

Building  
for the  
**Good  
Life**

2023 Annual Report

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## Chat with our Chairman

For over 80 years, our credit union has been a symbol of strength and community, driven by the simple yet powerful idea of people helping people. Our focus has always been on you, the members, and our goal is simple: to make sure you keep more of your hard-earned money, pay fewer fees, and boost the financial health of our communities and nearby areas.

However, this commitment to your financial well-being extends beyond just banking—it's about building a stronger, more prosperous community together.

We strive to make smart financial choices behind the scenes always remembering that you—the members—are our priority. We're committed to providing you with the best services and returns while always keeping your personal and unique needs front and center.

As a credit union, we are given the unique opportunity to build stronger relationships with our members. By placing member communication at the forefront of everything we do, we can develop a more comprehensive understanding of our members' unique backgrounds and financial situations.

There are still many people within our community who aren't familiar with the benefits that credit unions provide, and we're determined to keep spreading the word until everyone has the chance to benefit from what we offer, regardless of their background or situation. As NCUA Chairman Todd Harper said last year "No one has ever lost a single penny of insured share deposits within the credit union system." The commitment of credit unions like Members Choice to serve our neighbors with sound financial resources and knowledge is, in my view, a most noble effort and is the driving force behind our leadership team every day.

With our recently approved charter expansion extending to include all of Harris County and Fort Bend County, we're moving closer to our goal of offering our services to as many people as possible. As we move forward, let's remember what makes our credit union special: our dedication to you, the members, and the way we all interact as a community. We understand that everyone comes to us with different financial stories and goals, and we embrace that diversity here. Thank you for your continued trust in us, and our support of this community together.

**Sincerely, Johnny Williams,  
Chairman of the Board of Directors**

# Performance Highlights

TOTAL ASSETS (\$ THOUSANDS)		TOTAL DEPOSITS (\$ THOUSANDS)		EQUITY CAPITAL/NET WORTH	
2023	\$752,128	2023	\$589,733	2023	7.56%
2022	\$754,025	2022	\$607,642	2022	8.27%
2021	\$715,418	2021	\$640,584	2021	7.53%
2020	\$667,981	2020	\$590,110	2020	7.82%
2019	\$608,866	2019	\$519,860	2019	9.10%

## Message from the Treasurer: Wilfred Krenek

To ensure optimal operational effectiveness, Members Choice Credit Union collaborates with ALM First, a respected leader in asset and liability management, to apply industry best practices. Our management team’s approach involves comprehensive monitoring of interest rate risk and rigorous analysis to uphold the capital levels needed to continue providing exceptional service to our members. We remain “well-capitalized” as defined by our regulators, and our detailed financial statements support our sustained operational performance.

Our primary source of income continues to be loan interest, which increased by 31% over the previous year. This income was reinvested back into the credit union and shared with our members through over \$5.3 million in dividends—a more than 300% increase from the prior year.

We remain committed to serving our members, in the not-for-profit financial co-op manner, continuing to offer higher deposit rates and provide loans that help them purchase vehicles, buy homes, or consolidate debt to enable retention of household earnings...*even when the cost of doing business is increasing!* Our year-end profit of \$5,296 was impacted by items including increased borrowing expenses, increased provisions for loan losses due to economic and cost of living pressures on families, inflationary operational costs and member service enhancing investments such as: Contactless Credit Cards, Digital ID, High Yield Account Transfer Automation, Mortgage ARM Loans with Free Modification, and much more.

We extend gratitude to the Board, management, and staff for their continued dedication to sound business practices, investment in technology, and a long-term strategic view that helps us navigate economic fluctuations. Finally, we sincerely thank you for your continued membership and support. As Treasurer of Members Choice, it is an honor to serve you, and we look forward to the successful future ahead.

## Message from the Supervisory Committee Chair: Tonya Jordan

The Supervisory Committee ensures that audits are conducted on a regular basis and that established internal controls effectively maintain and protect the credit union and its membership. We are 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, 2023. The audit was made in accordance with industry auditing standards and confirmed the credit union’s adherence to Generally Accepted Accounting Principles (GAAP). In their opinion, the financial statements of the credit union present fairly in all material respects the financial position of the credit union as of December 31, 2023.

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 during both examinations, indicative of general financial soundness.

## Balance Sheet

AS OF DECEMBER 31,  
(in thousands)

	2023		2022	
<b>ASSETS</b>				
Net Loans	\$	566,432	\$	561,592
Cash & Cash Equivalents		31,550		33,336
Net Investments		104,095		107,394
<b>Other Assets</b>				
Fixed Assets		30,802		32,031
Other Assets		19,249		19,672
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>752,128</b>	<b>\$</b>	<b>754,025</b>
<b>LIABILITIES, SHARES &amp; EQUITY</b>				
Total Liabilities		119,328		103,375
Total Shares & Deposit		589,733		607,642
Total Equity		43,067		43,008
<b>TOTAL LIABILITIES, SHARES &amp; EQUITY</b>	<b>\$</b>	<b>752,128</b>	<b>\$</b>	<b>754,025</b>

## Statement of Income

YEAR ENDED DECEMBER 31,  
(in thousands)

	2023		2022	
Total Interest on Loans	\$	34,689	\$	26,520
Income from Investments		3,043		2,919
Fee and Other Operating Income		7,851		7,433
<b>TOTAL GROSS INCOME</b>		<b>45,583</b>		<b>36,872</b>
<b>TOTAL OPERATING EXPENSE</b>		<b>34,397</b>		<b>24,989</b>
<b>INCOME (LOSS) FROM OPERATIONS</b>		<b>11,186</b>		<b>11,883</b>
Less Provision for Loan Losses		5,878		4,134
Dividends Paid to Members		5,303		1,241
<b>NET INCOME (LOSS)</b>	<b>\$</b>	<b>5</b>	<b>\$</b>	<b>6,508</b>