data privacy at risk.

In addition to nationwide trends in the financial landscape and economy, the local impact can be seen in things like:

- Continuing uncertainty about the economy.
- Concerns about health care access and costs.
- The impact of steep increases in home prices in parts of the state.
- Rising food, gas, and energy prices.
- Higher mortgage interest rates.

Eastex knows that these issues present unique challenges for our members, and we promise to continue to listen to your suggestions and feedback and explore the best ways to support you as we take on these issues together.

The overall picture for credit unions in Texas is encouraging. According to the Credit Union National Association's 2024 mid-year report:

- Texas currently has 402 credit unions headquartered in the state, with membership of 10,538,328, representing 7.6% market share of deposits in the state, a growing, but still small, portion of the state's financial sector.
- Our average loan interest rates are significantly lower, offering large savings to our members, often by a percentage point or more. For example, the average used auto loan rate was 6.33%, compared to a bank's average 7.48% rate.
- Eastex has 118 million in assets serving 10,000 plus member-owners in our primary office and branches in Silsbee, Kirbyville, Kountze, Spurger, and Buna.

Since credit unions are not-for-profit financial cooperatives and,

unlike banks, have no shareholders demanding a market return on their investment, we pass profits on to our member depositors in the form of lower loan interest rates, higher yields on savings, and fewer/lower fees.

In Texas, this translated into member benefits of:

- $741.1 million higher yield on savings
- $146.6 million saved on fees.
- $767.5 million saved on loan rates.
- $645.7 million savings passed on to non-members.

This adds up to an impressive $1.655 billion in member benefits! And of course, none of this would be possible without the participation and input of members like you!

We will certainly face challenges in 2025, and these challenges will require our best efforts. We must embrace the digital world, with its speed and convenience, at every opportunity as we serve our members and our community. Eastex is your credit union. We are here to serve you, and we need your continued input and involvement to ensure the best outcomes for you and Eastex.

We are sincerely grateful that you've chosen us as your financial partner. We wish you a healthy and prosperous 2025.

Sincerely,

Loretta Chatagnier

Loretta Chatagnier
President/CEO

TREASURER REPORT

The annual supervisory audit was performed by Moore Financial Service, Inc. The firm audited loans, allowance for loan losses, accounts receivable, cash, investments, prepaid and deferred expenses, fixed assets, accounts payable, accrued liabilities, shares, undivided earnings, expenses and general compliance and regulations. Moore Financial Services, Inc., also performed our BSA and ACH Audit. Minor exceptions were noted and corrected by management and staff.

The Texas Credit Union Department and American Share Insurance conducted the annual exam with an effective date of December 31, 2023. The credit union is well capitalized and financially sound. Minor exceptions were noted and corrected by management and staff.

Sincerely,

Marlene Lacy

Marlene Lacy
Board of Director, Treasurer

BOARD OF DIRECTORS

		(Term Expiration)
James Parsley	Chairman	(2027)
Ben Bruce	Director	(2027)
Rusty Minyard	Director	(2026)
Marvin Mott	Director	(2026)
Marlene Lacy	Secretary/Treasurer	(2025)
Diane Etue	Vice Chairperson	(2025)
Shannon Adams	Director	(2025)

STAFF

Loretta Chatagnier	President/CEO
Connie Hawthorne	Chief Operations Officer
Renee Will-Cain	Chief Member Service Officer
Michelle Spears	Chief Lending Officer
Megan Llanes	Chief Mortgage Officer
Luke Murray	Chief Information/Security Officer
Denise Stark	Branch Manager, Kirbyville
Shannon McDaniels	Branch Manager, Silsbee
Laurie King	Branch Manager, Call Center/BSA Officer
Dianna Chapman	Branch Manager, Spurger
Amber Lancaster	Branch Manager, Evadale
Alysha Smith	Collections Manager
Kristen LaRue	Accounting/BSA Officer
Shannon Daffron	Loan Officer
Tiffany Henry	Loan Processor
Mallory Barnes	Loan Processor
Cindy Armstrong	Loan Processor
Becky Byrum	MSR - Call Center
Geraldine Boyett	MSR - Call Center
Pamela Yawn	MSR - Call Center
Hannah Beasley	MSR - Call Center
Shelby Duke	MSR - Call Center
Kristy Billingsley	MSR III
Amanda Wacasey	MSR III
Amy Nugent	MSR III
Tracie Brown	MSR II
Beth Parker	MSR II
Cypress Collier	MSR II
Tanlee Hughes	MSR II
Krideisha Dagley	MSR I
Chelsea Gordon	MSR II
Chelsea Lancaster	MSR I
Kylei Dunn	MSR I
Gayle Luna	Title Clerk

Mission Statement

To provide people with the best financial solutions.

Vision Statement

To be the community leader in financial solutions.



ANNUAL MEETING MINUTES

The 69th Annual Meeting for Eastex Credit Union was called to order at 5:32pm on April 30, 2024 by James Parsley, Chairman of the Board of Directors in the Evadale ISD Auditorium. Marlene Lacy, Secretary, declared a quorum for the meeting. Board member Shannon Adams then opened the meeting with an invocation.

James Parsley presented the minutes from the 2023 Annual Meeting. Marlene Lacy made that motion to approve the minutes as presented. The motion was second by Diane Etue and approved by all members present.

James Parsley presented the Treasurer's Report and discussed the well-being of the credit union. Eastex had good asset growth and net loan growth for 2023. He notated that Eastex is involved in local community and school events. He highlighted the multiple internal audits and the yearly exam that were performed and Eastex passed them all with flying colors. He recognized all of the Board members and assured the membership that Eastex was capable to face any obstacles and challenges it may face with its strong leadership and team.

James Parsley then called for any unfinished or new business to be addressed. Nothing was presented so he introduced Karen Parsley, Rita Wilkins and Dell Adams of the Nominating Committee.

Dell Adams presented the Board member up for re-election, James Parsley, and the newest Board member up for election, Ben Bruce. She then opened the floor up for nominations. There being no further nominations, the incumbents won by acclimation.

With all the business completed, James Parsley asked for a motion to adjourn the business meeting. The motion was made by Diane Etue, second by Marlene Lacy and the business meeting closed.

STATEMENT OF FINANCIAL CONDITION

	2024	2023
ASSETS		
Catalyst Corporate FCU	6,416,191	3,773,519
Investments	40,244,988	37,554,887
Total Loans	66,137,238	70,293,499
Allowance for Loan Loss	-334,821	-574,197
Land & Buildings	2,679,329	2,770,821
Furniture & Equipment	785,234	752,837
ASI Share Insurance	1,344,101	1,310,028
Other Assets	1,142,036	713,182
TOTAL ASSETS	**118,414,297**	**116,594,574**
LIABILITIES & EQUITY		
Accounts Payable	1,059,138	884,468
Total Shares	104,229,764	103,333,653
Undivided Earnings	13,125,395	12,376,453
Regular Reserves	.00	.00
TOTAL LIABILITIES & EQUITY	**118,414,297**	**116,594,574**
INCOME		
Interest on Loans	3,913,501	3,468,408
Income from Investments	1,161,202	448,996
Other Operating Income	2,168,704	2,169,201
Total Interest Income	**7,243,406**	**6,086,604**
EXPENSE		
Employee Compensation	2,227,189	2,008,076
Travel & Conference	43,081	29,447
Office Occupancy	312,538	295,035
Office Operations	1,617,085	1,402,960
Education & Promotion	165,012	228,540
Loan Servicing	271,349	231,904
Professional & Outside Services	188,538	223,892
Provision for Loan Losses	211,969	393,277
Interest on Borrowed Money	0	35,499
Operating Fees	18,750	43,785
Misc. Operating Expense	246,292	182,888
Total Operating Expense	**5,301,804**	**5,075,303**
Gain/Loss	195,843	33,177
Dividend & Interest Expense	**996,816**	**696,019**
Net Income	**748,942**	**282,106**

EASTEX CREDIT UNION

866.445.9622 | 409.276.2525

www.eastexcu.org

Silsbee Evadale Buna Kirbyville Kountze Spurger

YOUR SAVINGS INSURED TO $250,000 PER ACCOUNT
AMERICAN SHARE INSURANCE
By members' choice, this institution is not federally insured. Members' accounts are not insured or guaranteed by any government or government-sponsored agency.