



ANNUAL REPORT

2019

Mobiloil
CREDIT UNION

CRYSTAL

PERFORMANCE AWARD

The Crystal Performance Award was designed to recognize credit unions for achieving a top ten ranking based on the Raddon Performance Index™, a balanced scorecard measurement of growth, income, efficiency and margin management. Each year, more than 500 credit unions were evaluated for the Crystal Performance Award through Raddon's Performance Analytics program.

Each of the winners ranked among the top two or three percent of all credit unions analyzed by Raddon for two consecutive reporting periods. Eligibility for the Crystal Performance Award is determined by a credit union's participation in the Performance Analytics program for an in-depth analysis of the credit union's financials, sales, products and member household relationships. Beginning in 2009, Raddon recognized the top credit unions in two asset classes based on their performance: credit unions above \$500 million and below \$500 million in assets. The Crystal Performance Award is presented annually at Raddon's CEO Forum. We are proud to receive this honor once again.





AGENDA

CALL TO ORDER
RICHARD HEGELE

1

INVOCATION
SCOTT MCCAULEY

2

ASCERTAINMENT OF A QUORUM
PAUL WHEELINGTON

3

PRESENTATION OF REPORTS
RICHARD HEGELE

4

MINUTES OF 84TH ANNUAL MEETING

The 84th Annual Membership Meeting was held at Mobiloil Federal Credit Union, 3535 Calder Avenue, Beaumont, Texas 77706 on Thursday, March 21, 2019 at 6:30 p.m.

Chairman, Richard Hegele, called the meeting to order at 6:30 p.m. He welcomed everyone to the 84th Annual Membership Meeting and stated that he would present financial reports, and election results. He added that like last year, tonight's meeting would follow the suggestions of the League and CUNA, covering the minimum requirements for the annual membership meeting as prescribed by the by-laws. The Membership Meeting will begin with a prayer.

Floyd Price, a Credit Union volunteer gave the invocation. The Chairman thanked Mr. Price.

Chairman Hegele asked Mr. Wheelington to affirm the presence of a quorum. Chairman Hegele thanked Mr. Wheelington. Having so affirmed, the minutes of the 83rd Annual Meeting were presented for approval. A motion to approve the minutes was made by Alea Greer and seconded by Anna Varela. The membership unanimously approved the minutes as presented in the members' programs.

Chairman Hegele announced that there were four (4) Board positions requiring re-election by the membership. As prescribed by our Credit Union by-laws, the Board Nominating Committee made one nomination per Board position. Notices were mailed to all members announcing the election and the annual meeting time and place. There were no nominations made by membership petition, therefore, by acclamation, the nominees stand re-elected to the Board for another three (3) year term.

The four Board members should be familiar faces to all of the members. These four Directors have over 70 years of volunteer service on the Board and to the members. Thank you for your dedication and continued commitment to the Mobiloil Credit Union. Special thanks to Scott McCauley for leading the Nominating Committee this year and for assuring that all the mail outs and required paper work was handled correctly. All the Directors and volunteers were asked to stand while everyone showed their appreciation with a thank you.

The Chairman shared with the members that for their review, the required financial reports were in the program. There were no questions about any of the reports.

It was announced that the business portion of the program was concluded. John Doucet, our new CEO was introduced. He became the CEO in July and he is the Credit Union's 6th CEO. The Chairman asked for a motion to adjourn. John Doucet made the motion and Theresa Hegele seconded the motion. The motion to adjourn carried. The meeting adjourned at 6:35 p.m. Chairman Hegele thanked everyone for coming and indicated he hoped to see all of them next year.

PRESIDENT'S MESSAGE

2019 was another exciting year of growth and innovation at Mobiloil Credit Union. We ended the year with a total of \$661 million loaned to members and attained a record-high of \$863 million in assets. We are in a strong position financially as we move forward in the coming year. As the largest credit union in Southeast Texas, our primary mission is to focus on enhancing the lives of our members, staff, and community while meeting your financial needs at every stage of life. After all, this is why we exist.

Our steadfast commitment to providing the highest standard of service while going above and beyond to provide a memorable experience is the purpose that guided our 2019 initiatives. We successfully implemented updates to a number of software platforms, improved upon our online and mobile channels by adding new features, and conducted a record number of free financial education seminars both to our membership and the public.

In a continued effort to streamline wait times and offer new banking solutions to our members, we successfully implemented Smart Solutions in select locations. Members now enter our lobbies and are greeted by a friendly Guide, who navigates our members through the entire experience. We have a total of 26 Smart Offices spread out across 8 branch locations. The implementation of this new model has reduced the wait time for our members to be seen by a representative to an average of 5.8 minutes. This is a dramatic decrease in wait times prior to transitioning to Smart Offices.

Looking ahead in 2020, we plan to transition additional branches to Smart Offices, add additional Smart Solutions Representatives, and add the convenience of being able to speak with an SSR from the comfort of your home by launching our mobile version. We also plan to increase our geographical footprint by adding a branch in Woodville, Texas. We broke ground in Dayton in 2019 and are set to open the doors on this new location in the spring of 2020. We successfully re-opened our original Mid County location which sustained extensive damage from Hurricane Harvey. It has a completely new contemporary look and feel, that we will continue to introduce in new branch layouts in the future. It is the credit union's vision to be the preferred financial partner by providing exceptional service and innovative solutions. We carry that out daily through our core value of people helping people – whether helping the first-time car buyer, assisting families in purchasing their first home or fulfilling the dreams of businesses.

I would be remiss if I didn't take this opportunity to share what an absolute honor it is to have been chosen to serve as President and CEO of Mobiloil Credit Union. I would like to thank the Board of Directors for their confidence in me, as well as our dedicated staff. Our staff's commitment is unparalleled to any other institution in our area.

Thank you again for allowing me the privilege to serve the members of Mobiloil Credit Union. On behalf of the Board of Directors, Management and our more than 220 employees, please accept our sincere appreciation for your membership and the trust you place in us.

John Doucet
President/CEO

ANNUAL REPORT 2019

BOARD OF DIRECTORS



Richard Hegele
Chairman



Gary Waldrop
Director/1st
Vice Chair



Tony Lucenti
Director/2nd
Vice Chair



Paul Wheelington
Director/Secretary &
Treasurer



Richard D. Newton
Director/Supervisory
Committee Chair



Scott McCauley
Director



**Raul "Lito"
Morales**
Director



Floyd Price
Director



Ronnie Sciarrilla
Director

Associate Board Members



David L. Bost



Brenda Maldonado

SENIOR MANAGEMENT TEAM



JOHN DOUCET
President/CEO



CLINT WALTERS
Senior Vice President/COO



LISA MILLER
SVP of Branches



JONATHAN HASKETT
VP of Accounting & Finance



KEISHA SMITH
VP of Human Resources,
Training & Development



LADEDRA JONES
VP of Virtual Services



JUSTIN SHEFFIELD
VP of Lending



BAMBI MCGINN
VP of Information Systems
& Technology



T. PHILLIP BRENT
VP/Legal Counsel

SUPERVISORY COMMITTEE REPORT

Efficient and effective internal controls, as well as compliance with regulations, policies, and procedures, are paramount in the Supervisory Committee's responsibilities in ensuring the overall soundness of Mobiloil Federal Credit Union. This is accomplished through regular external examinations and internal reviews. The annual financial audit was performed by Wathen, DeShong, and Juncker, a local CPA firm, and covered the twelve (12) months ending June 30, 2019. The audit was performed in accordance with generally accepted audit standards and included evaluation of the credit union's financial statements.

The auditors considered the financial statements acceptable, thus rendering an unqualified or "clean" audit opinion, which is optimal. The last regular NCUA Federal Examination was performed as of June 30, 2019. This examination indicated sound financial condition and management. The next NCUA Federal Examination is anticipated to be in the second half of 2021.

As your representative of Mobiloil Federal Credit Union, I attest that the Supervisory Committee will continue to monitor credit union operations while striving to make the credit union the very best financial institution in Southeast Texas.

Richard D. Newton

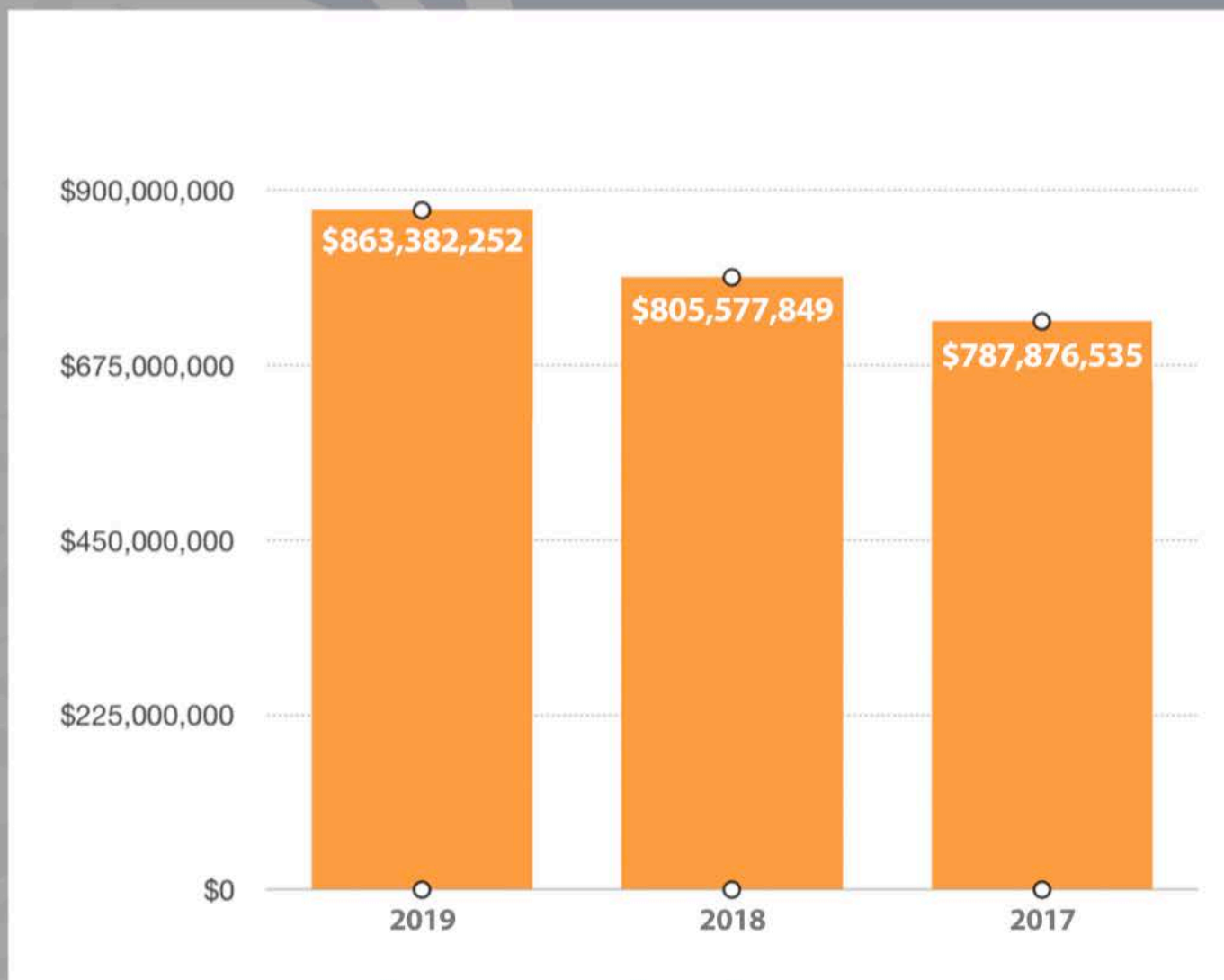
investing in **you.**

ANNUAL REPORT 2019

ANNUAL FINANCIAL REPORT 2019

	Dec 2019	Dec 2018	Dec 2017
Assets			
Loans	\$661,691,523	\$656,060,927	\$600,552,449
Allowance for Loan Loss	(\$5,948,294)	(\$6,243,916)	(\$5,803,320)
Accounts Receivable	\$119,015	\$217,488	\$159,004
Cash	\$135,461,941	\$79,430,413	\$126,499,454
Investments	\$21,858,463	\$28,100,204	\$23,265,383
Other Assets	\$26,403,885	\$29,568,644	\$43,203,565
Total Assets	\$863,382,252	\$805,577,849	\$787,876,535
Liabilities and Equity			
Other Liabilities	\$109,709,564	\$114,870,118	\$80,099,748
Shares and Deposits	\$644,764,964	\$591,910,928	\$620,552,372
Regular Reserves	\$3,043,080	\$3,043,080	\$3,043,080
Undivided Earnings	\$105,864,644	\$95,753,724	\$84,181,335
Total Liabilities and Equities	\$863,382,252	\$805,577,850	\$787,876,535
Income			
Interest on Loans	\$31,482,473	\$29,775,779	\$27,993,615
Interest on Investments	\$2,592,593	\$1,814,126	\$914,793
Other Income	\$13,762,169	\$13,404,952	\$11,299,908
Total Income	\$47,837,236	\$44,994,857	\$40,208,317
Expenses			
Salaries and Benefits	\$15,429,035	\$13,661,977	\$12,881,406
Provision for Loan Loss	\$3,126,388	\$3,563,785	\$4,244,331
Operating Expenses	\$15,424,111	\$13,200,282	\$11,240,809
Total Expenses	\$33,979,534	\$30,426,044	\$28,366,546
Non-Operating Inc (Exp)	\$380,473	\$290,049	\$193,237
Net Earning Distribution			
Undividend Earnings	\$10,110,920	\$11,572,389	\$8,739,786
Dividends	\$4,673,183	\$3,523,761	\$3,295,222
Total Net Earning Distribution	\$14,784,103	\$15,096,150	\$12,035,008
Total Mobiloil FCU Members	60,214	56,518	51,886

2019 ASSET GROWTH



LENDING REPORT

In 2019 the credit union saw positive results on both loans and financials in a higher interest rate environment. Our commitment to provide outstanding service and high quality products has allowed us to meet our members' needs. Our membership took advantage of local decisions and competitive rates, and this increased our overall loan portfolio from \$656 million at the end of 2018 to \$661 million at year end 2019. We made approximately 16,000 loans totaling \$233 million to our membership. We ended the year with a net loan growth of \$5 million dollars. As you can see, your credit union is doing its part to give members the access to cash they need to take care of life's challenges and opportunities. We remain committed to ensuring that all members receive comprehensive consumer, mortgage, and business loan services with fair and timely review of their loan requests. In 2020, we will continue to meet the financial needs of our members by improving and expanding our lending products. Mobiloil Credit Union will continue its tradition of being a trusted and reliable source of credit for our members.



FINANCIAL EDUCATION

Smart Change is Mobiloil Credit Union's financial wellness program dedicated to providing resources and tools to help our community better understand their personal finances. Smart Change is also available to area businesses and their employees. This is a free service, with no cost to the employer or employee. These benefits include associate engagement opportunities and seminars at your office.

Below is a list of our current suite of seminar topics.

- Credit Score Management
- Build a Basic Budget
- Identity Theft Protection
- Car Buying 101
- Home Buying
- College 101

3896 TOTAL NUMBER OF ATTENDEES
169 TOTAL NUMBER OF SEMINARS



Mobiloil

CREDIT UNION

SCHOLARSHIP RECIPIENTS

Brandon Curl
Carissa Slaughter
Cathryn Weldy
Faith Franklin
Hunter Martindale
Jacob Murphy
Kelsie Droptini
Ryan Rhodes

investing in **education.**

The logo is a large, stylized letter 'M' composed of several overlapping geometric shapes in shades of orange and dark blue. The background features a light gray grid of triangles.

Mobiloil **CREDIT UNION**

www.mobiloilcu.org

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