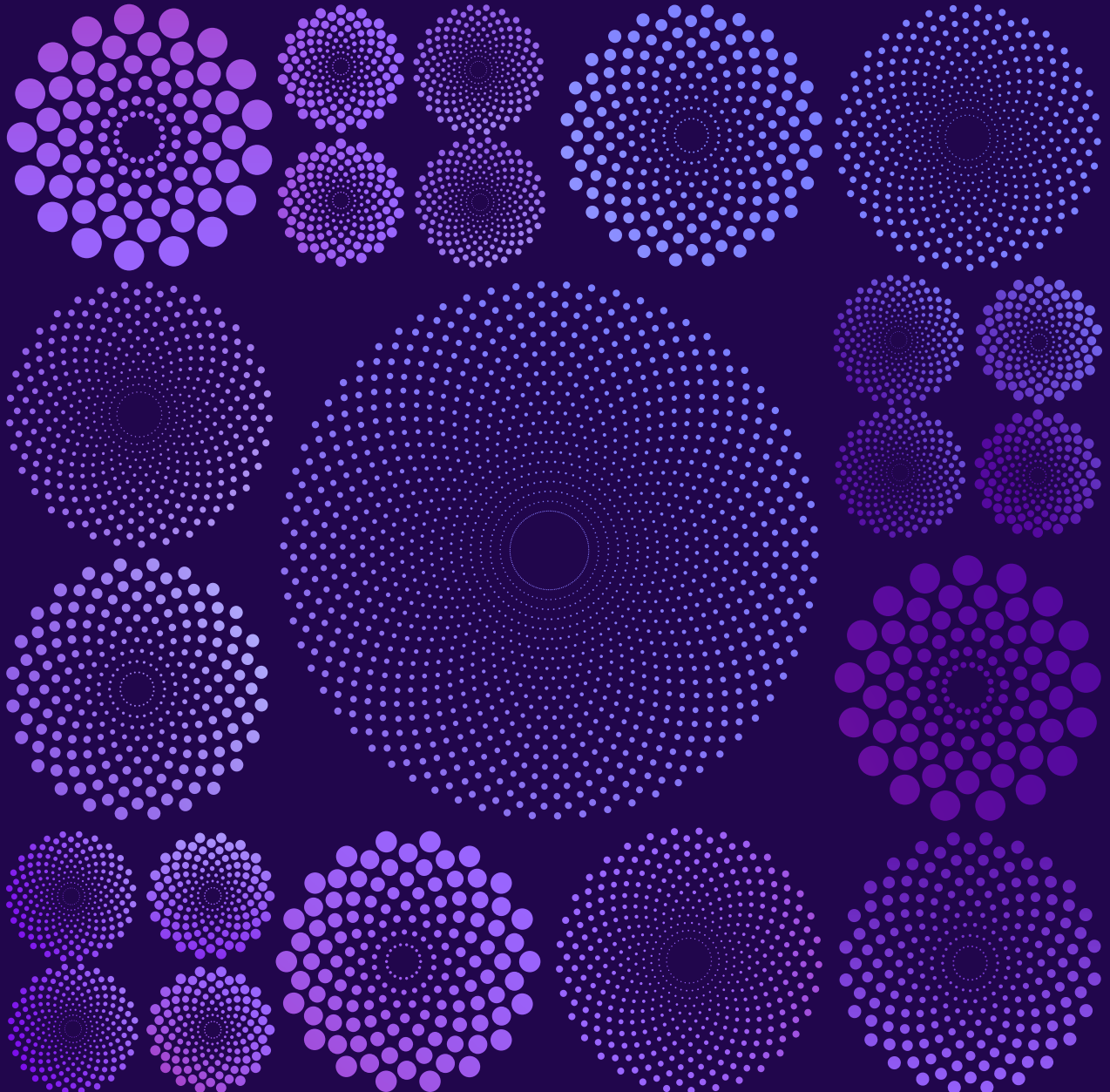




# Annual Report 2022



2022

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# Credit Union Leadership

## Executive Council



**Marty Pell**  
President & CEO



**Christie Gabino**  
Executive Vice President



**Monique Gunter**  
Chief Retail Officer



**David Jacobs**  
Chief Lending Officer



**Alexis Lewis**  
Chief Legal Officer



**Deena Smith**  
Chief Financial Officer



**Richard Sowell**  
Chief Strategy Officer



**Wes Turner**  
Chief Technology Officer

## Board of Directors

**Deborah Acosta Conder**  
Chair

**Brian Freedman**  
Vice Chair

**Peggy A. Zahler**  
Treasurer

**Portia S. Keyes**  
Secretary

**Dwayne D. Busby**  
Director

**Jenny Dudley**  
Director

**Lavonne Burke**  
Director

**Natalie Saiz**  
Director

## Supervisory Committee

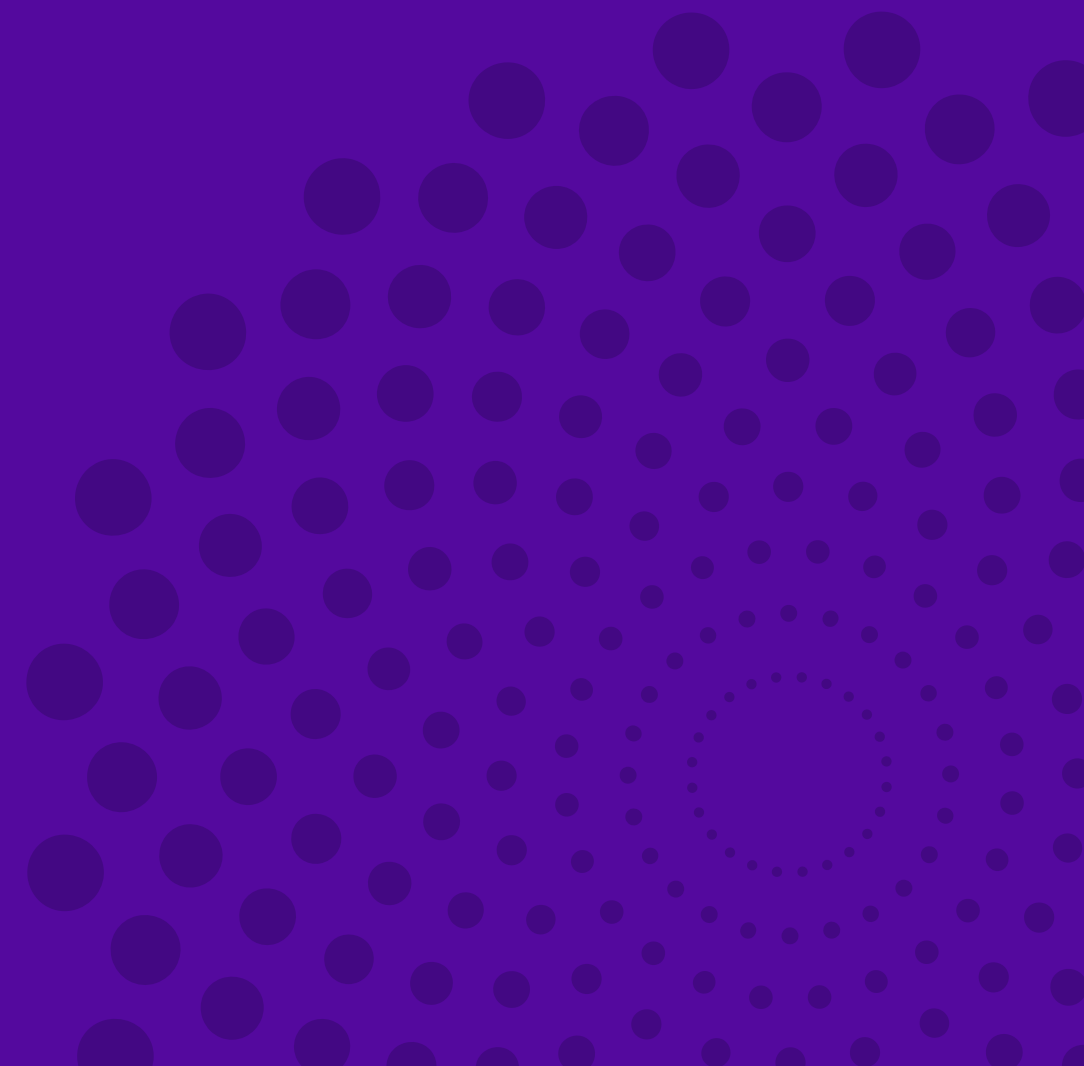
**Renee Falls**  
Chair

**Ivelina Pavlova-Stout**  
Vice Chair and Secretary

**Candace Brown**

**Mike Frahlman**

**Jalisa Sims**



# 2022 Highlights

Supported

**125,000**  
Members 

On their journey toward  
financial prosperity

Guided

**300**  
Families 

On their journey to homeownership

Returned nearly

**\$6.5 Million** 

To members in a special 60th anniversary member dividend

Funded more than

**16,000** 

Dreams through our lending  
products and services

Provided more than

**250** 

People with individual solutions  
for their retirement planning

Opened

**3 New**  
Locations 

At H-E-Bs across Greater  
Houston, and built a new  
branch in Sienna to better  
serve our growing membership

More than

**300**  
Hours 

Spent volunteering and  
supporting our communities

## A Message from Our Chair

After 2021's year of transformation, 2022 was full of development, implementation, and celebration as we supported you on your unique journey toward financial prosperity.

In 2022, we funded more than 16,000 dreams through our full suite of lending solutions. We guided more than 300 families on their journey to the American Dream of homeownership. We provided strategic solutions for more than 250 members as they planned for retirement. In total, we supported more than 125,000 members as they reached for the stars, realized their dreams, and celebrated life's achievements. I am proud of the work that Wellby Financial accomplished, and I am grateful for your membership and trust.

Our dedication to well-being isn't limited to our members. We are equally committed to the well-being of our communities. In 2022, our team members engaged in more than 300 volunteer hours to support our neighbors, local non-profit organizations, and community projects that truly help the people of Greater Houston prosper.

We also deepened relationships with partners aligned with our purpose to further support our space community and reinvest in the next generation through education.

Wellby continued proudly supporting Space Center Houston and NASA Johnson Space Center throughout the year in various capacities, including financial education opportunities for employees and patrons.

Through an emerging partnership with Clear Creek Independent School District (CCISD), we supported their critical mission of igniting learning through a spirit of exploration. Wellby's STEM Stars of the Game recognition program showcased exceptional students achieving excellence in science, technology, engineering, and math programs. We were also honored to sponsor a CCISD Title I elementary school to attend one of our CCISD Nights at Space Center Houston's Galaxy Lights, a special opportunity for nearly 750 students and their families to enjoy the event.

Further living into our purpose of helping people prosper, we expanded our community engagement to include meaningful acts of kindness. To help with food security during these challenging economic times, the Wellby community donated hundreds of cans of food to support our neighbors. We also hosted raffles, giving away grocery store gift cards. To expand our support of education and local teachers, we fulfilled CCISD teachers' school supply lists to help provide

Since our founding in 1961, we remain inspired to support our members and the communities we serve to realize there is no limit to human achievement.



*NASA's Space Launch System carrying the Orion spacecraft lifts off from Kennedy Space Center in Florida in the early hours of November 16, 2022, to begin the series of Artemis missions to return to the moon and beyond. Photo: NASA Kennedy via Flickr*



resources for our children's education. These are only a few examples of Wellby's strong commitment to our members and communities.

As we reflect on 2022 with a sense of tremendous accomplishment, I'm pleased to share the operational and financial soundness of Wellby, as detailed herein, on behalf of the Board of Directors.

Our governance and organizational policies are created with the financial well-being of our members and Credit Union as top of mind. We are very well positioned for continued advancement in the competitive financial services industry.

Since our founding in 1961, we remain inspired to support our members and the communities we serve to realize there is no limit to human achievement. I am grateful for your trust, and I am confident we are on a strong path to continued success.

**Deborah Acosta Conder**  
Chair, Board of Directors



## A Message from Our President & CEO

I am both proud and honored to serve as the President & CEO of your credit union, Wellby Financial. During my first year in this role, our exceptional team has made great strides in our efforts to establish a high-performance culture focusing on delivering excellent service.

To celebrate our 60-year legacy in Greater Houston and your tenure and trust in Wellby, we returned nearly \$6.5 million in a special dividend to our members. We more than doubled the dividend rates on our high-yield Wellby Spending Plus and Wellby Savings Plus accounts and expanded account benefits and flexibility to truly support your financial well-being. We also introduced our Home Equity Line of Credit (HELOC), which surged in popularity as a more flexible, lower-interest-rate alternative to credit cards and personal loans. These new and adjusted products exemplify our highly competitive rates and flexible options that meet your needs, leading us to a 27.82% increase in loan production.

Last year, we also provided new avenues to support member engagement and feedback. We launched a Member Advocacy Group, providing you and your fellow members an opportunity to share insights with our leadership on processes, products, and services. We continued surveying members on their experiences and gaining valuable insights to improve all

aspects of your relationship with Wellby. Thank you for helping us create the best path to prosperity together. These efforts will continue and expand in 2023.

To serve our growing membership, we opened three new Wellby locations inside local H-E-B grocery stores in Cypress, Katy, and Sugar Land. We also opened a new community-oriented branch in Sienna with a local coffee shop, co-working spaces, a meeting room for local groups to use at no cost, and a recently completed community mural representing our collective journey to financial prosperity. We also began updating our Pasadena branch to enhance your in-person experience at that location.

We launched a new member service channel, the Wellby eBranch. This knowledgeable, highly trained team is ready to provide financial guidance and support through phone and digital channels to enhance member support. We also hired additional team members and provided thorough training to ensure we are serving our members with precision and care.

Our executive team and Board worked diligently throughout 2022 to develop our new strategic plan, goals, and purpose statement: help people prosper. Part of our new strategy includes integrating the Wellby Path to Prosperity for our members.

We continue to place you at the forefront of every decision and strive to provide an unparalleled member experience as we live into our purpose of helping people prosper.



This Path will include guidance on how to build your path toward financial well-being, grow your prosperity as you plan for the future, and truly thrive, so you can manage your needs while helping others along the way. Keep an eye out for more information about the Path in 2023 and beyond.

Also, in 2023, we will be introducing preferred financial institution benefits that incentivizes and encourages members to make Wellby their financial institution of choice for their primary checking account, direct deposit, digital wallet, and debit and credit cards. We'll be sharing more about this exciting new program in 2023.

We are here to serve you. Every new product or service we offer is designed to help you reach your dreams and achieve true financial prosperity. You aren't just an account holder; you are a highly valued member of our Wellby community and a part owner of our organization. As such, we will continue to live into the cooperative principles by returning our profits to you through robust member benefits. We have an incredible team truly dedicated to your financial well-being. I am

excited to continue to share what our team is working on with your well-being in mind.

As always, thank you for your loyalty and membership. We continue to place you at the forefront of every decision and strive to provide an unparalleled member experience as we live into our purpose of helping people prosper.

**Marty Pell**  
President and CEO



# Financially Sound

## A Message from Our Supervisory Committee

The Wellby Financial Supervisory Committee has two primary purposes: 1) to ensure the organization's financial reporting is in accordance with generally accepted accounting principles and 2) that its practices and procedures safeguard members' assets. These goals are met, in part, by ensuring that Wellby's leadership properly administers policies established by the organization's Board of Directors and maintains effective procedures to comply with laws and regulations, to minimize the risk of fraud, and to avoid conflicts of interest.

In carrying out its duties, the committee oversees and reviews the internal audit department's activities and is also responsible for ensuring that Wellby's

financial condition is accurately presented in the Credit Union's financial statements by engaging an independent audit firm annually. We engaged qualified external auditors to provide a level of assurance commensurate with the Credit Union's size and complexity.

Doeren Mayhew, a globally recognized CPA firm, performed this external audit for the year ending 2022. In all substantial respects, the Credit Union's accounting practices, cash flows, and operations aligned with generally accepted accounting principles in the United States of America. This opinion was based on extensive testing of controls and transactions, in accordance with generally accepted auditing standards. An unqualified opinion is also known as a "clean opinion" and provides



our members with the assurance that the financial statements are free of material errors and omissions. Additionally, the National Credit Union Administration (NCUA), the regulatory agency for all federally insured credit unions, performs annual examinations. The NCUA looked at seven major risk areas: credit risk, interest rate risk, liquidity risk, transaction risk, compliance risk, strategic risk, and reputation risk. The NCUA conducted the 2022 audit as of June 2022, and Wellby received an overall rating indicative of a well-managed credit union serving its members' needs. Based on the NCUA examination report, the Supervisory Committee is pleased to report that Wellby continues to comply with laws and regulations, operating soundly and capable of withstanding business fluctuations. The Supervisory Committee is pleased

to report these positive results and serve the Wellby membership.

For assistance with issues that cannot be resolved through normal channels, members are encouraged to contact the committee by email at: [SupervisoryCommittee@wellbyfinancial.com](mailto:SupervisoryCommittee@wellbyfinancial.com).

**Renee Falls**  
Chair, Supervisory Committee



Based on the NCUA examination report, the Supervisory Committee is pleased to report that Wellby continues to comply with laws and regulations, operating soundly and capable of withstanding business fluctuations.

# Financial Report

Assets	2022	2021	2020
Total Loans	\$1,679,420,938	\$1,466,980,968	\$1,187,780,858
Less Allowance	(\$11,336,774)	(\$7,698,230)	(\$6,701,629)
Net Loans	\$1,668,084,164	\$1,459,282,738	\$1,181,079,228
Cash & Cash Equivalents	\$57,954,833	\$207,152,730	\$214,119,052
Net Investments	\$630,755,731	\$823,956,713	\$1,102,607,234
<b>Other Assets</b>			
Fixed Assets	\$31,950,088	\$34,383,450	\$35,126,263
NCUA Share Insurance Deposit	\$21,139,853	\$23,497,439	\$20,074,891
Other Assets	\$77,498,058	\$74,996,533	\$20,717,754
<b>Total Assets</b>	<b>\$2,487,382,727</b>	<b>\$2,623,269,603</b>	<b>\$2,573,724,423</b>

Liabilities, Shares, & Equity	2022	2021	2020
Total Liabilities	\$29,401,438	\$45,226,143	\$11,245,844
Total Shares & Deposit	\$2,209,600,654	\$2,279,374,569	\$2,255,517,879
Total Equity	\$248,380,635	\$298,668,891	\$306,960,699
<b>Total Liabilities, Shares, &amp; Equity</b>	<b>\$2,487,382,727</b>	<b>\$2,623,269,603</b>	<b>\$2,573,724,423</b>

Operating Income	2022	2021	2020
Total Interest on Loans	\$61,480,658	\$53,084,429	\$44,839,499
Income from Investments	\$23,804,239	\$17,555,558	\$20,978,699
Fee and Other Operating Income	\$15,494,740	\$15,897,057	\$14,094,881
<b>Total Gross Income</b>	<b>\$100,779,637</b>	<b>\$86,537,044</b>	<b>\$79,913,078</b>
<b>Total Operating Expense</b>	<b>\$67,006,516</b>	<b>\$59,602,645</b>	<b>\$46,844,355</b>
<b>Income (Loss) From Operations</b>	<b>\$33,773,121</b>	<b>\$26,934,399</b>	<b>\$33,068,724</b>
Provision for Loan Losses	\$10,400,651	\$5,657,560	\$6,648,354
Dividends Paid to Members	\$9,692,889	\$8,057,879	\$13,892,015
Other Non-Operating Gain (Loss)	(\$2,184,220)	\$2,560,532	\$3,004,233
<b>Adjusted Net Income (Loss)</b>	<b>\$11,495,361</b>	<b>\$15,779,492</b>	<b>\$15,532,587</b>
Special Dividends Paid to Members	\$6,473,696	\$0	\$0
<b>Net Income (Loss)</b>	<b>\$5,021,665</b>	<b>\$15,779,492</b>	<b>\$15,532,587</b>

# 2022 Financial Highlights

## \$24M

NET OPERATING INCOME

## \$286M

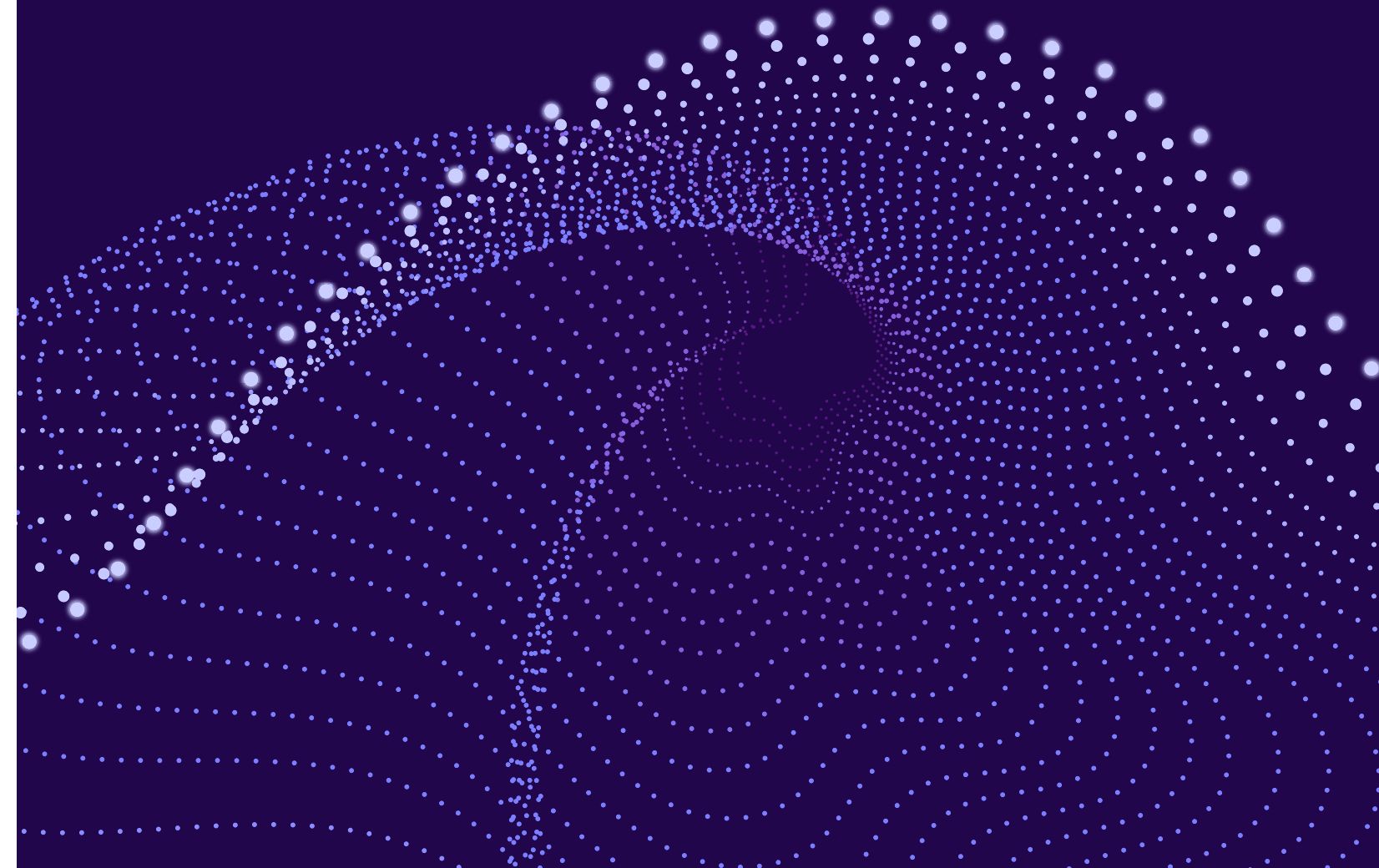
MEMBERS' EQUITY

## \$209M

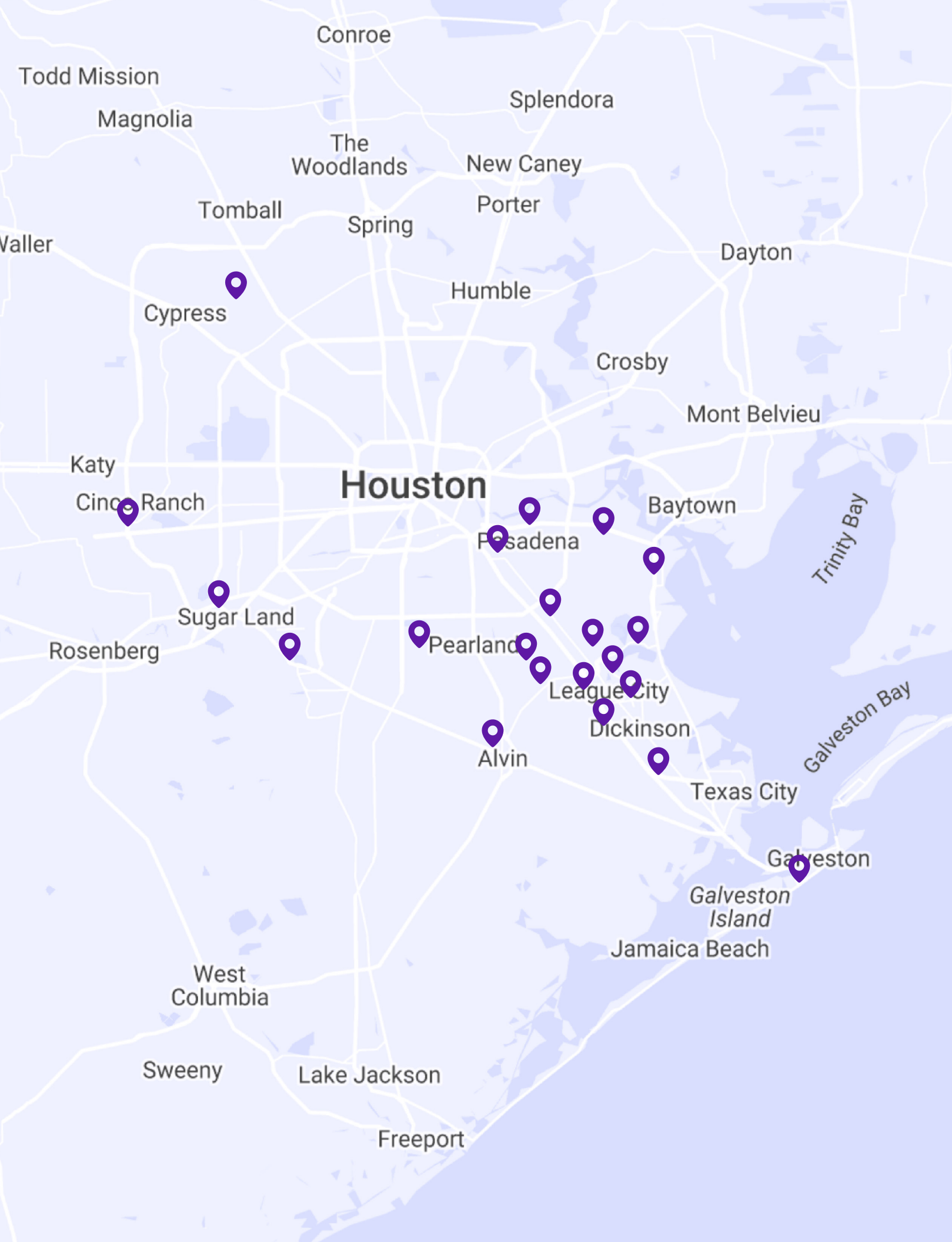
LOAN GROWTH

## \$6.5M

SPECIAL MEMBER DIVIDEND







# Our Locations

**Alvin**  
 877 E. Highway 6  
 Alvin, Texas 77511

**Galveston**  
 6167 Central City Blvd.  
 Galveston, Texas 77551

**Pasadena North**  
 303 W. Shaw  
 Pasadena, Texas 77506

**Clear Lake - Main Office**  
 1330 Gemini  
 Houston, Texas 77058

★ **Katy H-E-B**  
 6711 S. Fry Rd.  
 Katy, TX 77494

**Pearland - Broadway**  
 9101 Broadway  
 Pearland, Texas 77584

★ **Cypress H-E-B**  
 14100 Spring Cypress  
 Cypress, TX 77429

**La Porte**  
 607 West Fairmont Parkway  
 La Porte, Texas 77571

**Texas City - Mainland**  
 2300 Gulf Freeway  
 Texas City, Texas 77591

**Deer Park - Monument**  
 2200 East Thirteenth Street  
 Deer Park, Texas 77536

**League City**  
 501 FM 270  
 League City, Texas 77573

**Seabrook**  
 3620 NASA Parkway  
 Seabrook, Texas 77586

**Dickinson - Bay Colony**  
 2461 FM 646 W.  
 Dickinson, Texas 77539

**League City - Tuscan Lakes**  
 1280 East League City Parkway  
 League City, Texas 77573

★ **Sienna**  
 8215 Hwy. 6  
 Missouri City, Texas 77459

**Ellington**  
 404 FM 1959  
 Houston, Texas 77034

**League City - West**  
 2660 West Main Street  
 League City, Texas 77573

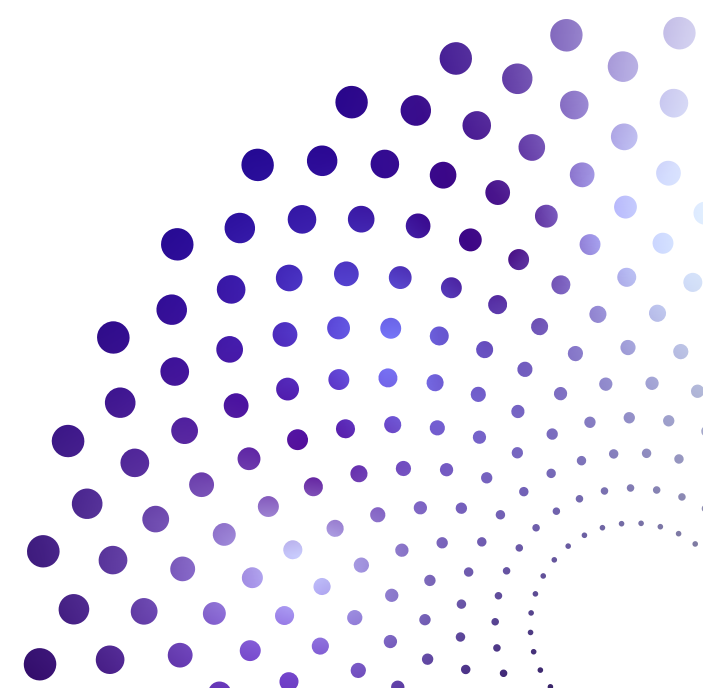
★ **Sugar Land H-E-B**  
 530 Hwy. 6  
 Sugar Land, TX 77478

**Friendswood**  
 1320 S. Friendswood Drive  
 Friendswood, Texas 77546

**Park Place**  
 8424 Park Place Blvd.  
 Houston, Texas 77017

**Friendswood North**  
 307 N. Friendswood Drive  
 Friendswood, Texas 77546

★ New Location





[wellbyfinancial.com](http://wellbyfinancial.com)

