

Texas State-Chartered Credit Union System Profile

Financial Data as of December 31, 2020

**Credit Union Department, State of Texas
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FOREWORD

The Credit Union Department is responsible for promoting the safety and soundness of state-chartered credit unions in Texas. The Department assesses the condition of these institutions so the public can have confidence in the credit union system, and so that the interests of depositors, creditors, and credit union members are protected. The Department is responsible for enforcement of the Texas Credit Union Act. The Department provides high-quality supervision of state-chartered credit unions directed at identifying material or emerging problems in individual institutions or the credit union industry and ensuring that such problems are appropriately corrected. The Department monitors and evaluates the financial health of state-chartered credit unions, along with the various risks facing these institutions, through its risk-focused on-site examination process and an off-site monitoring program. The Department also reviews complaints against state-chartered credit union that are filed with the Department.

The Department works closely with federal and other state regulators to provide regulated credit unions seamless supervision, minimal disruption and costs, and effective use of resources. The Department conducts joint examination programs with both the National Credit Union Administration (NCUA) and the American Mutual Share Insurance Corporation (ASI). These joint examinations with the share insuring organizations result in more efficient and less burdensome examinations for Texas state-chartered credit unions.

MISSION STATEMENT

The mission of the Credit Union Department is to safeguard the public interest, protect the interests of credit union members and promote public confidence in credit unions.

Statistics at a Glance*

Total Number of Credit Unions		176
Number of Federally-Insured Credit Unions		171
Number of Non Federally-Insured Credit Unions		5
Total Number of Credit Union Members	\$	4,039,509
Total Assets	\$	50,700,464,857
Total Loans	\$	34,572,480,718
Total Shares & Deposits	\$	44,134,199,701
Net Income	\$	332,701,916
Percent Credit Unions Profitable	%	86.3
Net Worth/Total Asset	%	10.38
Delinquent Loans/Total Loans	%	0.75
Allowance for Loan Losses/Delinquent Loans	%	120.6
Allowance for Loan Losses/Total Loans	%	0.90
Net Charge-Offs/Average Loans	%	0.57
Return on Average Assets	%	0.70
Operating Expenses (-PPL)/Average Assets	%	3.59
Provision for Loan Losses/Average Assets	%	0.53
Total Loans/Total Assets	%	68.2
Total Investments/Total Assets	%	13.6
Fixed Assets/Total Assets	%	2.59
Total Borrowings/Total Savings & NW	%	1.70

*Based on the NCUA's consolidated financial performance report obtained February 21, 2021.

HIGHLIGHTS

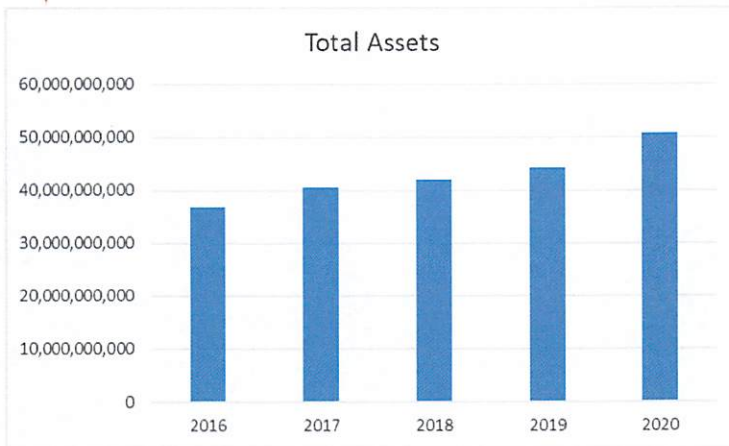
- ◆ **Assets** of state credit unions increased by **\$6.49 billion** or **14.7%** during 2020.
- ◆ **Net Worth** increased by **\$365.2 million** or **7.2%** during 2020.
- ◆ **Loans** increased **\$1.69 billion** or **5.14%** during 2020.
- ◆ **Market Share (Savings & Deposits)** increased **\$6.24 billion** or **16.5%** during 2020.
- ◆ **Investments** increased **\$1.56 billion** or **29.3%** during 2020.
- ◆ **Loan Delinquency** increased only slightly in 2020 to **0.75%**.

Assets

Texas state-chartered credit unions finished calendar year 2020 with total assets of **\$50.7** billion, an increase of **\$6.49** billion from 2019. This represents a **14.68%** annual growth rate.

Loans

Texas state-chartered credit unions increased total loans by **\$1.69** billion in calendar

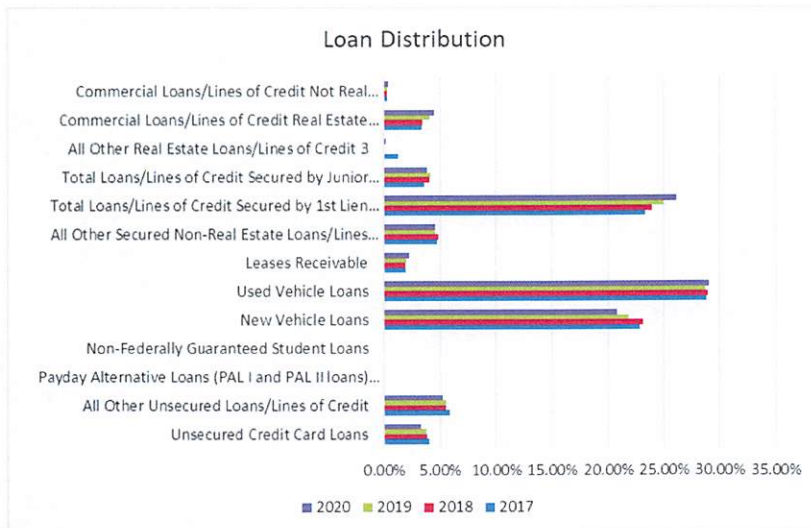


year 2020, providing for an annual growth rate of **5.14%**. This level of growth is slightly lower than the national loan growth rate of **6.18%**, for all federally insured credit unions. The low interest rate environment combined with an increasingly competitive loan market, while beneficial for consumers, has kept loan yields relatively low. This is evidenced by

the yield on average loans of **4.95%** reported by Texas state-chartered credit unions as of December 31, 2020, marking a **7** basis point decrease over the prior year.

The composition of the **\$34.6** billion Texas state-chartered credit union loan portfolio is as follows:

35% in real estate-secured loans, **29%** in used vehicle loans, **21%** in new vehicle loans, **8%** in unsecured credit card loans and other types of unsecured credit, and **7%** in all

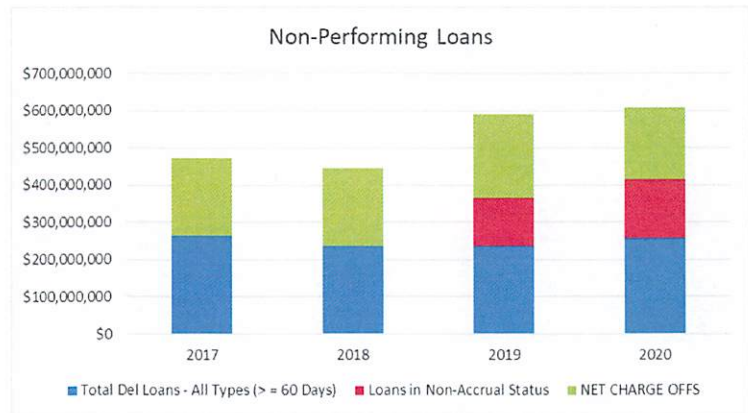


other loans. Loan growth was relatively flat with the moderate growth in the residential real estate lines of credit and used auto loans. Credit unions increased their reliance on indirect lending relationships to generate new loans. Total outstanding indirect loans increased **\$560** million to **\$10.66 billion** during 2020, compared to **\$22.5**

million growth in 2019. For 2020, indirect loans represent **30.83%** of total loans at Texas state-chartered credit unions.

Delinquency and Charge-Offs

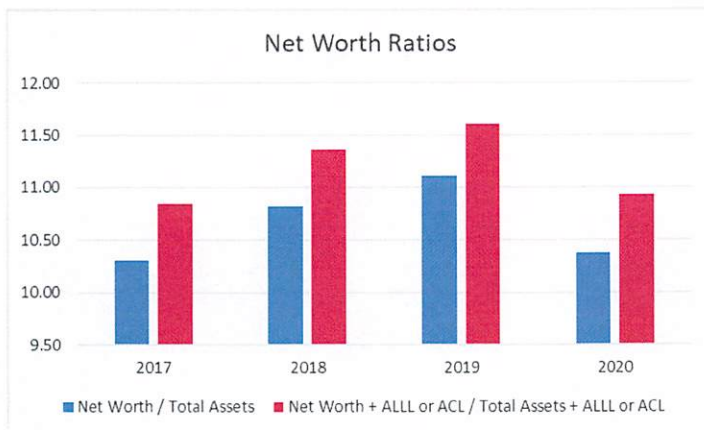
As a percentage of total loans, reportable loan delinquency increased slightly to **0.75%** as of December 31, 2020, marking a **4-** basis point year-over-year increase. The Net Charge-Offs to Average Loans ratio declined 12 basis points to **0.57%** as of December 31, 2020.



The number of credit union members filing for bankruptcy decreased from **4,375** to **3,256**, or **25.6%**. The amount of outstanding loan balances for these members decreased considerably from **\$72.5** million to **\$53.3** million, or negative **26.5%**.

Net Worth

The Net Worth to Total Assets Ratio (Net Worth ratio) declined from **11.11%** to **10.38%** in 2019. Although total net worth in dollars increased by **\$352.3** million, or **7.2%**, to **\$5.26** billion, the decline in the net worth ratio was driven by rapid asset growth outpacing the moderate increase in net worth. The net worth ratio for Texas state-chartered credit unions is consistent with the Texas federal credit unions Net Worth Ratio average of **10.28%** as of December 31, 2020.

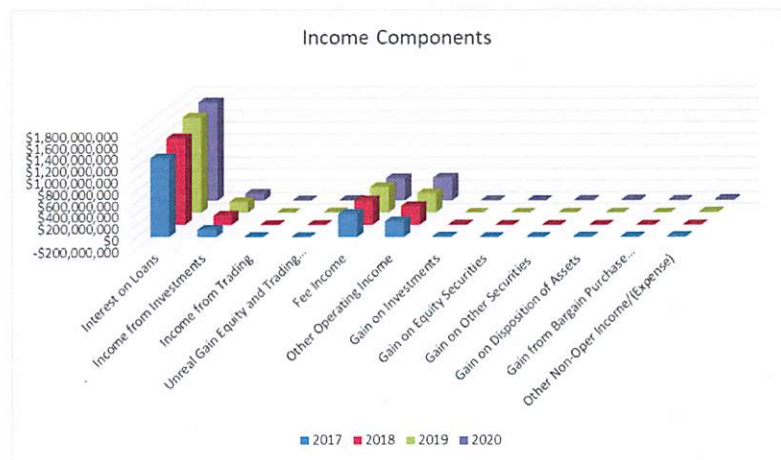


Operating Results

Texas state-chartered credit unions reported **\$332.7** million in net income for 2020, a decline of **\$45.7** million, or **12.1%**, from 2019 earnings of **\$378.4** million. The **0.70%** Return on Average Assets ratio (ROAA) for Texas state-chartered credit unions compares similarly to the ROAA of **0.68%** reported by all federally insured credit unions

nationwide for 2020. Overall, investment yields were significantly lower during 2020, placing a strain on credit union's Net Margin/Average Assets ratios and their levels of capital accretion. The yield on average investments declined by 119 basis points, or 50.9% to 1.15%.

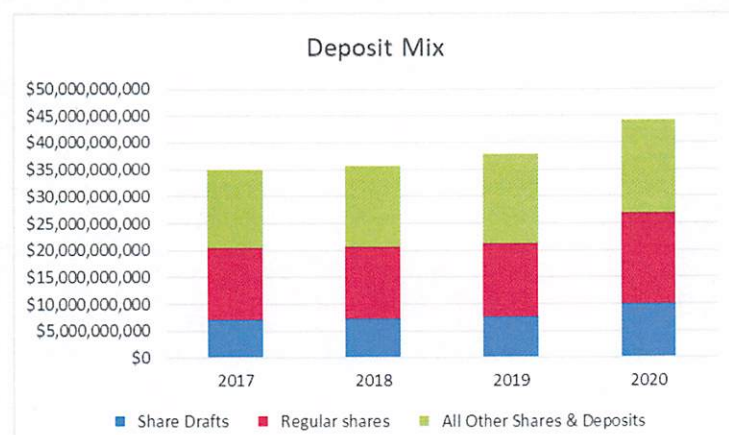
Loan interest income for 2020 of \$1.67 billion continued to constitute the largest portion of Texas state-chartered credit unions' income. Investment income decreased by \$66.6 million, or 36.3%, although total investments increased \$156.3 million to 6.88 billion, or 29.3%. The significant decline in investment revenue was driven



by a significant lowering of rates at the state and national levels, due to the COVID-19 pandemic. Total interest expense, including dividend expense, interest paid on deposits and interest paid on borrowed money, declined by \$21.4 million, or 6.3% in 2020.

Deposits

In 2020, total shares and deposits increased by 16.5% to \$44.1 billion. The rapid deposit



growth was driven by an influx of stimulus funds and other deposits due to members flight to safety. Total share drafts increased by 30.7% to \$10.1 billion, and total regular shares increased by 22.6% to \$16.7 billion. Regular shares represent 37.8% of total shares, an increase from the 34.5% level noted as of year-end 2019. Money market

shares increased by 12.7% to \$5.9 billion while IRA/KEOGH account balances remained relatively unchanged at \$2.2 billion as of December 31, 2020.

Liquidity

Cash and cash equivalents increase by \$3.06 billion, or 82.8%, and totaled \$6.8 billion as of December 31, 2020. Total short-term investments increased by \$3.2 billion, or 67.4%, from 2020. The Cash and Short-Term Investments to Total Assets Ratio (Liquidity Ratio) of 16.87% represents a considerable increase from the 11.62% ratio noted as of year-end 2019. Loans comprise 78.3% of total shares and 68.2% of total assets. Total borrowing capacity (credit lines) increased by \$199 million, or 2.2%, to \$9.3 billion as of December 31, 2020. Outstanding draws against borrowing lines of credit decreased by \$77.6 million, or a 15.4% decline, from year-end 2019 to year-end 2020.

Number of Credit Unions

Between 2019 and 2020, there was a decline of three Texas state-chartered credit unions from 179 to 176. During the year three institutions merged with other credit unions. There are 58 state-chartered credit unions with assets less \$20 million, representing 33.0% of total number of credit unions or 1.03% of assets under supervision.

Members

Texas state-chartered credit unions have a total membership of 4,039,509 members as of year-end 2020. Total membership increased by 69,591 in the last twelve months, representing a 1.8% annual growth rate.

Number of Offices

Texas state-chartered credit unions have established and are maintaining 731 offices. In those offices, they employ 10,335 full-time and 687 part-time staff members.

Out-of-State Credit Unions Operating in Texas

Credit Union	Home Office	Texas Offices
TruWest Credit Union	Arizona	Austin (5), Round Rock
Premier America Credit Union	California	Houston (2)
ECU	Florida	Conroe
Delta Community Credit Union	Georgia	Southlake
Baxter Credit Union	Illinois	San Antonio
Corporate America Family Credit Union	Illinois	Irving
Assemblies of God Credit Union	Missouri	Waxahachie
Together Credit Union	Missouri	Houston (1), Dallas (1)
Eastman Credit Union	Tennessee	Hallsville (1), Longview (3)

COMPARISON OF TEXAS CHARTERED CREDIT UNIONS AND BANKS

As of 12/31/20	State Credit Unions	State Banks
No. of Institutions	176	217
Net Worth Ratio	11.38%	9.77%
Total Assets	\$50.7 Billion	\$345.3 Billion
Asset Growth	14.7%	21.02%
Avg. Asset Size	\$288.1 Million	\$338.3 Billion
Institutions with <\$5 Mil. in Assets	22	0
Net Income	\$332.7 Million	\$4 Billion

**COMPARISON OF STATE CHARTERED
CREDIT UNIONS AND FEDERAL CREDIT UNIONS
OPERATING IN TEXAS**

As of 12/31/20	State Credit Unions	Federal Credit Unions
No. of Institutions	176	259
Net Worth Ratio	10.38%	10.28%
Total Assets	\$50.7 Billion	\$76.5 Billion
Asset Growth	14.7%	16.2%
Avg. Asset Size	\$288.1 Million	\$295.4 Million
Institutions with <\$5 Mil. in Assets	22	36
Net Income	\$332.7 Million	\$485.0 Million

CREDIT UNION RANKING BY SIZE

2020	Credit Union	Headquarters	Assets
1	Texas Dow Employees Credit Union	Lake Jackson	\$4,099,620,519
2	Navy Army Community Credit Union	Corpus Christi	\$3,664,310,843
3	GECU	El Paso	\$3,541,622,858
4	EECU	Fort Worth	\$2,898,163,080
5	Texans Credit Union	Richardson	\$1,881,983,731
6	First Community Credit Union	Houston	\$1,792,099,234
7	Texas Trust Credit Union	Mansfield	\$1,562,719,133
8	Credit Union of Texas	Allen	\$1,555,586,796
9	DATCU	Denton	\$1,264,494,507
10	United Heritage Credit Union	Austin	\$1,228,006,484
11	Firstmark Credit Union	San Antonio	\$1,145,833,075
12	Fort Worth Community Credit Union	Bedford	\$1,110,312,718
13	Amplify Credit Union	Austin	\$1,100,808,709
14	Velocity Credit Union	Austin	\$968,746,311
15	Schlumberger Employees Credit Union	Sugar Land	\$943,436,794
16	Neighborhood Credit Union	Dallas	\$943,015,270
17	InTouch Credit Union	Plano	\$920,945,761
18	Brazos Valley Schools Credit Union	Katy	\$893,464,667
19	East Texas Professional Credit Union	Longview	\$825,490,901
20	First Service Credit Union	Houston	\$788,164,452
21	Smart Financial Credit Union	Houston	\$785,597,766
22	FivePoint Credit Union	Nederland	\$778,190,145
23	Members Choice Credit Union	Houston	\$667,981,139
24	Community Resource Credit Union	Baytown	\$643,446,616
25	Resource One Credit Union	Dallas	\$642,203,703
26	City Credit Union	Dallas	\$548,487,702
27	Texas Bay Credit Union	Houston	\$537,724,125
28	Associated Credit Union of Texas	League City	\$488,844,120
29	Union Square Credit Union	Wichita Falls	\$478,452,677
30	Texell Credit Union	Temple	\$471,610,622
31	Educators Credit Union	Waco	\$466,926,206
32	My Community Credit Union	Midland	\$439,079,730
33	CoastLife Credit Union	Corpus Christi	\$408,757,870
34	Public Employees Credit Union	Austin	\$398,847,948
35	America's Credit Union	Garland	\$389,020,386
36	MCT Credit Union	Port Neches	\$357,012,507
37	ALLIANCE Credit Union	Lubbock	\$336,033,297
38	Education Credit Union	Amarillo	\$330,438,724
39	Gulf Credit Union	Groves	\$315,708,715
40	First Basin Credit Union	Odessa	\$293,506,530
41	United Texas Credit Union	San Antonio	\$292,005,173

CREDIT UNION RANKING BY SIZE

2020	Credit Union	Headquarters	Assets
42	Unity One Credit Union	Fort Worth	\$281,299,639
43	InvesTex Credit Union	Humble	\$250,153,396
44	Fort Worth City Credit Union	Fort Worth	\$249,852,818
45	Mobility Credit Union	Irving	\$246,615,966
46	Energy Capital Credit Union	Houston	\$234,484,995
47	MemberSource Credit Union	Houston	\$215,679,453
48	Texoma Community Credit Union	Wichita Falls	\$209,734,146
49	North East Texas Credit Union	Lone Star	\$193,125,845
50	Southwest Heritage Credit Union	Odessa	\$186,153,186
51	Capitol Credit Union	Austin	\$176,043,251
52	Members First Credit Union	Corpus Christi	\$151,740,735
53	LibertyOne Credit Union	Arlington	\$148,595,553
54	Access Community Credit Union	Amarillo	\$145,661,162
55	Lone Star Credit Union	Dallas	\$140,002,674
56	MTCU	Midland	\$135,379,260
57	Rio Grande Valley Credit Union	Harlingen	\$132,629,206
58	WesTex Community Credit Union	Kermit	\$129,110,407
59	Cooperative Teachers Credit Union	Tyler	\$124,777,220
60	Plus4 Credit Union	Houston	\$124,486,750
61	First Central Credit Union	Waco	\$122,786,509
62	Community Service Credit Union	Huntsville	\$122,293,376
63	Prestige Community Credit Union	Dallas	\$118,890,780
64	United Community Credit Union	Houston	\$113,927,735
65	Texas Health Credit Union	Austin	\$112,203,599
66	Space City Credit Union	Houston	\$106,445,206
67	Tarrant County's Credit Union	Fort Worth	\$106,334,120
68	Edinburg Teachers Credit Union	Edinburg	\$106,218,446
69	Eastex Credit Union	Evadale	\$103,202,188
70	Southwest 66 Credit Union	Odessa	\$95,778,031
71	Members Credit Union	Cleburne	\$93,194,449
72	Memorial Credit Union	Houston	\$90,941,318
73	Centex Citizens Credit Union	Mexia	\$89,556,719
74	Texas DPS Credit Union	Austin	\$87,761,626
75	U.S. Employees Credit Union	Tomball	\$86,562,910
76	Baylor Health Care System Credit Union	Dallas	\$85,866,851
77	RelyOn Credit Union	Dallas	\$82,959,253
78	Metro Medical Credit Union	Dallas	\$82,053,697
79	Telco Plus Credit Union	Longview	\$73,554,559
80	PosTel Family Credit Union	Wichita Falls	\$71,523,656
81	Service 1st Credit Union	Greenville	\$70,510,622
82	Texas Bridge Credit Union	Corpus Christi	\$70,130,415

CREDIT UNION RANKING BY SIZE

2020	Credit Union	Headquarters	Assets
83	Scott and White Employees Credit Union	Temple	\$61,431,787
84	West Texas Credit Union	Odessa	\$61,272,103
85	First Class American Credit Union	Fort Worth	\$60,967,664
86	Texas Telcom Credit Union	Dallas	\$60,073,778
87	Doches Credit Union	Nacogdoches	\$59,167,077
88	My Credit Union	Haslet	\$56,322,144
89	Houston Highway Credit Union	Houston	\$53,352,649
90	Star of Texas Credit Union	Austin	\$51,864,243
91	Lubrizol Employees' Credit Union	Deer Park	\$51,277,354
92	STAR Financial Credit Union	Corpus Christi	\$50,878,851
93	Caprock Santa Fe Credit Union	Slaton	\$49,525,120
94	SPCO Credit Union	Houston	\$45,621,399
95	Freestone Credit Union	Teague	\$45,085,110
96	Trans Texas Southwest Credit Union	San Angelo	\$44,281,546
97	Baptist Credit Union	San Antonio	\$44,173,750
98	Mesquite Credit Union	Mesquite	\$38,848,269
99	Keystone Credit Union	Tyler	\$38,809,355
100	Travis County Credit Union	Austin	\$38,504,653
101	Cabot & NOI Employees Credit Union	Pampa	\$36,606,937
102	Angelina Federal Employees Credit Union	Lufkin	\$35,629,096
103	Beaumont Community Credit Union	Beaumont	\$34,249,766
104	Trinity Valley Teachers Credit Union	Palestine	\$31,944,847
105	Matagorda County Credit Union	Bay City	\$30,957,140
106	Shared Resources Credit Union	Pasadena	\$30,636,577
107	Brazos Star Credit Union	College Station	\$30,204,972
108	United Energy Credit Union	Humble	\$29,548,908
109	Hockley County School Employees Credit Union	Levelland	\$28,938,104
110	CTECU	Houston	\$27,020,250
111	United Credit Union	Tyler	\$26,954,796
112	Brazos Community Credit Union	Alvin	\$24,938,798
113	Dallas U.P. Employees Credit Union	Dallas	\$23,931,086
114	Tyler City Employees Credit Union	Tyler	\$23,090,325
115	LCRA Credit Union	Austin	\$22,894,832
116	Concho Valley Credit Union	San Angelo	\$22,745,165
117	Temple Santa Fe Community Credit Union	Temple	\$20,479,413
118	Grand Prairie Credit Union	Grand Prairie	\$20,234,250
119	Southern Star Credit Union	Houston	\$19,713,920
120	Ward County Credit Union	Monahans	\$19,395,278
121	Midland Municipal Employees Credit Union	Midland	\$19,391,663
122	Odessa Employees Credit Union	Odessa	\$19,193,234
123	First Priority Credit Union	Abilene	\$18,660,365

CREDIT UNION RANKING BY SIZE

2020	Credit Union	Headquarters	Assets
124	Amarillo Postal Employees Credit Union	Amarillo	\$18,637,915
125	Corner Stone Credit Union	Lancaster	\$18,589,431
126	Germania Credit Union	Brenham	\$17,910,237
127	A New Direction Credit Union	Dallas	\$17,807,605
128	Reed Credit Union	Houston	\$17,060,379
129	TxDOT Credit Union	Abilene	\$16,304,606
130	Corpus Christi Postal Employees Credit Union	Corpus Christi	\$16,208,488
131	Linkage Credit Union	Waco	\$16,178,300
132	Alpine Community Credit Union	Alpine	\$16,030,172
133	Central Texas Teachers Credit Union	Corsicana	\$13,790,423
134	Angelina County Teachers Credit Union	Lufkin	\$13,789,890
135	Cen-Tex Manufacturing Credit Union	Brownwood	\$12,905,715
136	1st University Credit Union	Waco	\$12,885,038
137	Tex Mex Credit Union	Laredo	\$12,514,369
138	Reeves County Teachers Credit Union	Pecos	\$11,667,074
139	Alamo City Credit Union	San Antonio	\$11,210,018
140	PIE Credit Union	Houston	\$10,784,711
141	Sweetex Credit Union	Longview	\$10,444,132
142	Wharton County Teachers Credit Union	Wharton	\$9,974,308
143	Highway District 19 Employees Credit Union	Atlanta	\$9,514,888
144	VATAT Credit Union	Austin	\$8,980,734
145	Port of Houston Credit Union	Houston	\$8,307,318
146	Galveston Government Employees Credit Union	Dickinson	\$7,676,334
147	Coburn Credit Union	Beaumont	\$7,347,722
148	United Savers Trust Credit Union	Houston	\$6,852,628
149	The Electric Utilities Credit Union	Big Spring	\$6,242,847
150	Skel-Tex Credit Union	Skellytown	\$6,117,752
151	ACU Credit Union	Abilene	\$5,974,420
152	Midwestern State University Credit Union	Wichita Falls	\$5,687,880
153	Highway District 2 Credit Union	Fort Worth	\$5,558,629
154	NCE Credit Union	Corpus Christi	\$5,425,068
155	Pollock Employees Credit Union	Dallas	\$4,963,286
156	Highway District 9 Credit Union	Waco	\$4,829,701
157	Everman Parkway Credit Union	Fort Worth	\$4,759,443
158	Del Rio S.P. Credit Union	Del Rio	\$4,374,627
159	Oak Farms Employees Credit Union	Houston	\$4,048,242
160	Union Pacific Employees Credit Union	Beaumont	\$4,044,088
161	InterCorp Credit Union	Amarillo	\$4,037,521
162	Light Commerce Credit Union	Houston	\$3,872,608
163	Federal Employees Credit Union	Texarkana	\$3,721,660
164	Pampa Municipal Credit Union	Pampa	\$3,676,747

CREDIT UNION RANKING BY SIZE

2020	Credit Union	Headquarters	Assets
165	THD District 17 Credit Union	Bryan	\$3,535,020
166	Priority Postal Credit Union	Pasadena	\$3,367,181
167	Navarro Credit Union	Corsicana	\$3,203,063
168	Corpus Christi SP Credit Union	Corpus Christi	\$2,956,708
169	Lehrer Interests Credit Union	Garwood	\$2,318,507
170	American Baptist Association Credit Union	Alvin	\$2,156,188
171	Highway Employees Credit Union	Tyler	\$1,709,677
172	Jafari No-Interest Credit Union	Houston	\$1,670,247
173	Witco Houston Employees Credit Union	Rosenberg	\$1,010,823
174	T & FS Employees Credit Union	Port Arthur	\$766,914
175	IBEW Local #681 Credit Union	Wichita Falls	\$721,693
176	Paris District Credit Union	Paris	\$603,209
			<hr/>
			\$50,700,466,029

**Based on the NCUA's consolidated financial performance report obtained February 21, 2021.*

Comparison of State Credit Union Assessment with NCUA

Asset Level	CUD Assessment	NCUA Operating Fee*	Difference	Percent of NCUA Fee
\$1 Million	\$1,500	\$0	<\$1,500>	<1,500%>
\$10 Million	\$4,560	\$2,725	<\$1,835>	<167.33%>
\$25 Million	\$6,660	\$6,811	<\$151>	<97.8%>
\$50 Million	\$10,910	\$13,623	\$2,713	80.09%
\$100 Million	\$20,410	\$27,245	\$6,835	74.91%
\$250 Million	\$32,410	\$68,113	\$35,703	47.58%
\$500 Million	\$52,410	\$136,225	\$83,815	38.47%
\$1 Billion	\$88,410	\$272,450	\$184,040	32.45%
\$1.5 Billion	\$122,910	\$408,675	\$285,765	30.08%
\$2 Billion	\$157,410	\$467,528	\$310,118	33.67%
\$2.5 Billion	\$188,410	\$507,233	\$318,823	37.14%
\$3 Billion	\$219,410	\$546,938	\$327,528	40.12%
\$3.5 Billion	\$250,410	\$572,892	\$322,482	43.71%
\$4.0 Billion	\$281,410	\$586,152	\$304,742	48.01%

Information effective January 2020. *Not included in the above calculation is NCUA's Overhead Transfer from NCUSIF, which in FY 2020 equates to 61.3%.