



ANNUAL REPORT 2021

Mobiloil CREDIT UNION



AGENDA

1

CALL TO ORDER

GARY WALDROP

2

INVOCATION

JOHN DOUCET

3

ASCERTAINMENT OF A QUORUM

PAUL WHEELINGTON

4

PRESENTATION OF REPORTS

GARY WALDROP



BOARD OF DIRECTORS



Gary Waldrop
Chairman



Richard Hegele
Director/1st
Vice Chair



Tony Lucenti
Director/2nd
Vice Chair



Paul Wheelington
Director/Secretary &
Treasurer



Richard D. Newton
Director/Supervisory
Committee Chair



Raul "Lito" Morales
Director



Floyd Price
Director



Ronnie Sciarrilla
Director



Brandon Rascoe
Director



Donald Tipton
Director



Jim Tucker
Director

Associate Board Members



Raymond Nallie



Brice Allen



Cody Burrell

SENIOR MANAGEMENT TEAM



John Doucet
President/CEO



Jonathan Haskett
Chief Financial Officer, CFO



Keisha Smith
Chief Culture Officer, CCO



LaDedra Jones
Chief Technology Officer, CTO



Phillip Brent
VP/Legal Counsel



Shane Perkins
VP of Information Systems
& Technology



Lana Floyd
VP of Lending



Cody Buchholz
VP of Marketing



Jacob Wills
VP of Virtual Services



Brenda Dickerson
VP of Branches

PRESIDENT'S MESSAGE

Member service was our primary driver for 2021 initiatives. Although we were still dealing with COVID-19 and its effects on how we operated, it was to a lesser degree. Our largest initiative around member service was the upgrade of our online banking and mobile app platform. Our new platform was launched in September and brought enhanced cyber security measures, streamlined money management, and a more user-friendly ecosystem. The conversion was not without growing pains. We discovered the new Bill Pay provider software did not provide the user and administrative experience we expected. We have decided to explore other Bill Pay software options that provide our members with the experience they deserve while adding additional benefits and features. Look for this update to come in late 2022.

As the economy recovered from COVID-19, we saw positive spending and saving trends for 2021. Our credit union loan growth exceeded projections, coming in at \$62 million, and our shares also saw significant growth, at \$69 million. These improvements pushed our credit union over the \$1 billion in assets mark. A milestone for any credit union, it affirmed that our members continue to trust us as their preferred financial partner. We do not take this responsibility lightly and will continue to strive to enrich people's lives with each experience.

Wait times for members were and still are a focus of our organization. Unfortunately, compounding environmental and organizational factors has led to less-than-ideal wait times. This is unacceptable to our members and us. We want to provide exceptional service that improves your life, not hinders it. I want to personally apologize for these long wait times and assure you that resolving this issue will continue to be a top priority.

Our future as a financial institution demands accessibility and convenience that meets our members wherever they are and however they want to interact with us. One way we will meet that demand will be through our ITM (Integrated Teller Machine) initiative. Scheduled to begin implementation in December of 2022 at our Calder branch, we will test and fine-tune the experience before rolling out additional machines to our entire service area. This project, once complete, will provide more convenient access to your money, streamline interactions between you and staff, and help our credit union operate more efficiently.

In closing, I want to thank you for the privilege of serving you and for trusting us as your primary financial institution. I know you have many choices, and that isn't lost on me, our senior leadership team, or our Board of Directors. Thank you for being a member.

John Doucet
CEO/President
Mobiloil Credit Union

MINUTES OF 86TH ANNUAL MEETING

The 86th Annual Membership Meeting was held at Mobiloil Federal Credit Union, 3535 Calder Avenue, Beaumont, Texas 77706 on Friday, June 18, 2021 at 5:00 p.m.

Chairman, Richard Hegele, called the meeting to order at 5:00 p.m. He welcomed everyone to the 86th Annual Membership Meeting and stated that he would present financial reports, and election results. Like last year, today'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. However, things are again different due to COVID-19 issues; this meeting will be very short and to the point.

Chairman Hegele asked the Secretary, Mr. Wheelington to affirm the presence of a quorum. Mr. Wheelington answered, "Yes, Mr. Chairman, a quorum is present." Having so affirmed, the minutes of the 85th Annual Meeting were presented for approval. A motion to approve the minutes was made by Tony Lucenti and seconded by Theresa Hegele. The membership unanimously approved the minutes as presented in the members' programs.

Chairman Hegele announced that there were six (6) open 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, three (3) nominees stand re-elected to the Board for another three (3) year term.

Congratulations to: Richard Hegele, Ronnie Sciarra and Gary Waldrop

These should be familiar faces to all of you. These three Directors have over 80 years of volunteer service on the Board and to the members. Thank you for your dedication and continued commitment to Mobiloil Credit Union.

Congratulations to three (3) new Directors: Brandon Rascoe, Donald Tipton and Jim Tucker. Welcome to the MOFCU organization, I hope this new position will be very gratifying to the three of you.

Special thanks to Tony Lucenti for leading the Nominating Committee this year and for assuring that all the paperwork and mailouts were handled correctly. Richard D. Newton and David Bost also served on the Nominating Committee.

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

The Chairman also announced that we have reached \$1 Billion in Assets, which makes us the largest Credit Union in Southeast Texas in the way of Asset size. This accomplishment is something we are very proud of.

The Chairman asked John Doucet if he had any last comments, Mr. Doucet replied, "He is very proud of his staff and counts it a blessing to be a part of this wonderful organization."

The Chairman asked for a motion to adjourn. Gary Waldrop made the motion and Lito Morales seconded the motion. The motion to adjourn carried. The 86th Annual Membership Meeting of the Mobiloil Federal Credit Union stands adjourned at 5:06 p.m. Chairman Hegele thanked everyone for coming.

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 Plante Moran, a national CPA and business advisory firm, and covered the twelve (12) months ending June 30, 2021. 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, 2021. This examination indicated sound financial condition and management. The next NCUA Federal Examination is anticipated to be in the second half of 2022.

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.

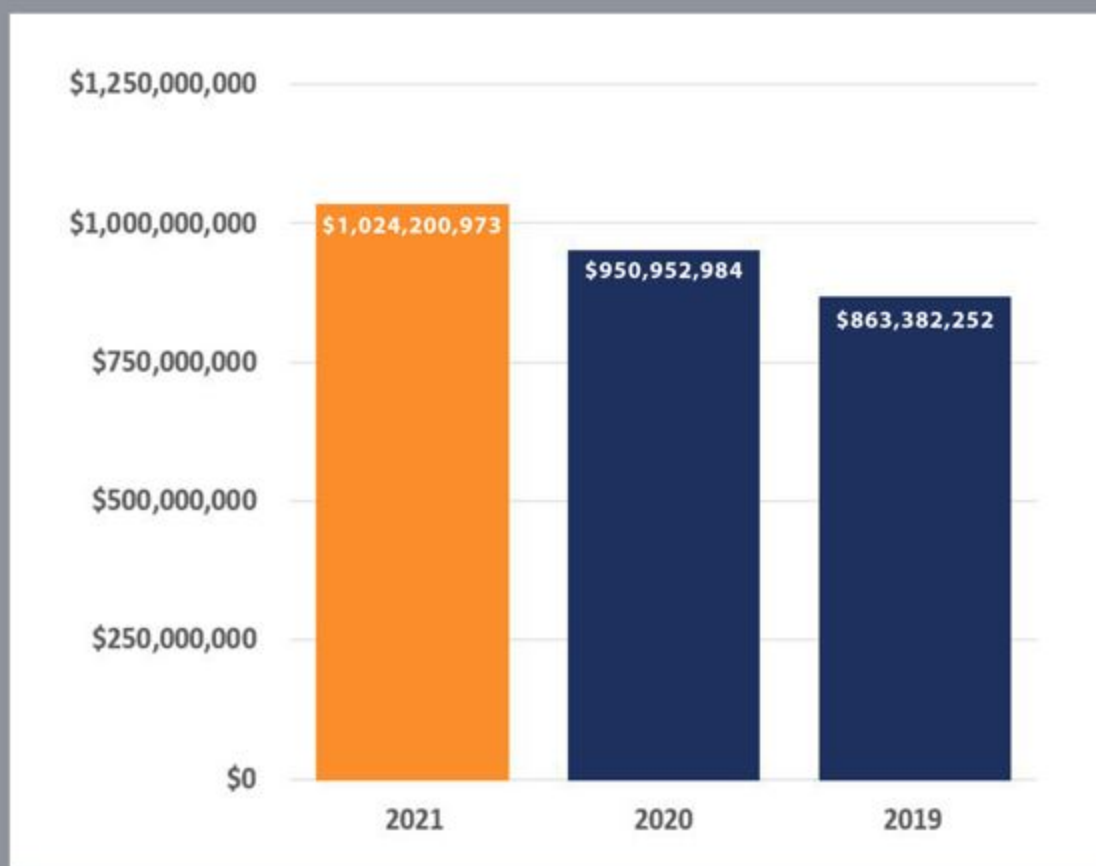
Richard D. Newton

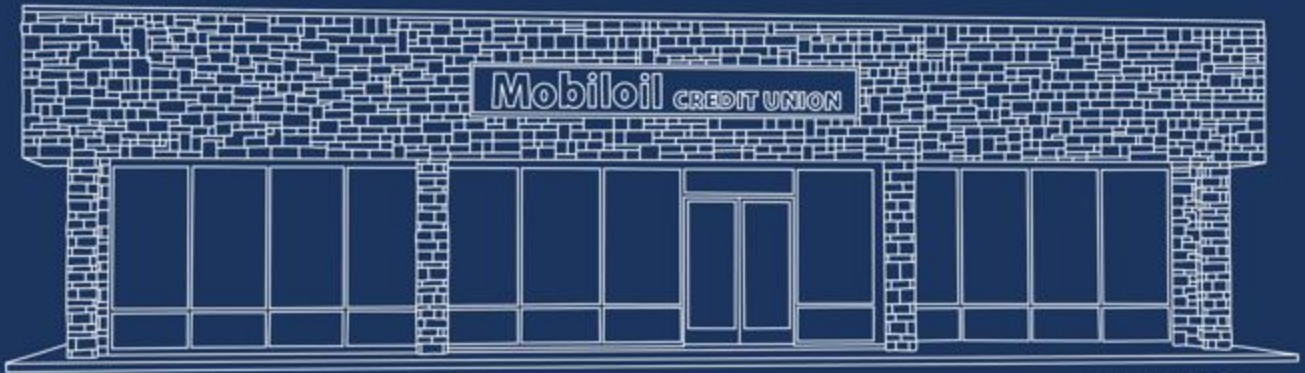
ANNUAL FINANCIAL REPORT 2021

	Dec 2021	Dec 2020	Dec 2019
Assets			
Loans	\$760,503,256	\$698,652,754	\$637,895,801
Allowance for Loan Loss	(\$7,998,706)	(\$7,028,660)	(\$5,948,294)
Accounts Receivable	\$129,874	\$148,617	\$119,015
Cash	\$118,368,261	\$82,168,970	\$135,461,939
Investments	\$83,916,356	\$104,118,133	\$21,858,463
Other Assets	\$69,281,932	\$72,740,627	\$73,995,322
Total Assets	\$1,024,200,973	\$950,800,441	\$863,382,246
Liabilities and Equity			
Other Liabilities	\$99,660,595	\$103,495,351	\$109,709,565
Shares and Deposits	\$798,524,729	\$731,304,162	\$644,764,967
Regular Reserves	\$3,043,080	\$3,043,080	\$3,043,080
Undivided Earnings	\$122,972,570	\$112,957,848	\$105,864,644
Total Liabilities and Equities	\$1,024,200,973	\$950,800,441	\$863,382,256
Income			
Interest on Loans	\$32,809,789	\$32,202,141	\$31,482,473
Interest on Investments	\$649,172	\$1,251,711	\$2,592,593
Other Income	\$17,150,937	\$14,218,841	\$13,762,169
Total Income	\$50,609,899	\$47,672,694	\$47,837,236
Expenses			
Salaries and Benefits	\$18,849,474	\$17,124,609	\$15,429,035
Provision for Loan Loss	\$3,468,611	\$3,863,258	\$3,126,388
Operating Expenses	\$15,760,247	\$15,601,273	\$15,424,111
Total Expenses	\$38,078,333	\$36,589,140	\$33,979,534
Non-Operating Inc (Exp)	\$180,246	\$110,958	\$380,473
Net Earning Distribution			
Undividend Earnings	\$10,014,720	\$7,093,204	\$10,110,920
Dividends	\$3,352,799	\$4,984,492	\$4,673,183
Total Net Earning Distribution	\$13,367,519	\$12,077,696	\$14,784,103
Total Mobiloil FCU Members	69,725	64,623	60,214



2021 ASSET GROWTH





- Woodville, TX

BRINGING THE BRANCH TO YOU

Improving accessibility to our services is one way we strive to create meaningful member interactions. In March of 2021, we expanded our footprint by opening our 12th branch location in Woodville, Texas. This new branch allows us to serve the city's residents while also bringing access to our members in Warren, Ivanhoe, Chester, Colesmesneil, and many other areas. Within six months of opening the branch, we conducted over 10,000 transactions and opened 559 new accounts. We want to thank Tyler County for welcoming us with open arms. We are excited to serve the community and surrounding areas for many more years to come.

Establishing a footprint where our members live is one thing, but meeting them everywhere else in-between is another. That is why we adopted MobiloilX back in 2019 and continued to expand its usage throughout 2020 and 2021. It has become one of our fastest-growing virtual services available to our members, accounting for over 33% of our member interactions last year. Those 22,957 members we served with our MobiloilX video technology were able to contact us from as far east New York to as far west as California. Whether it was to apply for a loan or open a new account, thank you for bringing us along for the trip.



LENDING REPORT

2021 brought many challenges for South East Texas as we were still dealing with the effects of the pandemic and the ExxonMobil Strike that lasted for nearly ten months, disrupting the lives of many of our members. Despite the difficulties we faced, Mobiloil Credit Union experienced significant loan growth. At year-end, we hit \$761 million, exceeding our goal by 72%.

Although we were growing our portfolio, our priority was to continue identifying ways to meet the needs of members impacted by the uncertain times. We provided loan extensions and relief loans to help meet their household needs. Including the additional assistance provided, our overall delinquency ratio remained less than 0.523%.

In 2022 we will continue providing products and services to our members that are relevant and easily accessible. Loan products will have competitive rates and meet the unique needs of members. We will also focus on increasing efficiencies with loan processing and closings for our consumer loan products. With the increasing rate environment that we are experiencing, we will need to remain focused on lending strategies that benefit our members and allow us to continue growing our loan portfolio.

FINANCIAL EDUCATION

Smart Change, the financial education program by Mobiloil Credit Union, is a free service that offers education and resources for improving financial well-being. Attend a seminar in person, virtually, work through one of our online Playlists or host a Smart Change event at your business, school or nonprofit organization. We focus on fun and engaging information that provides our communities the resources needed to achieve financial success.

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

2,281 ATTENDEES FOR IN-PERSON AND VIRTUAL SEMINARS

158 IN-PERSON AND VIRTUAL PRESENTATIONS

14,000 ATTENDEES FOR IN-PERSON COMMUNITY WIDE EVENTS

42 IN-PERSON COMMUNITY EVENTS IN FIELD OF MEMBERSHIP



Mobiloil CREDIT UNION

SCHOLARSHIP RECIPIENTS



.....

Keira Hemmert

Hardin-Jefferson High School



...

Cor'Dynia Ladia

Woodrow Wilson Early College High School



.....

Savannah Landers

Jasper High School



...

Marianna Latil

Veritas Classical Academy



.....

Kayley Ramsey

Hamshire-Fannett High School



...

Lillian Ross

West Brook High School



.....

Maggy Seybold

Jasper High School



...

Daniel Sory

Hardin-Jefferson High School

investing in **education.**

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