

Annual Meeting Minutes

James Parsley, Chairman of the Board of Directors, called the 58th Annual Meeting of Eastex Federal Credit Union to order at 7:00 pm on March 19, 2013 in the Evadale school auditorium.

Debbie Roberts, Secretary of the Board of Directors, declared a quorum for the meeting to begin.

Shannon Adams opened the meeting with an invocation.

James Parsley asked for all present to review the minutes on the last page of the 2012 annual report. Shannon Adams motioned to approve the 2012 minutes. The motion was second by Troyce Taylor and passed by all members present.

James began his Chairman of the Board speech by introducing all the board members, Troyce Taylor, Lee Spence, Diane Etue, Francis McDaniel, Debbie Roberts and Joey Davis. James spoke of how these volunteers are seriously committed to making clear, strong policies for the staff to follow while serving the membership of EFCU. EFCU, along with the rest of the credit union industry, is building on the momentum of all new members obtained from the abandonment of the banking industry. These people realize that credit unions do not take advantage of their members and credit unions offer up-to-date products and services and terrific community programs. Some examples are EFCU's Mad City Money teaching financial literacy to high school seniors and Career Days. EFCU supports several local charities including Helping Hands, Lakes Area Hospice and the Southeast Texas Food Bank. James stressed that all members have a voice in EFCU's leadership and we have a well trained and knowledgeable staff.

Troyce Taylor gave the treasurer's report. EFCU experienced a year of positive growth in 2012. Assets increased by 11.29%, loans by 16.44% and shares by 10.47%. EFCU had a strong return on average assets of .85% with a strong capital of 10.79%.

Brenda McDaniel, Chairman of the Supervisory Committee, explained that their responsibilities are to oversee all aspects of EFCU to determine that EFCU is soundly managed and that the members' assets are safeguarded. She introduced the committee members, Shannon Adams, Marlene Lacy, and Debbie Roberts. She said the committee is now in the final stages of completing the strategic plan they developed after the 2012 NCUA exam and are preparing for the 2013 NCUA exam. She commended EFCU's staff for taking great pride and excelling in their work and the committee is very proud of the staff.

Loretta Chatagnier, President/CEO, welcomed all. She thanked Hugh Terry and the Go Texan Committee for preparing the great fish dinner, the Evadale ISD for use of the facilities and all the local businesses that donated prizes to raise money for the Southeast Texas Food Bank. She then introduced the staff and management team that is committed to serving the communities of Jasper, Newton and Hardin counties by following EFCU's mission of providing people with the best financial solutions and vision of being the community leader in financial solutions.

James Parsley then asked if there was any unfinished or new business. No member spoke so he called on Brenda McDaniel to give the Nominating Committee Report. Brenda stated that Lee Spence and Diane Etue were the incumbents. They were unopposed so she declared the incumbents winners by acclamation.

James then turned the meeting over to JE Martindale, Mischga Wright and Lone Star Saver Kevin Parsley to draw for the cash door prizes and the "Wheel of Prizes". A total of \$750 was raised for the Southeast Texas Food Bank.

James then asked for a motion to adjourn the meeting. Christine Larsen motioned to adjourn, the motion was second by Shannon Adams and the meeting adjourned at 8:10 pm.



Statement of Financial Condition

	2013	2012
ASSETS		
Cash	3,239,518	2,518,567
Investments	18,822,340	19,310,340
Total Loans	37,113,427	33,755,318
Allowance for Ln Loss	(185,674)	(163,890)
Land & Buildings	1,908,926	1,976,950
Furniture & Equipment	127,793	163,559
NCUA Share Insurance	535,105	528,400
Other Assets	460,622	344,137
TOTAL ASSETS	62,022,057	58,433,381
LIABILITIES & EQUITY		
Notes Payable	283,553	786,625
Total Shares	55,141,637	51,507,355
Undivided Earnings	5,417,531	4,960,065
Regular Reserves	1,179,336	1,179,336
TOTAL LIABILITIES & EQUITY	62,022,057	58,433,381

We are in your *County!*



2013 Annual Report

A Message From Our CEO...

Good evening and thank you for attending the 59th Annual Meeting of Eastex Federal Credit Union.

As a financial cooperative, our success is your success. When you participate in the credit union, whether you are a saver, borrower, or both, you are contributing to our growth. Because of our cooperative structure we are able to offer competitive rates, new products and enhanced services with little or no cost to you.

Eastex Federal Credit Union is a locally owned and governed financial institution. We have a strong connection and commitment to the communities in Jasper, Newton and Hardin counties. We are well positioned to support growing demand for a financial institution that cares about your financial future.

Clearly our presence is known. Membership at Eastex Federal Credit Union continues to increase. As our membership grows, so do our assets, indicating that you are taking full advantage of the products and services we offer. Our current assets are 62 million.

We are pleased that as loan demand has grown 9.95% from 2012 to 2013, delinquencies remain low at 1%. This tells us that you value the competitive rates we are able to offer and you have a strong commitment to honor your financial obligations with your credit union. Eastex Federal Credit Union is a well-capitalized financial institution, with a strong capital ratio of 10.94%. To put that in perspective, 7% is the industry standard.

We are far more than an institution that offers financial products and services. Here are few differentiators that make Eastex Federal Credit Union special:

- We have a real presence in our communities. In 2013, we, to name a few:
 - ✓ Sponsored operation graduation at 5 schools
 - ✓ We sponsored local festivals in the counties
 - ✓ We delivered 9 financial education seminars in 4 schools
 - ✓ We participated in welcoming the students back to school at 5 schools
 - ✓ We participated in jump start in Buna
- We have an experienced staff of professionals with longevity in employee tenure. We strive to provide a culture that fosters personal and professional development. We recognize that a happy staff leads to better member service as we continue helping you meet your financial goals.

- We have a talented volunteer board of directors who share their expertise and knowledge to guide this organization toward continued success. In 2013, our board of directors completed the required hours of training.
- And, we have a unique business model that empowers every single member to have a voice. One member, one vote.

Our success depends on a strong membership base. I want to thank you again for your trust in Eastex Federal Credit Union. We have a strong foundation and performed well in 2013. With steadfast commitment, diligence and hard work, in 2014, we will once again deliver on our promise to you of “Providing people with best financial solutions”.

My commitment to you is that Eastex Federal Credit Union will continue to:

- Grow responsibly
- Listen and respond to your needs
- Explore innovative product/service solutions to enhance your financial life
- Develop our staff and board so they can confidently serve you

Again, thank you for your attendance this evening. I look forward to serving you in 2014.

Loretta Chatagnier

Loretta Chatagnier
President/CEO



Treasurer Report

The financial condition of Eastex Federal Credit Union is sound earning us positive reviews during our supervisory committee audit and our annual examination by the National Credit Union Administration.

Our Credit Union experienced another year of positive growth with assets of 62 million, increasing 6.14% from 2012, our loans increased by 9.95% and shares grew by 7.05%. The credit union had a net average return on assets of .76% or 457 thousand and our capital remain strong at 10.94%.

On behalf of the Board of Directors, we thank you for our membership and support of Eastex Federal Credit Union.

Troyce Taylor,

Troyce Taylor
Board of Director – Treasurer

Supervisory Committee Report

A John Weaver and Associates conducted a comprehensive annual review. The work was performed in accordance as set forth in Section 715 of the NCUA Rules and Regulations. The records and supporting documentation have been reviewed for 12 months and found to be in excellent condition.

Marlene Lacy

Marlene Lacy
Supervisory Committee Chairman



Mission Statement

To provide people with the best financial solutions.

Vision Statement

To be recognized as the community leader in financial solutions.

BOARD OF DIRECTORS

James Parsley	Chairman
Diane Etue	Vice Chairperson
Troyce Taylor	Treasurer
JE Martindale	Secretary
Lee Spence	Director
Francis McDaniel	Director
Joey Davis	Director

SUPERVISORY COMMITTEE

Marlene Lacy	Chairman
Shannon Adams	Committee Member
JE Martindale	Committee Member

STAFF

Loretta Chatagnier	President/CEO
Christine Larsen	VP of Lending
Mona Duce	VP Silsbee Office
Cheryl Loftin	VP Kirbyville Office
Connie Hawthorne	VP of Operations
Gayle Luna	AVP Member Service Silsbee
Renee Will	AVP Member Service Evadale
Denise Stark	AVP Member Service Kirbyville
Mischga Wright	Collections
Lauren Cook	MSR/Collections
Megan Whigham	Accounting/BSA Officer
Ashley Danielson	MSR/BSA Officer
Michelle Spears	Loan Officer
Brenda Davenport	Loan Officer
Polly Collier	Loan Officer
Erin Toney	Loan Interviewer
Laura Ross	Member Service Rep
Elizabeth Roesch	Member Service Rep
Breeana Lake	Member Service Rep
Jamie Campbell	Member Service Rep
Tonya Munson	Member Service Rep
Kendra Hooks	Member Service Rep
Jessica Lee	Member Service Rep
Melissa Jenkins	Member Service Rep
Alysha Brown	Member Service Rep



Federally Insured
by the NCUA