



Minutes – Annual Meeting 2023

The ninth annual Members Choice Credit Union. The MCCU annual meeting was called to order by Johnny Williams, Chairman of the Board on May 15, 2023, in the Community One Conference Room at 18211 Katy Freeway, Houston, TX 77094. Chairman Williams asked if a quorum has been reached. Chief Marketing Officer Robin Tooms confirmed a quorum was reached.

Chairman’s Report – Johnny Williams

Chairman Williams welcomed all members and stated he is truly honored and grateful to serve as your Board Chair. Chairman Williams stated returning to an in-person setting for our Annual Meeting is refreshing to exchange face-to-face dialogue with our members. He thanked everyone for being here.

He reflected on 2022 and moving forward in 2023, we are confident - now more than ever - in the strength of the credit union movement.

We remain financially stable and unwavering in our commitment to our members - the heart of who we are. Built on a firm foundation of 80-plus years, we look forward to the next 80 with optimism, knowing that our path forward is resilient.

Whatever the future holds, and regardless of how the industry evolves, one thing is certain: the people- helping-people philosophy of credit unions will always serve as a beacon at Members Choice, guiding our actions and decisions daily as we strive to do what is best for our members.

We believe wholeheartedly that the more we invest in the cooperative spirit of credit unions, the more we can help our fellow human beings achieve financial well-being and quality of life.

The people-helping-people philosophy extends well beyond our branches and into the communities where we live and work. As part of our ongoing strategy, we will continue to look for opportunities to make a difference in the lives of others.

Whether you are a new member with us or a long-standing one, we are grateful you have chosen Members Choice for your banking needs.

We promise to consistently offer and enhance our banking services and products to help you meet your financial goals.

Chairman Williams said thank you to everyone for being a part of the Members Choice Credit Union family.

Chairman Williams confirmed we have a quorum here tonight and are good to proceed. He stated we'll begin with the results of our ballot. He invited Director Gene Atteberry to share the ballot results.

Election of Directors

Nominating Committee Report – Gene Atteberry

Board Secretary Gene Atteberry introduced himself and announced the results of the ballot. He stated a virtual ballot was sent to our membership and the results were collected in advance of this meeting.

The bios for the directors up for re-election were sent to our members along with the official 2022 annual meeting minutes and votes were tallied from the digital and phone responses we received.

The ballot process closed on Monday, May 8th. With 211 member votes received, we received an overwhelming positive response to the ballot items and are pleased to announce that all Ballot items have been officially accepted and the ballot motion passes.

Both board members on the ballot – Ron Julun and Barbara Sheffield have been voted in for a new term.

Additionally, the 2022 Annual Meeting minutes were also accepted by the members.

Chairman Williams thanked members who voted and congratulated the Directors who have agreed to continue serving in their important volunteer positions.

Chairman Williams stated reflecting on 2022 and moving forward in 2023, we are confident - now more than ever - in the strength of the credit union movement.

Members Choice continues to be financially stable and unwavering in our commitment to members - the heart of who we are. Built on a firm foundation of 80-plus years, we look forward to the next 80 with optimism, knowing that our path forward is resilient.

Chairman Williams stated whatever the future holds one thing is certain: the people-helping-people philosophy of credit unions will always serve as a beacon to Members Choice.

We believe that the more we invest in the cooperative spirit of credit unions, the more we can help our fellow human beings achieve financial well-being and the quality of life each of us are striving for.

With every product and service used by our members, the stronger the credit union becomes which provides the ability to positively impact the life of someone else.

Whether you are a long-standing member or a new member, we are grateful you have chosen Members Choice for your banking needs.

We promise to consistently enhance our banking services and products to help all members meet their financial goals.

Chairman Williams said thank you to everyone for being a part of the Members Choice Credit Union family.

Chairman Williams then transitioned the discussion over to Wilfred Krenek for the Treasurer's Report.

Treasurer's Report – Wilfred Krenek

Board Treasurer Wilfred Krenek thanked everyone for their continued membership and support.

Treasurer Krenek began by sharing the Treasurer's report. He stated Members Choice Credit Union has continued to maintain its financial strength and security throughout 2022. With capital available to lend and profits to reinvest for our members, the credit union concluded the year with a net income of \$6.5 million.

Last year, we increased total loans 31% over the previous year, to \$562 million, including allowance.

This was a record year for loan growth and indicates the need to maintain our capital ratios and liquidity to help serve more of our members through lending.

It's also noteworthy to mention that our primary source of income continues to be through loan interest, and not through fees to members – the fee income received is below industry averages, which has served our members well.

As our financial performance demonstrates, we remain "well-capitalized," as defined by our regulators. Detailed financial statements further support this strong performance.

In addition to serving as Treasurer, I am also a member of the Asset & Liability Committee (also known as ALCO). Within this committee, we diligently monitor the credit union's financial condition.

We achieve this by carefully monitoring interest rate risk and analyzing potential scenarios. The management team has operational effectiveness practices in place with ALM First, a recognized leader in asset and liability management. Our objective is to maintain the capital required to serve our members effectively.

With the support of the Board, management, and staff, we continue to exhibit sound business practices, invest appropriately in technology, and build long-term strategies that help manage fluctuations in the economy.

Treasurer Krenek then turned over the discussion to Ed Conner for the Supervisory Committee Report.

Supervisory Committee Report – Ed Conner (In place for Tonya Jordan)

Ed Conner stated as a member of the Supervisory Committee, today I will deliver the Committee Report on behalf of Tonya Jordan, Supervisory Committee Chairman.

Director Conner stated I would like our members to know that a role of the Supervisory Committee is to ensure that audits are conducted on a regular basis and that established internal controls effectively maintain and protect the credit union and its membership.

Tonight, I am pleased to report the successful outcome of our annual audit and exams. CliftonLarsonAllen LLP performed the annual audit of the books and records of Members Choice Credit Union, for the period ending December 31, 2022.

The audit was made in accordance with industry auditing standards and ensured the credit union's adherence to Generally Accepted Accounting Principles (also known as GAAP).

In their opinion, the financial statements of the credit union present fairly in all material respects the financial position of Members Choice Credit Union as of December 31, 2022.

Additionally, the credit union undergoes extensive annual examinations by the National Credit Union Administration (NCUA) and the Texas Credit Union Department (TCUD) to review industry risk areas. The credit union maintained a satisfactory rating from both sets of examiners, indicative of general financial soundness.

Director Conner returned the meeting conversation back to Chairman Williams for his closing statement.

Commencement

Chairman Williams stated we appreciate the insightful reports presented by Ed and Wilfred. Thank you.

Our heartfelt thanks go out to all our board members for their unwavering dedication and hard work throughout 2022.

Before concluding the formal segment of the meeting, we have a few announcements to share.

As a part of the official ballot process, we received questions prior to this meeting, and we are in the process of addressing each question individually. We are ensuring that every question receives a response from the credit union.

Additionally, at the conclusion of this meeting, we will provide a link to our online Annual Report where you can review a comprehensive summary of the year.

At this time, the board has no further unfinished or new business items, so we hereby officially adjourn the business portion of the annual meeting.

Lastly, before passing the floor to our President and CEO, Luke Billeri, for a special message, we would like to express our gratitude for your active participation - your involvement is what makes this truly your credit union. Chairman Williams thanked all participants and then turned the

annual meeting over to President and CEO, Luke Billeri.

President/CEO – Luke Billeri

President and CEO Luke Billeri greeted and welcomed the members. He also thanked the Board and all MCCU employees. CEO Billeri stated the 2022 annual report will be available at:

info.mccu.com/2022ar.

Annual Meeting Adjournment

Having no other business, the meeting was adjourned.