



Live **POSITIVELY**

2022 ANNUAL REPORT

Annual Meeting



Call to Order and Welcome

Chairman, Patti Tuma

Invocation

Chairman, Patti Tuma

Introductions of Board and Supervisory Committee

Chairman, Patti Tuma

Chairman Remarks

Chairman, Patti Tuma

EVP Remarks

EVP, T.W. Jolly

2020 Annual Meeting Minutes Presentation

Chairman, Patti Tuma

Nominations for Board of Directors

Nominating Committee Chair

Motion to Accept Nomination by Acclamation

Chairman, Patti Tuma

Unfinished Business

Chairman, Patti Tuma

New Business

Chairman, Patti Tuma

Meeting Adjournment

Chairman, Patti Tuma

Enabling Dreams



CHAIR REPORT

by Patti Tuma, Chairman of the Board



I am honored to speak with you on behalf of the PrimeWay Board of Directors. As you know, your Board of Directors is a volunteer board, donating our time and expertise to help provide the best possible competitively priced financial services. My professional life has been devoted to assisting firms to provide meaningful benefits and HR services to their employees. So, it is unsurprising that volunteering for an organization that places working for the membership's best interest above profit is a cause I champion. As a volunteer board, we are responsible for setting the direction for the credit union and ensuring the organization stays true to that vision; and operates with attention to quality and excellence.

The vision set by the board for PrimeWay is Enabling Dreams. While that might seem very esoteric at first glance, it is personal, practical, and different for each of you. While some of you may dream of retiring, others may dream of owning a home and starting a family. Our vision as a board is for PrimeWay to be there for you with the tools, products, services, and guidance to help you make your dreams a reality.

What does that look like in action? Recently, for one of our members just starting his career, it was helping him understand how to put his assets to work to help himself. Like many young professionals just out of college, he had credit card debt and was stressed over his monthly budget. While he owned his truck, it needed work, and he didn't have enough money in savings. He came to PrimeWay asking for a personal loan. This was the first time he attempted to take out a loan on his own. After working with a PrimeWay credit professional, they helped him to see he could use his truck as collateral to improve his financial situation. By guiding the young man toward an auto loan, he was able to take out a loan to pay off his credit card and pay for the improvements to his truck. Because the auto loan is secured by his truck, the interest rate is less than one-third of his previous credit card rate. He was previously making more than minimum payments on his credit card, and the new loan payment was slightly less than he was paying monthly; even so, it reduced the total interest he would pay – even with the additional funds for his truck modifications and shortened his payoff date by years.

As you can see, the solution was practical and personal, but did PrimeWay help enable his dream? He thinks so. You see, he wanted to propose to his college girlfriend and feared it would be years before he could afford a ring. With the changes PrimeWay helped him implement, he is confident he will have the funds to purchase the ring by year-end. This is just one story; we help thousands of members each year work to make their dreams a reality.

Each month we receive comments from members, each with their own unique story, letting us know we are making a positive difference in their lives. In 2022, PrimeWay scored a 92% on member satisfaction, placing the credit union among the industry's top performers. People helping people is why the credit union movement began. It is at the heart of what we do each day. Yes, we are focused on security, fiscal growth, and being strong financial stewards of your savings, but what drives our staff and volunteers on your board is the knowledge that we are helping friends, neighbors, and our community create a more prosperous and satisfying life. Putting members first is the credit union difference.

We are honored to be a part of PrimeWay, and together we can help one another build a stronger community and a brighter life for each of us.





CEO REPORT

by Annette Zimmerman, CEO



It does not matter where you are in the world; 2022 was a challenging year for humanity socially and economically. There is no question the Ukraine War is having global economic impacts. Add to that bank failures, lingering supply chain issues, over \$1 trillion in soaring credit card debt, the Federal Reserve raising fed funds rates at the fastest pace in over 40 years, and the highest inflation rates seen in decades, impacting the cost of housing, food, and energy; families are struggling to make ends meet. In times like these, our commitment to you, our members, is more important than ever.

While PrimeWay ended 2022 financially stronger than 2021, we took steps to help our members weather difficult times. In June of 2022, PrimeWay eliminated all overdraft fees, reduced NSF fees, and eliminated other fees. PrimeWay is currently making more debt consolidation loans than ever; we invested in an AI technology that allows us to review more factors than the standard credit score to help more members. Saving members money, helping them lower payments, and saving on interest during these times of

monetary stress is how PrimeWay is supporting you in pursuing your dreams. We have also added technology to the online and mobile platforms that show your current credit score and the factors that impact your score and even offers suggestions on how to meet your credit score goals.

As some large banks have closed this year, you may wonder about the credit union's financial outlook. PrimeWay is strong, with a net worth of over 12 percent. The National Credit Union Association, NCUA, which regulates credit unions, classifies credit unions with 7 percent capital as well-capitalized. That means regulators recognize PrimeWay as amply able to meet all our members' cash needs. Credit unions operate under more restrictive regulatory investment guidelines than banks and cannot access more risky investment vehicles. PrimeWay has not invested in cryptocurrencies, nor are our investments or deposits dominated by any one industry. Unlike banks, we do not have stockholders. We focus on making decisions in the membership's best interest, not fast profit. Our substantiated business model prepared PrimeWay to be a safe harbor for your money during these turbulent economic times. In addition to our sound financials and balanced investment portfolio, your funds are insured for up to \$250,000 by the NCUA.

Our commitment to you is that PrimeWay will remain a fiscally stable organization focused on helping you to build the life you want. We understand to achieve that, we must continually improve infrastructure, training, and security. We proved throughout the pandemic that we are here for you and will continue to be a source of strength and stability during the immense change and challenge we face together.

Thank you for your membership; it is our privilege to serve you and help you as you bring your dreams to fruition.

SUPERVISORY COMMITTEE REPORT



Ryan Prillman
Supervisory Committee
Committee Chair

Cookie Cook
Supervisory Committee

Mohina Panthi
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 continues to be financially strong and operationally effective with sound policies and procedures.

TREASURER REPORT



by **Dolores Hernandez, Secretary/Treasurer**

PrimeWay Federal Credit Union's net worth is 12.32 percent. The organization is well-capitalized. 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 **\$7,363,824** for 2022.

Net loans increased in 2022 to **\$547,352,655** at year-end for the combined organization.

Delinquency declined to **0.52** percent. This is considered very high loan quality.

The credit union assets ended the year at **\$732,012,923** with deposits increasing to **\$615,962,292**. The credit union closed 2022 serving **49,829** 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 strive to live the PrimeWay vision of "Enabling Dreams."

BALANCE SHEET

	Dec. 31, 2022	Dec. 31, 2021
Assets		
Earning Assets		
Cash	29,322,075	53,553,627
Investments	89,368,030	63,429,677
Loans to Members (Net)	547,352,655	481,571,828
Other Assets		
Accounts Receivable	7,625,206	2,874,019
Accrued Interest	1,834,923	1,405,265
Land, Building & Equipment	17,541,697	20,895,688
NCUA Share Insurance Fund	6,116,730	5,619,606
All Other Assets	32,851,606	25,908,875
	732,012,923	655,258,585
Liabilities, Shares & Equity		
Liabilities		
Accounts Payable	11,439,038	8,602,105
Other Liabilities	2,790,389	2,088,893
Borrowed Funds	48,000,000	15,000,000
Members' Deposits		
Shares	250,385,573	259,738,969
Other Deposits	365,576,719	318,900,771
Equity		
Reserves and Undivided Earnings	53,821,204	50,927,847
	732,012,923	655,258,585

INCOME STATEMENT

	Dec. 31, 2022	Dec. 31, 2021
Interest Income		
Loans to Members	21,173,575	19,274,346
Investments and Cash Equivalents	2,606,484	1,978,783
Interest Expense		
Dividends Paid to Members	1,898,618	1,389,267
Interest on Borrowed Funds	620,556	390,152
Net Interest Income	21,260,885	19,473,710
Provision for Loan Loss	949,416	679,224
Non-Interest Income		
Fees & Service Charges	3,131,111	4,179,148
Other Non- Interest Income	7,034,387	6,640,244
	10,165,497	10,819,393
Non-Interest Expense		
Operating Expenses	27,692,957	24,801,976
NCUA Stabilization		
Non Operating (Income) Expenses	(4,579,815)	(4,709)
	23,113,142	24,797,267
Net Income	7,363,824	4,816,612

PRIMEWAY IN 2022



Backpack Drive



Education



Heights Retail Center
Ribbon Cutting



PHA Fundraiser



Gas Giveaway



Grocery Giveaway



Hope For 3 Walk

YOUR BOARD MEMBERS

Patti Tuma.....Chairman

Antony Kily.....Vice Chair

Dolores Hernandez.....Secretary/Treasurer

Cecil Brewer.....Director

Richard Kuhn.....Director

Brent Vanoy.....Director

Annette Zimmerman.....CEO & Director

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



primeway[®]

P.O. BOX 53088 • HOUSTON, TX 77052-3088
713.799.6200 • www.primewayfcu.com



Federally Insured by NCUA



PrimeWay Federal Credit Union
Annual Meeting Minutes
August 23, 2022

The Annual Meeting of PrimeWay Federal Credit Union was held Via-WebEx at 5:00pm

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. Vernus Swisher who led the meeting with the invocation.

Mr. Huckabay thanked Dr. Swisher and introduced Antony Kilty the Chairman of the Board

Introductions:

Chairman Antony Kilty introduced, 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:

Antony Kilty spoke on how together we have weathered another year of uncertain times. Through Supply chain issues, inflation, staff shortages and continued hospitalization due to COVID variants, PrimeWay has continued to be there to help our members save for and fund their dreams.

Mr. Kilty highlighted PrimeWay's record growth in 2021. Our assets grew over \$50 million to end the year at \$655,258,585. Primeway was also recognized by NCUA as a well-capitalized credit union at 8.36%. This prepares the credit union for unexpected economic challenges and enables us to invest in technology and infrastructure to better serve our members.

Mr. Kilty reported that we recently we moved our Heights Retail Center to a temporary location just over a half a mile away to a temporary location at 4720 Washington Avenue. The move allows us to continue providing service to our members as the 3800 Washington location undergoes extensive work so we can serve our members in the Heights for decades to come.

Mr. Kilty noted we continue enhancing our security, fraud prevention, and technology systems to provide our membership with the best possible security for your accounts. In the coming year, we will implement many new features in our PrimeWay mobile wallet to help our members manage their finances.

Mr. Kilty reported that in an effort invest in the local community, the Board took created the PRIME Leaders program for college students. Our Associate Directors, Ms. Lollie Ramirez-Bennett, Mohina Panthi, and Supervisory Committee member Anna Garcia led the program. The PRIME Leaders program is open to college students and teaches leadership skills, the importance of giving back to the community, and pairs students with an executive mentor to help prepare them to be the business leaders of tomorrow.

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

Mr. Kilty introduced PrimeWay's CEO, Annette Zimmerman, and turned the meeting over to her.

CEO/President's Remarks:

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

Mrs. Zimmerman stated that in 1934 the United States government enacted the Federal Credit Union Act to provide access to credit and promote savings. Primeway continues to support the philosophy of "people helping people" by providing savings, loans and a wide variety of financial tools.

Mrs. Zimmerman reported that in 2021 Primeway was approved to receive secondary capitol to better expand financial services to low and moderate-income communities.

Mrs. Zimmerman reported that we are proud to make credit more readily available to our membership. Our loan rates continue to be some of the lowest in the industry, and we are implementing new technology to improve our ability to expedite the loan approval process and provide easy access to loans for those who need it most.

Mrs. Zimmerman also reported that in June of this year PrimeWay eliminated all overdraft fees and reduced Non-sufficient fund fees to improve our service to our members.

Mrs. Zimmerman highlighted that in addition to make small business loans within the community, PrimeWay's also give back to the communities with individuals on fixed or low incomes. These efforts include grocery store and gas card giveaways, philanthropic initiatives to raise funds for nonprofit organizations, PrimeWay Foundation grants to Houston food Bank, Texas Children's Hospital and Be a Resource. We have also partnered with our local communities to provide scholarship opportunities. Additionally PrimeWay adopted Plummer Middle School by providing backpacks and school supplies to help students in need.

Mrs. Zimmerman announced that we will continue to work to make a positive difference for Houston.

Mrs. Zimmerman thanked the members for their trust in PrimeWay..

Minutes:

Antony Kilty announced that a copy of the August 24, 2021 annual meeting minutes was made available to all the attendees via email or on the website. 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 August 24, 2021 annual meeting minutes.

1st Motion – Dan Snare

2nd Motion – Jakiya Ross

Majority Approves

Election of Directors:

Antony Kilty called upon Richard Kuhn, this year's Chairman of the Nominating Committee, to announce the committee's actions. Mr. Kuhn presented the following Board member up for re-election:

Dr. Vernus Swisher – Director

Mr. Kilty asked for a motion to accept the nomination 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 nomination as presented.

1st Motion – Laurie Masera Garza

2nd Motion – Lisa Coley

Majority Approves

Mr. Kilty thanked Mr. Kuhn and the Nominating Committee for their work.

Unfinished Business:

There was no unfinished business to report.

New Business:

There was no new business to report.

Questions:

Antony 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.

Adjournment:

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

Antony Kilty, Chairman

Cecil Brewer, Secretary/Treasurer