

primeway®
Enabling Dreams

2020

ANNUAL REPORT



STAYING
CONNECTED

ANNUAL MEETING

Call to Order and Welcome

Chairman, Antony Kilty

Invocation

Dr. Vernus Swisher

Introductions of Board and
Supervisory Committee

Chairman, Antony Kilty

Chairman Remarks

Chairman, Antony Kilty

CEO Remarks

CEO, Annette Zimmerman

2020 Annual Meeting Minutes
Presentation

Chairman, Antony Kilty

Nominations for Board of Directors

Nominating Committee Chair

Motion to Accept Nomination
by Acclamation

Chairman, Antony Kilty

Unfinished Business

Chairman, Antony Kilty

New Business

Chairman, Antony Kilty

Meeting Adjournment

Chairman, Antony Kilty

Enabling Dreams

CHAIR REPORT

by Antony Kilty, Chairman of the Board



This last year our nation was torn between severe illnesses, deaths, job losses and business closures; while simultaneously witnessing medical research pull together to find treatments and vaccines at a record pace. Our government worked to assist individuals and businesses alike to help alleviate some of the economic impacts of the pandemic.

Through the ups and downs of the last year, I am struck by humanity's ingenuity and ability to persevere through even the most difficult of times. Confidently, I can say PrimeWay was a leading example of how putting the needs of others first and doing the right thing makes a positive difference.

This year, PrimeWay was **recognized as an industry leader in crisis management by the Credit Union National Association (CUNA) Council Awards** for our response to the pandemic. The award instills a sense of pride to know that our quick response to help you, our members, persevere through difficult financial times made a positive difference not only for our members but for others as well. We provided our plans and communications to other organizations throughout the industry to help them in their endeavors.

Your Board of Directors is comprised of volunteers. We devote our time and expertise to the organization out of an inherent desire to help you and our community to prosper. Last year, your Board of Directors measured success as aiding and working with our members so that you could stay the course in pursuing your goals. Success was funding **the PrimeWay Foundation, which increased our charitable donations during 2020 when charities saw an enormous decline in funding.** Success was shifting to conducting more business electronically, by phone and by appointment to ensure we were there for you.

During all the change, the long hours and the stress of making the necessary adjustments to serve you best, **PrimeWay was named one of 2020 Houston's Top Places to Work by the Houston Chronicle**, based on anonymous surveys completed by our associates. While I am proud that our team knows we care for each of them, just as we care for each of you, what I found most inspiring was that the **overwhelming majority of the staff responses indicated they made a positive difference in the community.** It is heartening to know that at PrimeWay across all our teams, what is important is making a positive difference in your life.

You trust PrimeWay with your money as you pursue your goals. Your dreams are important to us. Whether it is saving for retirement, buying a new home or financing college, we are dedicated to helping you achieve your dreams. We will be here with you side-by-side, rolling up our sleeves, tapping into our ingenuity and helping you to persevere.

It is a privilege and an honor to serve you. On behalf of the Board, thank you for your continued membership.

CEO REPORT

by Annette Zimmerman, CEO



Since March of 2020, COVID-19 has taken its toll on lives around the world. Like many companies throughout America and around the globe, PrimeWay pivoted and changed to ensure we could serve our membership while protecting the health of our members and our team.

We understand life doesn't stop during a pandemic. As your credit union, **our goal was and is to be there for you every step of the way.**

As businesses were being asked to close and people were laid off or saw reduced hours, we did everything we could to help you. This included providing automatic skip-a-pays on eligible loans and working with members in need on real estate payments, assisting small businesses with PPP loans, providing emergency loans for individuals in need and waiving fees.

In 2020, many of our members began to save more, and PrimeWay grew to **\$604,712,122 in assets** and **\$463,697,997 in loans** to our members to help them achieve personal dreams. When it boils right down to the essence of why PrimeWay exists, it is to help enable dreams for you and all our members.

Although much of our time in 2020 was spent responding to the challenges brought about by the pandemic, we still managed to improve service in critical areas. Understanding convenience is more important than ever, **we added Zelle, best-in-class person-to-person transfers through our mobile app and online services.** Knowing that criminals always find a way to take advantage of challenging situations, we spent time enhancing behind-the-scenes technology and security measures to protect you and your financial information.

As we move towards 2022, we are once again **focusing on improving service through technology.** Security, convenience and unique products like new savings features that simplify saving are being readied for implementation soon.

Recently, it became clear that the pandemic is far from over as COVID threat levels for Harris and Ft. Bend Counties were raised to red. I want to assure you that the credit union remains focused on serving you, helping you to pursue your dreams and protecting your health and welfare as well as that of our team members. I treasure our PrimeWay team's dedication to serving, their ability to pull together and give their best even during difficult times to ensure we are there for you when you need us.

Thank you for your membership, and may you and your family remain safe, healthy and happy.

SUPERVISORY COMMITTEE REPORT



Ryan Prillman
Supervisory Committee
Committee Chair

Cookie Cook
Supervisory Committee

Anna Garcia
Supervisory Committee

As the members' representative to the Board, the Supervisory Committee plays an important part in evaluation the performance of PrimeWay as well as ensuring that internal controls are effectively maintained and members' interests are protected. The Supervisory Committee accomplishes this with the help of the Internal Auditor.

Nearman, Maynard, Vallez, CPAs conducted the annual audit of PrimeWay financial statements, in accordance with auditing standards generally accepted in the United States of America. The audit report did not address any areas of concern. Nearman, Maynard, Vallez, CPAs conducted member account verifications, as required by the National Credit Union Administration (NCUA). All inquiries and responses were researched and resolved.

Based on the results of the annual audit by Nearman, Maynard, Vallez, CPAs, it is the opinion of the Supervisory Committee that PrimeWay continuous to be financially strong and operationally effective with sound policies and procedures.

TREASURER REPORT

by Cecil Brewer, Secretary/Treasurer



PrimeWay Federal Credit Union remains well-capitalized at 8.27 percent. The National Credit Union Administration (NCUA) - the federal agency overseeing credit unions - considers anything above 7 percent to be well-capitalized.

The credit union posted a net income of **\$2,194,069** for 2020.

Net loans increased in 2020 to **\$461,394,101** at year-end for the combined organization.

Delinquency declined to **0.58** percent. This is considered very high loan quality.

The credit union assets ended the year at **\$604,712,122** with deposits increasing to **\$539,325,345**. The credit union closed 2020 serving **47,317** members.

PrimeWay is committed to remaining a strong and stable organization. We will continue to work hard in order to offer you the best possible products, services and pricing while maintaining a strong capital position. Through this effort, we can strive to live the PrimeWay vision of "Enabling Dreams."

BALANCE SHEET

	Dec. 31, 2020	Dec. 31, 2019
Assets		
Earning Assets		
Cash	36,491,503	17,974,437
Investments	60,298,224	42,147,349
Loans to Members (Net)	461,394,101	412,741,489
Other Assets		
Accounts Receivable	2,572,405	5,197,493
Accrued Interest	1,478,570	1,084,372
Land, Building and Equipment	21,054,010	22,115,843
NCUA Share Insurance Fund	5,028,638	4,361,956
Other Assets	16,394,671	22,386,836
	604,712,122	528,009,775
Liabilities, Shares & Equity		
Liabilities		
Accounts Payable	7,387,720	7,772,372
Other Liabilities	2,604,528	2,691,858
Borrowed Funds	15,000,000	15,000,000
Members' Deposits		
Shares	226,715,833	187,487,053
Other Deposits	312,609,512	273,347,247
Equity		
Reserves and Undivided Earnings	40,394,529	41,711,245
	604,712,122	528,009,775

INCOME STATEMENT

	Dec. 31, 2020	Dec. 31, 2019
Interest Income		
Loans to Members	19,796,189	17,692,917
Investments and Cash Equivalents	1,063,173	1,683,381
Interest Expense		
Dividends Paid to Members	2,188,175	1,959,220
Interest on Borrowed Funds	390,150	408,318
	18,281,037	17,008,760
Net Interest Income		
	1,600,360	1,843,539
Non-Interest Income		
Fees and Service Charges	3,807,668	4,939,923
Other Non-Interest Income	4,978,664	4,208,493
	8,786,332	9,148,416
Non-Interest Expense		
Operating Expenses	23,269,549	20,882,792
NCUA Stabilization	-	-
Non-Operating (Income) Expenses	3,391	(39,046)
	23,272,940	20,843,746
Net Income		
	2,194,069	3,469,891

PRIMEWAY IN 2020

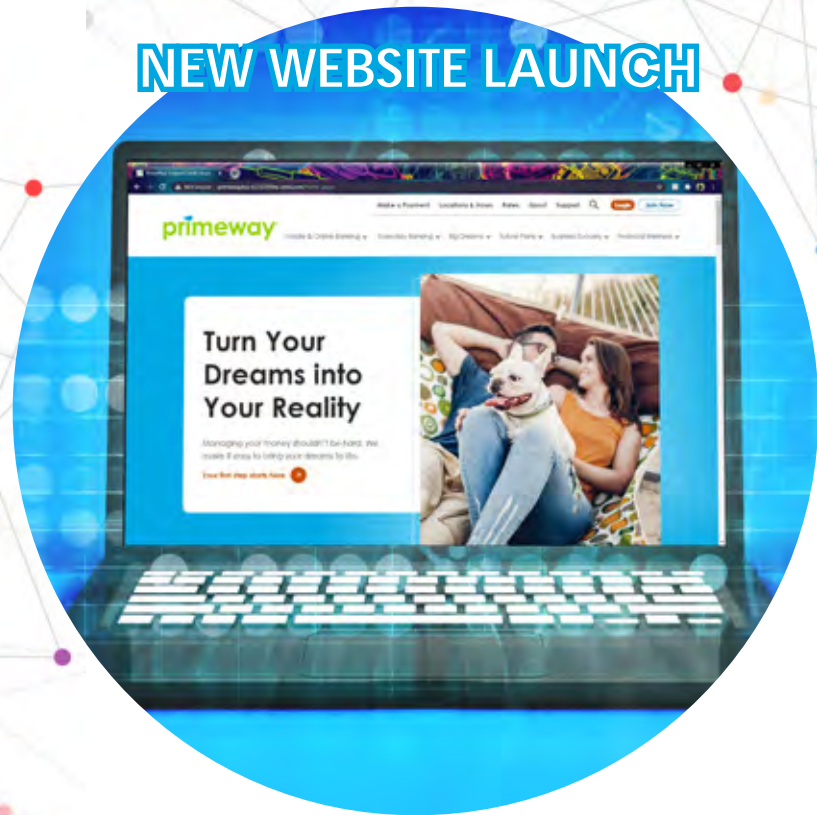


NEW Tap & Go Debit Cards

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NEW WEBSITE LAUNCH



primeway[®]
Foundation

YOUR BOARD MEMBERS

Antony KiltyChairman

Dolores Hernandez.....Vice Chair

Cecil Brewer.....Secretary/Treasurer

Richard Kuhn.....Director

Dr. Vernus Swisher.....Director

Patti Tuma.....Director

Brent Vannoy.....Director

From all of us at PrimeWay
and your board,
we look forward to another
outstanding year!

The logo for primeway, with the word "primeway" in a lowercase, green, sans-serif font. A small blue and green graphic element is positioned above the letter 'i'.

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Federally Insured by NCUA



PrimeWay Federal Credit Union
Annual Meeting Minutes
August 25, 2020

The Annual Meeting of PrimeWay Federal Credit Union was held Via-WebEx @ 5:05pm

Mr. Keith Huckabay, Moderator called the meeting to order.

Mr. Huckabay welcomed and thanked the members for attending PrimeWay's first virtual Annual meeting.

Mr. Huckabay introduced Dr. Vern Swisher who lead the meeting with the invocation.

Mr. Huckabay thanked Dr. Swisher and introduced Mr. Kilty the Chairman

Introductions:

Mr. Kilty introduced himself as Chairman, the Board of Directors, Associate Director and the Supervisory Committee Members of PrimeWay.

Board of Directors:

Ms. Dolores Hernandez, Vice Chair
Mr. Cecil Brewer, Secretary/Treasurer
Dr. Vern Swisher, Director
Mr. Brent Vannoy, Director
Ms. Patti Tuma, Director
Mr. Richard Kuhn, Director

Associate Directors:

Ms. Mohina Panthi
Ms. Lollie Bennett-Ramirez

Supervisory Committee:

Ms. Cookie Cook, Supervisory Committee Member
Ms. Anna Garcia, Supervisory Committee Member
Mr. Ryan Prillman, Supervisory Committee Member

Executive Staff Member:

Ms. Annette Zimmerman, President/CEO

Chairman's Remarks:

Mr. Kilty spoke on the difficult times our entire nation is currently experiencing and the impact it has had on everyone. PrimeWay is assisting members in need by offering deferred loan payments, providing emergency loans, offering small business SBA PPP loans and donating to non-profit organizations in desperate need through PrimeWay's foundation. The foundations focus is on Health, Education, and Children.

Mr. Kilty highlighted PrimeWay's success in 2019 with earnings of \$3.4 million in revenue and Capital ratio rose to 9.05% which is well capitalized. PrimeWay opened a new branch in Sugar Land to expand our services to our member's. We also enhanced our functionality in our mobile and online services. PrimeWay will continue in helping our members achieve their dreams and support the surrounding communities.

Mr. Kilty spoke on how PrimeWay reached out last year to help the Houston Food Bank to assist in providing meals for struggling families. Scholarships are also a time-honored tradition that PrimeWay will continue.

Mr. Kilty thanked the members for their continued membership and support.

Mr. Kilty introduced Annette Zimmerman as our CEO and turned the meeting over to her.

CEO/President's Remarks:

Ms. Zimmerman thanked the members for attending our first virtual annual membership meeting and thanked all the volunteers for their time and expertise.

Ms. Zimmerman stated how the PrimeWay employees shifted and pivoted, altering their work behaviors and tools so they could provide service to our members. During the pandemic we have not been successful in providing the service levels we strive for. Incoming calls to the Contact Center quadrupled over the past few months, with our lobbies being closed, employees were pulled from different departments to assist in these calls. Lobbies are now open and we would asked that you continue to make appointments if you would like to meet with our team members.

2019 was a very successful year, with over \$460.8 million in deposits which allowed PrimeWay to make record loans. We have exciting initiatives underway and to name a few:

- Enhance our mobile and online technology
- Person to person transfers using Zelle
- Tap-and-Go new debit cards
- Additional security measures to work remotely

Ms. Zimmerman thanked the volunteers for their time and expertise, the excellent service that every PrimeWay team member delivers daily to our members to make their life easier and for the members for their membership.

Minutes:

Mr. Kilty announced that a copy of the March 27, 2019 annual meeting minutes was provided to all the attendees. Mr. Kilty asked if there were any questions, or changes to the minutes presented to use the chat window within Webex. The moderator stated that no questions was asked.

Mr. Kilty asked for a motion to dispense the reading of the minutes and approve them as presented by indicating with “Aye or Nay” using the chat window to vote. The moderator opened the voting poll and announced that the motion passes.

~Motion: To dispense with the reading of the March 27, 2019 annual meeting minutes.

1st Motion – Craig Atkinson

2nd Motion – Kelly Jansky

Majority Approves

Election of Directors:

Mr. Kilty called upon Ms. Patti Tuma, this year’s Chairman of the Nominating Committee, to announce the committee’s actions. Mrs. Tuma presented the following Board members up for re-election:

Dolores Hernandez - Director

Brent Vannoy – Director

Richard Kuhn – Director

Mr. Kilty asked for a motion to accept the nominations as presented by indicating with “Aye or Nay” using the chat window to vote. The moderator opened the voting poll and announced that the motion passes.

~Motion: To accept the nominations as presented.

1st Motion – Laurie Garza

2nd Motion – Jonathan Ebizie

Majority Approves

Mr. Kilty thanked Ms. Tuma and the Nominating Committee for their work.

Unfinished Business:

There was no unfinished business to report.

New Business:

No new business to report.

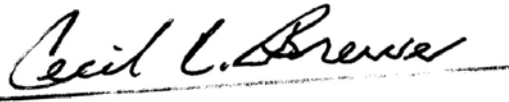
Adjournment:

Mr. Kilty thanked the members for attending our first Via-WebEx Annual meeting and declared the meeting adjourned.

Mr. Kilty opened the floor for 15 minutes for questions by the members. Questions were asked by using the chat feature within the WebEx and answered by Mrs. Zimmerman and the Executives. Unanswered questions by the members will be addressed via-email.



Antony Kilty, Chairman



Cecil Brewer, Secretary/Treasurer