

SIXTY-NINTH ANNUAL MEETING OF THE TRAVIS CREDIT UNION

The Sixty-ninth Annual Meeting of the Travis Credit Union was called to order by the Chair of the Board, Patricia Moreno at 4:00 p.m., Wednesday, May 20, 2020.

The following officials were present at the Zoom Webinar:

BOARD OF DIRECTORS

Patricia Moreno
Deborah Aspling
Mary Coburn
Dee Alarcon
Len Augustine
Doug Beaumont
Brian Howell
James P Kirkley
Curtis Newland

SUPERVISORY COMMITTEE

Arturo Reyes
Johanna Benker
Tim Truesdale

President and CEO, Barry Nelson welcomed everyone to the sixty-ninth Annual Meeting of Travis Credit Union. He commented that during this pandemic and the associated health concerns that exist with large group gatherings, we have chosen this online only format to meet the requirement for an annual meeting. We have received guidance from our legal counsel and regulatory agencies to make sure this format fulfills our duty as a member owned financial cooperative. This presentation was prerecorded to ensure a positive viewing experience.

We are required to make available to our members the 2019 Annual Meeting Minutes, the 2019 Annual Report and the Audited Financial Statements for fiscal year 2019. All of these statements can be accessed from our website following this link: traviscu.org/2020annualmeeting. There are no actions to be voted on in today's meeting. Instructions for submitting questions were provided in the information email received after registering for this Annual Meeting. To ensure a positive experience for all in attendance we will not be answering questions during the meeting. Responses to questions submitted will be emailed to all who ask questions after the meeting, generally within 48 hours. He then turned the meeting over to Patricia Moreno the Board Chair.

The Chair of the Board, Patricia Moreno, called the 69th Annual Meeting to order. The Invocation followed by the Pledge of Allegiance was led by Barry Nelson, President & CEO. The presence of a quorum was established by the Parliamentarian. Chair Moreno announced that the minutes of the 68th Annual Meeting were made available to participants on the Annual Meeting landing page. There have been no corrections to the minutes submitted, therefore the minutes of the last meeting will stand as written.

Chair Moreno welcomed everyone to the 69th Annual Meeting of Travis Credit Union. She thanked everyone on behalf of the Board of Directors for joining us as we conduct our first online Annual Business Meeting. She commented that for everyone's safety and health we have chosen to use an online channel this year to share our 2019 financial performance and to present the credit union's expectations for 2020. In 2019 Travis Credit Union continued to prosper reaching \$3.37 billion in assets with more than 214,014 members. By continuing to leverage our financial

stability and strength we were able to provide even more convenience and value to our membership. In 2019 we helped hundreds of people become first time home buyers, showing them that the path to home ownership was in reach with the help of Travis Credit Union. We also helped many others save money by refinancing their home, credit card, or auto loan. One reason we were able to assist so many people last year is because there was a higher level of financial competency about our financial products among our employees. In 2019 all Travis employees underwent mandatory financial product training so that each of them, no matter if they worked in the branches or a back office, were prepared to help people understand the credit union's offerings and direct them to the right people. This type of training goes hand in hand with our Awesome Cause of Financial Education, Financial Literacy and Financial Advocacy which we continued to expand in 2019. By changing lives and lifting our communities through financial wellness, we continue to make a difference in the lives of all our members wherever they are.

Chair Moreno reported that in 2019 we also kept our eyes sternly on the credit union's bottom line. Travis Credit Union continues to remain financially strong. Our smart stewardship of the credit union's assets from the past decade until now has prepared us for the unexpected such as the global pandemic facing the world today. The credit union's Net Worth remains well above the standards required by regulators. We plan to keep your credit union in a position of financial strength and security for years to come.

Chair Moreno recognized the hard working staff and management team at Travis Credit Union, commenting that throughout 2019 and into 2020 they have shown their strength of character, dedication and commitment to helping our members. It is true that we are all in this together. She commented that on behalf of the Board of Directors we are proud to share Travis Credit Union's 2019 Annual Report which is available on line. She thanked all of the credit union's Volunteers, noting that over the past 69 years our Volunteers have helped instill and foster the trust and goodwill that Travis has today with our members and our communities. She thanked all of the members watching for their interest and active participation in their credit union's Annual Meeting. She commented that we value our members loyalty to Travis and their desire to help us improve. She then turned the program over to Barry Nelson to give the annual CEO's report.

Barry reported that he would be sharing our 2019 performance and a bit about what we have done the first part of this year. He commented that 2019 was a year of growth of; members, assets, loans, shares, earnings and reserves. This growth was attained by a passionate, dedicated, and knowledgeable workforce that cares deeply about creating value for our members and the communities they live and work within. He remarked that we are people helping people. As of December 31, 2019 we had 214,014 member owners. Travis Credit Union has \$3.4 billion in total assets. This makes us the 13th largest credit union in the state of California and the 72nd largest credit union in our great nation. Our assets grew by 8% since last year. Our loans grew an astounding 12.1% in 2019 to bring our portfolio to \$2.64 billion. We made over 16,000 car loans to our member owners totaling \$430 million. We made 2,500 real estate loans for an astounding \$700,017 million. This was the most real estate loans ever funded in a year at Travis Credit Union. Our 12.1% growth in 2019 far outpaced the 3.4% growth we attained in 2018.

The deposits our members entrust with us increased 7.4% in 2019 to bring our portfolio to \$2.93 billion. Throughout the year we ran many certificate promotion specials as well as increased our rates on our Money Market accounts. This 7.4% growth rate exceeded the 4.6% growth attained

in 2018. The fantastic growth in loans contributed to one of our best fiscal years from a bottom line perspective since we became chartered in 1951. In 2019, our Net Income was \$30.4 million or 14% more than Net Income earned in 2018. Historical earnings become our financial reserves, our Net Worth. Our regulators define a credit union having 7% of their asset size in reserves as well-capitalized. As of December 31, 2019 we had 11.79% of our assets in reserves. We are a very well capitalized credit union and this enables us to create value for those we serve, regardless of the economic backdrop we have to work through. We are well positioned to not only survive the recession brought on by this pandemic but to thrive.

Barry commented that as we all know we are working through a pandemic which became known in our region about 10 weeks ago. He shared some of the work we have done to help our membership during these most challenging times. Starting in March we began working with our members, specifically with those who had cash flow challenges. We have offered loan extensions to over 22,000 members. We have waived over 125,000 fees and have offered Pay Check Protection Program loans to the Small Business Administration to help small businesses to continue to meet their payrolls.

We care deeply about those in our communities and spread \$1 million over 96 non-profits in the markets where we have branches. We have fed the hungry, sheltered the homeless and provided care for the sick. Again, we are all about people helping people and want our members to know the safest and most convenient ways to do business with us. Our online and mobile banking platforms enable you to verify your account balances, deposit checks, transfer money, pay third parties and view your statements. You can also get assistance via live Chat.

Barry concluded his remarks stating that he thanks everyone for their membership and that he is pleased to report that we are well positioned to serve our members going forward. He then turned the update over to Dr. Arturo Reyes, Chair of the Supervisory Committee.

Dr. Reyes reported that the Supervisory Committee ensures that Travis Credit Union remains a safe and sound financial institution by overseeing the review of internal controls, compliance, procedures, and regulations. The Committee also engage an external audit firm to perform the annual independent audit. This year, all agencies and regulators, as well as Clifton Larson Allen, our external audit firm, found that Travis Credit Union is a financially sound organization, with good internal controls, dedicated to serving its members. He indicated that Travis Credit Union's financial statements appropriately represent the financial condition of the credit union.

In closing, Dr. Reyes stated that the Supervisory Committee believes that Travis Credit Union operates in the best interests of the membership and they commend the management team for their ethical leadership. He asked Mr. Bryan Mogensen to comment on the results of the external audit.

Bryan Mogensen, with the audit firm of Clifton Larson Allen, reported that his firm was hired by the Supervisory Committee to audit the financial results of Travis Credit Union for the year ending December 31, 2019. He commented that the preparation of the financial statements is the responsibility of the Credit Union's management and it is the auditing firm's responsibility to express an opinion on the reliability of these financial statements, based on the audit. There were no material misstatements to the financial statements and there was sound internal controls with the reporting of the financial statements. He reported that they have determined that the credit

union's financial statements were truthfully prepared and that they accurately reflect the financial condition and financial performance of the Credit Union during 2019. He indicated that he was happy to report that the results of the audit, in their opinion, fairly reflects the results of operations and the cash flows for Travis Credit Union for the year ending December 31, 2019. They issued a clean unmodified audit opinion for Travis Credit Union which is the highest result that can be obtained from an opinion audit. It was noted that a copy of the audited financial statements can be obtained from the credit union and that the financial statements in the Annual Report have been condensed for readability.

Unfinished Business

NONE

New Business

NONE

Election Results

Chair Moreno reported that because no more than one person was nominated for each seat up for election in 2020, the following incumbents will be deemed elected to three year terms. Deborah Aspling, Board Member, Brian Howell, Board Member, JP Kirkley, Board Member, and Johanna Bender, Supervisory Committee Member.

Chair Moreno stated that this concludes our Travis Credit Union Annual Meeting. She thanked everyone for their membership and for their online attendance and reminded them that their questions would be responded to in a timely manner.

Adjournment:

Having no further official business to come before the Chair, the meeting was adjourned at 4:18 p.m.



Patricia Moreno, Chair



Mary Coburn, Secretary