## Consolidated Statements of Financial Condition

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Loans</td>
<td>531,173,932</td>
<td>589,318,110</td>
<td>711,016,583</td>
</tr>
<tr>
<td>Less: Allowance</td>
<td>(1,493,045)</td>
<td>(1,607,103)</td>
<td>(2,465,986)</td>
</tr>
<tr>
<td><strong>Net Loans</strong></td>
<td>529,680,887</td>
<td>587,711,007</td>
<td>708,550,597</td>
</tr>
<tr>
<td>Cash &amp; Investments</td>
<td>1,386,462,267</td>
<td>1,496,667,111</td>
<td>1,373,790,058</td>
</tr>
<tr>
<td><strong>OTHER ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fled Assets</td>
<td>10,606,385</td>
<td>22,112,005</td>
<td>25,646,849</td>
</tr>
<tr>
<td>NCUA Share Insurance Deposit</td>
<td>16,499,202</td>
<td>17,108,503</td>
<td>18,358,400</td>
</tr>
<tr>
<td>Other Assets</td>
<td>22,771,531</td>
<td>10,596,062</td>
<td>8,918,393</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$1,975,020,252</td>
<td>$2,134,394,688</td>
<td>$2,135,266,297</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIABILITIES, SHARES &amp; EQUITY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>8,442,082</td>
<td>1,786,370</td>
<td>2,295,848</td>
</tr>
<tr>
<td>Total Shares &amp; Deposit</td>
<td>1,758,141,907</td>
<td>1,910,233,426</td>
<td>1,893,648,213</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES, SHARES &amp; EQUITY</strong></td>
<td>$1,975,020,252</td>
<td>$2,134,394,689</td>
<td>$2,135,266,297</td>
</tr>
</tbody>
</table>

## Consolidated Statement of Income

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FINANCIAL CONDITION</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>LIABILITIES, SHARES &amp; EQUITY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>OPERATING INCOME</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Interest on Loans</td>
<td>18,936,557</td>
<td>20,572,149</td>
<td>23,866,765</td>
</tr>
<tr>
<td>Income from Investments</td>
<td>16,237,047</td>
<td>19,524,187</td>
<td>25,515,401</td>
</tr>
<tr>
<td>Fee and Other Operating Income</td>
<td>14,760,681</td>
<td>15,001,748</td>
<td>17,355,166</td>
</tr>
<tr>
<td><strong>TOTAL GROSS INCOME</strong></td>
<td>$49,934,285</td>
<td>$55,098,084</td>
<td>$66,737,332</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING EXPENSE</strong></td>
<td>$30,565,856</td>
<td>$31,202,222</td>
<td>$35,309,463</td>
</tr>
<tr>
<td><strong>INCOME (LOSS) FROM OPERATIONS</strong></td>
<td>$19,368,428</td>
<td>$23,895,862</td>
<td>$31,427,869</td>
</tr>
<tr>
<td>Less: Provision for Loan Losses</td>
<td>(1,651,715)</td>
<td>(1,865,320)</td>
<td>(3,393,673)</td>
</tr>
<tr>
<td><strong>Non Operating Gain (Loss)</strong></td>
<td></td>
<td></td>
<td>(2)</td>
</tr>
<tr>
<td><strong>TOTAL COST OF FUNDS</strong></td>
<td>(7,263,133)</td>
<td>(8,091,913)</td>
<td>(11,086,851)</td>
</tr>
<tr>
<td><strong>ADJUSTED NET INCOME (LOSS)</strong></td>
<td>$10,449,484</td>
<td>$13,938,629</td>
<td>$16,947,343</td>
</tr>
</tbody>
</table>

## Locations

- **BETTER RATES, LOWER FEES, MEMBER OWNED.**
- **CONSOLIDATED STATEMENTS OF ASSETS**
  - **Total Loans:** 531,173,932
  - **Less: Allowance:** (1,493,045)
  - **Net Loans:** 529,680,887
  - **Cash & Investments:** 1,386,462,267
- **OTHER ASSETS**
  - **Fled Assets:** 10,606,385
  - **NCUA Share Insurance Deposit:** 16,499,202
  - **Other Assets:** 22,771,531
- **TOTAL ASSETS:** $1,975,020,252

- **CONSOLIDATED STATEMENT OF INCOME**
  - **Operating Income:** $49,934,285
  - **Total Operating Expense:** $30,565,856
  - **Income (Loss) from Operations:** $19,368,428
  - **Provision for Loan Losses:** (1,651,715)
  - **Non Operating Gain (Loss):** (2)
  - **Total Cost of Funds:** (7,263,133)
  - **Adjusted Net Income (Loss):** $10,449,484

- **LOCATIONS**
  - **Clear Lake - Main Office**
  - **Alvin**
  - **Frisco**
  - **Friendwood**
  - **League City**
  - **Pasadena**
  - **Pearland**
  - **Seabrook**
  - **Texas City - Mainland**
  - **League City - Tuscan Lakes**
  - **League City West**
  - **Friendswood - Bay Colony**
  - **Dickinson - Bay Colony**
  - **Deer Park - Monument**
  - **Dickinson - Nasa**
  - **Friendswood North**
  - **League City**
  - **League City - Tuscan Lakes**
  - **League City West**
  - **Pearland**

- **CONSOLIDATED STATEMENT OF INCOME**
  - **2016**: $49,934,285
  - **2017**: $55,098,084
  - **2018**: $66,737,332

- **CONSOLIDATED STATEMENTS OF ASSETS**
  - **2016**: $1,975,020,252
  - **2017**: $2,134,394,688
  - **2018**: $2,135,266,297

- **ADJUSTED NET INCOME (LOSS)**
  - **2016**: $10,449,484
  - **2017**: $13,938,629
  - **2018**: $16,947,343

- **FINANCIAL CONDITION**
  - **LIABILITIES, SHARES & EQUITY**
    - **Total Loans**: 531,173,932
    - **Less Allowance**: (1,493,045)
    - **Net Loans**: 529,680,887
    - **Cash & Investments**: 1,386,462,267
  - **OTHER ASSETS**
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  - **TOTAL ASSETS**: $1,975,020,252

- **OPERATING INCOME**
  - **Total Interest on Loans**: 18,936,557
  - **Income from Investments**: 16,237,047
  - **Fee and Other Operating Income**: 14,760,681
  - **TOTAL GROSS INCOME**: $49,934,285
  - **TOTAL OPERATING EXPENSE**: $30,565,856
  - **INCOME (LOSS) FROM OPERATIONS**: $19,368,428
  - **Provision for Loan Losses**: (1,651,715)
  - **Non Operating Gain (Loss)**: (2)
  - **TOTAL COST OF FUNDS**: (7,263,133)
  - **ADJUSTED NET INCOME (LOSS)**: $10,449,484
A LETTER FROM OUR CHAIRMAN

David W. Whittle, Chairman

In order to further compete in a rapidly changing marketplace, JSC Federal Credit Union has to significantly increase the interest of our members and friends. As an organization, we must be able to engage with our members and potential members to provide a unique and exceptional experience. The key is to be different and stand out from our competitors. We must also be able to attract new members and retain existing members by offering a superior service experience.

JSC FCU has already taken steps to increase engagement with our members. We have launched a new mobile app that offers a greater ability to serve our members. Such new benefits include:

- Increased user friendliness by providing a consistent banking experience on the mobile app and website.
- Greater ability to add more products and services in the future.

Dear Members,

I am very excited and honored to serve as your new President/CEO. Originally from California, but immediately from the leagues of credit unions, our mission is to lead the organization into the next generation of our community. With amazing financial performance, we have been able to achieve the highest level of success.

In order to further compete in a rapidly changing marketplace, JSC Federal Credit Union has to significantly increase the interest of our members and friends. As an organization, we must be able to engage with our members and potential members to provide a unique and exceptional experience. The key is to be different and stand out from our competitors. We must also be able to attract new members and retain existing members by offering a superior service experience.

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Digital Platforms

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