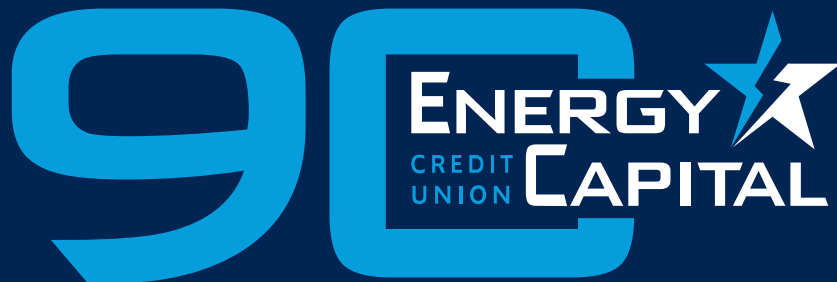


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ANNUAL

REPORT



ESTABLISHED 1934

1934

Federal Credit Union Act enabled credit unions to organize. First charter issued for Humble Oil Employees, which would later form ECCU.

1950s

First branch established inside the Prudential Building.

1960s

Converted from Federal to State Charter and joined TCUL (Texas Credit Union League, now known as Cornerstone League).

1989

Randall Dixon became CEO.

1990s

Invested in CUAC, Added Checking Accounts, Certificate of Deposits, Home Improvement Loans, Electronic Bill Payment, Lines of Credit Loans, ATM Cards, Loans by Phone.

1998

The Credit Union changed the name to Energy Capital Credit Union.

2005

Added money orders, secured Visa credit cards, Spanish Member Benefits Brochure, home equity and home equity lines of credit.

2006

The Northwest Branch (1st community branch) was opened.

2014

Spring Community Branch opened.

2015

Consolidated ExxonMobil locations and opened the ExxonMobil Campus branch.

2018

Linda Pearsall became CEO.

2019

Partnered with Haberfeld and Revised Checking Account Offerings.

2021

ECCU Insurance was founded.

2022

Kanika Boutté became CEO, Redefined Company Culture, Land Purchased in Katy, Texas for fourth branch location. Field of membership expanded to include Fort Bend, Brazoria, Waller and Liberty Counties. ECCU Cares Foundation established.

2023

Katy branch opened at the end of the year.

WHY DO WE EXIST?

WE EXIST TO HELP YOU BUILD
THE LIFE OF YOUR DREAMS.



We positively impact
members' quality of life.



We help make
dreams happen.



We help those who
may not be able to get
financial help elsewhere.



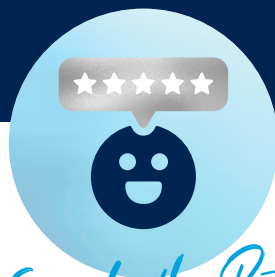
MEMBER TESTIMONIALS



Supports our Needs

We are truly blessed to have a bank that supports our financial needs.

THE BUTLERS



Simply the Best

This credit union is simply the best to deal with if making changes to your home loans or auto, or if just updating finances. It's the place to come home to.

MEMBER



Above & Beyond

I have always received amazing service. From immediate loan approval to superior issue resolution! Thank you for going above and beyond.

RUBY



Highly Recommend

Just recently got a new truck and was very impressed with the customer service my wife and I received. They quickly sent me on my way with a premier check so I could go to the dealership after hours. The warranties they offer are great and for a good price too.

I will also note that the reward system on debit card transactions is awesome too. Not many banks offer rewards for debit purchases. I highly recommend this credit union to friends and family.

ERIC



Very Satisfied

I've been with the credit union for over 20 years. They far exceed my expectations every day. I have financed several vehicles through them and even my house.

Amazing customer service! Always willing to do whatever they can for any situation. I am 100% a very satisfied customer.

LEIGH

MINUTES OF THE 89TH ANNUAL SHAREHOLDER'S MEETING FOR ENERGY CAPITAL CREDIT UNION

The 89th Annual Meeting of the shareholders of Energy Capital Credit Union (ECCU) was held virtually via Zoom on Tuesday, February 21, 2023, at 6:00 p.m. K. Boutte introduced Chris Ruisaard, Chairman, who opened and presided over the meeting.

Vince Elder, Board Secretary/Treasurer, verified that a quorum was present for the meeting. A motion to accept the meeting minutes from February 22, 2022, was made by Donna Gilbert and seconded by Valerie Dahlgren-Ballew, and the motion was approved.

Chris Ruisaard presented the Chair's Report.

C. Ruisaard noted that despite the dramatic economic shift in 2022, Energy Capital Credit Union remained sound. ECCU was able to purchase land and break ground on the construction of its fourth branch location in Katy, Texas. The new branch's target opening date is mid-2023 at State Highway 99 and Peek Road.

As Chairman of your Board of Directors, I would like to thank the leadership of this credit union and their ability to grow in areas where peers struggled this past year. They have executed strategic initiatives that have positioned ECCU for future growth while maintaining financial stability and its core commitment – to serve the members of ECCU.

Energy Capital Credit Union has historically been a well-capitalized financial institution. In 2022 ECCU had a net worth ratio of 9.93%. We can offer a greater return to Members by eliminating or reducing various service fees and maintaining competitive lending rates and generous dividend rates, as you saw in 2022. Another unique aspect of our financial strength was the ability to meet the loan needs of our members. In 2022, despite the sharp increase in loan rates nationwide, it was an excellent year for loan growth. ECCU grew loans by 7.94%. Members needed access to credit, and we were able to deliver. Our most significant growth was in Personal Loans, Credit Cards, and Real Estate. Another milestone was reaching a new high in assets ending the year with over \$275M in assets in 2022—a growth of 6.03%. The credit union responded quickly to rising deposit rates by offering several CD specials to our members. The Credit Union also took advantage of higher rates due to the Federal Reserve bank increases throughout 2022, allowing ECCU to earn higher investment yields than in previous years.

Kanika Boutte, CEO of ECCU, presented the President's Report.

K. Boutte stated as a state-chartered financial institution, ECCU's financial condition, accounting practices, and compliance with applicable laws and regulations are examined every 12 to 18 months by the State of Texas Credit Union Department. The effective date of the most recent examination was September 30, 2022. Energy Capital received favorable ratings in all six performance areas, including earning the highest possible ratings in the following areas - Asset Quality, Management, and Earnings. The Certified Public Accounting firm of DoerenMayhew was retained to audit the Credit Union's financial records. From the audit period of July 1, 2021, to June 30, 2022, DoerenMayhew found Energy Capital Credit Union to be both financially and operationally sound and issued an unqualified opinion.

In addition, Clifton Larson & Allen completed compliance reviews of our Lending, Real Estate, Website, Bank Secrecy Act, and Deposit Operations. ECCU also retained the firm ePay Advisors to review the ACH and Wire Transfer processes of the institution and the firm Security Compliance Associates to review the Information Technology processes of the Credit Union. The audits and examinations completed in 2022 have shown that Energy Capital Credit Union continues to function as a sound financial partner for our member-owners.

As always, Energy Capital Credit Union is committed to helping our community. Here are some of the events we participated in during 2022:

- ★ Participated in The Houston Chapter of Credit Unions' annual food drive supporting The Houston Food Bank.
- ★ Hosted Blood Drive in conjunction with Gulf Coast Regional Blood Center.
- ★ Participated in The Houston Chapter of Credit Unions' BEARing Gifts Toy Drive supporting children under the care of Child Protective Services.
- ★ Hosted two community Shred Days at ECCU's Northwest and Spring locations.
- ★ Awarded four members a \$500 scholarship to pursue their college education.
- ★ Participated in America Recycles Day in conjunction with ExxonMobil.
- ★ Our Board and Staff also volunteered at the Houston Food Bank, preparing food packages for those in need.

ECCU also established the ECCU Cares Foundation. This foundation supports two key initiatives – Our Environment and Financial Education. Visit ECCU Cares Foundation on our website to learn more!

In 2022, several new solutions were added to help meet our member's needs. The solutions included: Business CDs, a High-Yield savings account, Zelle®, and ClickSwitch to help automate Direct Deposit Setup and broke ground on a 4th branch location in Katy. In 2023, we will continue to focus on providing enhancements to help our members build the life of their dreams. This will include adding IRAs and updating our Online and Mobile Banking platforms, including the ability to buy/sell crypto and investments and new tools for our

business members. In addition, we are revamping our business lending offering, adding tools for members to manage their credit scores, all while continuing to focus and invest in cybersecurity to protect our member's information.

Vince Elder, Board Secretary/Treasurer, presented the Report of the Treasurer.

V. Elder stated that interest income on loans and investments grew in direct response to the shifts in the interest rate environment in 2022.

Deposit rates were forced to increase due to the Fed raising rates, and as a result, loan rates also increased. ECCU paid members more than double the dividends it paid in 2021, helping ensure we provide strong returns to our members despite market pressure. However, despite economic uncertainty, ECCU surpassed \$1.1M in net income, which included paying out almost \$1M in dividends to our members. The institution has remained financially sound while navigating the lingering effects of the Global Pandemic. Our members have more than \$243 million in deposit accounts with Energy Capital Credit Union, an increase of 6.77% over 2021. ECCU offered several CD specials throughout the year and was among the first in the Houston market to increase our Energy Checking and CD rates during the year. We also added the High Yield Savings Account and Business CDs to give our members a safe place to hold their money while navigating the market changes in 2022.

Chris Ruisaard presented the Nominating Committee Report.

The bylaws of Energy Capital Credit Union require that a Board of 7 to 12 directors be elected from the Membership to provide general direction and Control of the affairs, funds, and records of the Credit Union. A Director's standard term of office is three years, with 1/3 of the directorships expiring yearly. The bylaws also provide that directors may serve additional terms if the Board approves.

Our board nominees for 2023 are Kimberly Irchirl-Carter, Hermes Rubio, C. Steve Wright, and Andrew Copeland. Adrian Davila made a motion to approve the Board Officers as presented. Kimberly Irchirl-Carter seconded the motion.

At this time, I would like to recognize our board of directors for their leadership and dedication to Energy Capital Credit Union. Each director contributes unique qualities and skills, which help oversee and guide your credit union. In closing, I express my most profound confidence in the leadership team of the credit union, the guidance of our Board of Directors, the commitment of our dedicated staff, and the support and loyalty of You, our member-owners. We look optimistically into the future because Energy Capital Credit Union is well-positioned to face any challenge and seize any opportunity in the new year. Thank you, Ladies and Gentlemen. I wish you and your families the best in 2023!

A plaque was presented to Vince Elder for his service to our ECCU Board of Directors. Vince has been serving on our Board for nine years. With no further business, the 89th Annual Meeting adjourned at 6:16 p.m. by acclamation.

THE CHAIRMAN'S REPORT



I am honored to review the year-end results for 2023. Despite the challenging economic climate of the year, I am pleased to report Energy Capital Credit Union has remained resilient and steadfast in both financial stability and commitment to serving members.

The year was filled with rate volatility for consumers. The primary focus of the credit union was on maintaining and increasing member deposits. Energy Capital Credit Union consistently adjusted rates to meet or beat the market average, as well as local competitors. In doing so, dividend rates were much higher than what we have seen in prior years, resulting in larger returns paid to members for their savings, checking and certificate accounts. Last year, we paid our members \$3,260,299 in dividends. That is an increase of more than \$2,100,000 from the year prior. The elevated dividends is a great example of how a credit union operates differently than for-profit businesses. We return our profits back to our membership via savings account dividends.

While it is true that both loans and deposits experienced a decrease compared to the previous year, I want to emphasize that these results should not be viewed in isolation. A number that is used within credit union management to determine health and security is our capitalization. Anything 6% or greater is considered adequately capitalized, while 7% or greater is well capitalized. Energy Capital's capitalization is 9.63%. We actively monitor this percentage and operate in a conservative nature to properly handle all members' assets.

Perhaps the most exciting Energy Capital Credit Union news of 2023 was the addition of a third community branch. It is a stand-alone, full-service branch at 3211 Peek Road in Katy, Texas. The branch has multiple drive thru lanes, flex offices for member support and allows us to service members in that area more effectively.

As we move forward, our strategic priorities remain clear: assist our members with the financial products and services they need for their whole lifetime, and provide a level of service that they don't receive elsewhere. We are confident in our ability to drive growth and continue to be our members' financial partner of choice. Thank you for your continued support and trust in our credit union.

DR. DETRA D. JOHNSON
Chairman of the Board

STATEMENT OF FINANCIAL CONDITION

ASSETS	2022	2023
Loans	\$230,072,245	\$208,373,025
Cash In Bank	\$16,222,044	\$24,948,730
Investments	\$15,955,688	\$18,313,513
Share Insurance (NCUSIF and ESI)	\$2,011,225	\$2,479,929
Land	\$1,600,467	\$2,772,732
Building (Net)	\$4,975,509	\$6,994,536
Other Assets	\$4,472,441	\$3,561,310
TOTAL ASSETS	\$275,309,619	\$267,443,775

LIABILITIES	2022	2023
Payables & Other Misc. Liabilities	\$5,833,181	\$16,049,880
Dividends Payable	\$186,560	\$369,535
Member Savings, Checking, and Certificate Accounts	\$243,716,998	\$225,276,680
Reserves	\$25,572,880	\$25,747,680
TOTAL LIABILITIES & EQUITY	\$275,309,619	\$267,443,775

STATEMENT OF INCOME

	2022	2023
Interest on Loans	\$8,719,635	\$10,250,684
Interest on Investments	\$551,408	\$1,359,494
Total Interest Income	\$9,271,043	\$11,610,178
Fees and Other Income	\$2,428,181	\$2,516,091
TOTAL INCOME	\$11,699,224	\$14,126,269
Operating Expenses	\$8,727,754	\$9,313,073
Provision for Loan Losses	\$809,699	\$1,426,965
Dividends	\$968,131	\$3,260,299
Total Expenses	\$10,505,584	\$14,000,337
NET INCOME/(LOSS)	\$1,193,640	\$125,932

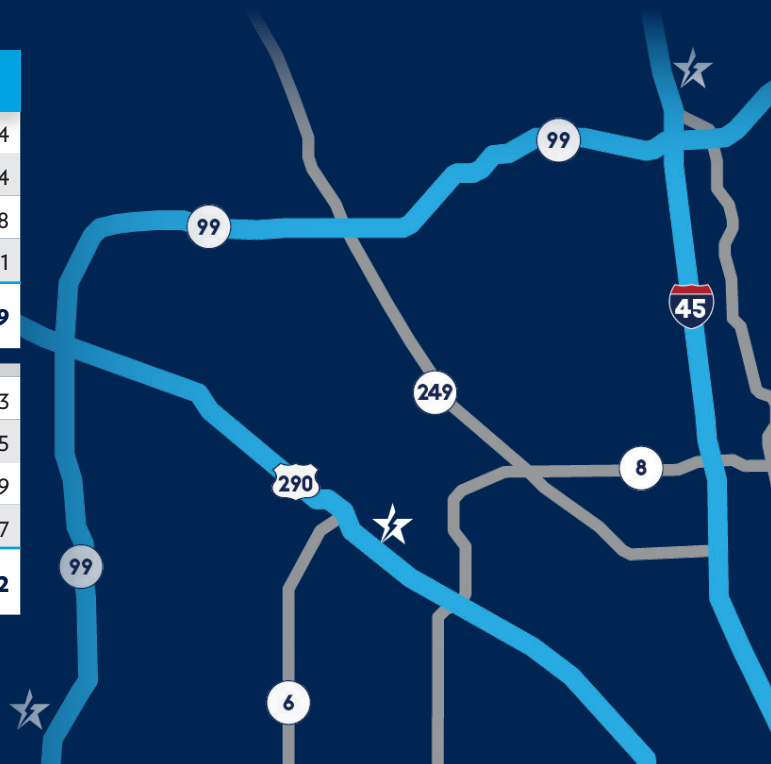
NOTABLE NUMBERS

 **\$3,260,299**
PAID IN MEMBER DIVIDENDS

 **\$45,960,555**
LOANS GRANTED

 **3**
COMMUNITY BRANCHES

 **18,480**
MEMBERS





BOARD OF DIRECTORS

TERM EXPIRATION YEAR

CHAIRMAN

Dr. Detra D. Johnson
2025

VICE CHAIRMAN

Brent Rawson
2024

SECRETARY/TREASURER

Shannon Rives
2024

George Edwards
2025

Kimberly Irchirl-Carter
2025

Hermes Rubio
2025

Chris Ruisaard
2024

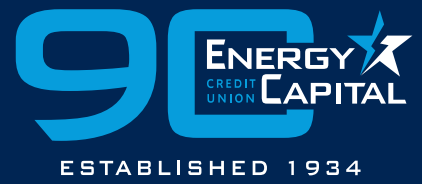
Steve Wright
2024

Todd Reppert
2024

ADVISORY BOARD OF DIRECTORS

TERM EXPIRATION YEAR

Scott Rosenlund
2024





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by NCUA