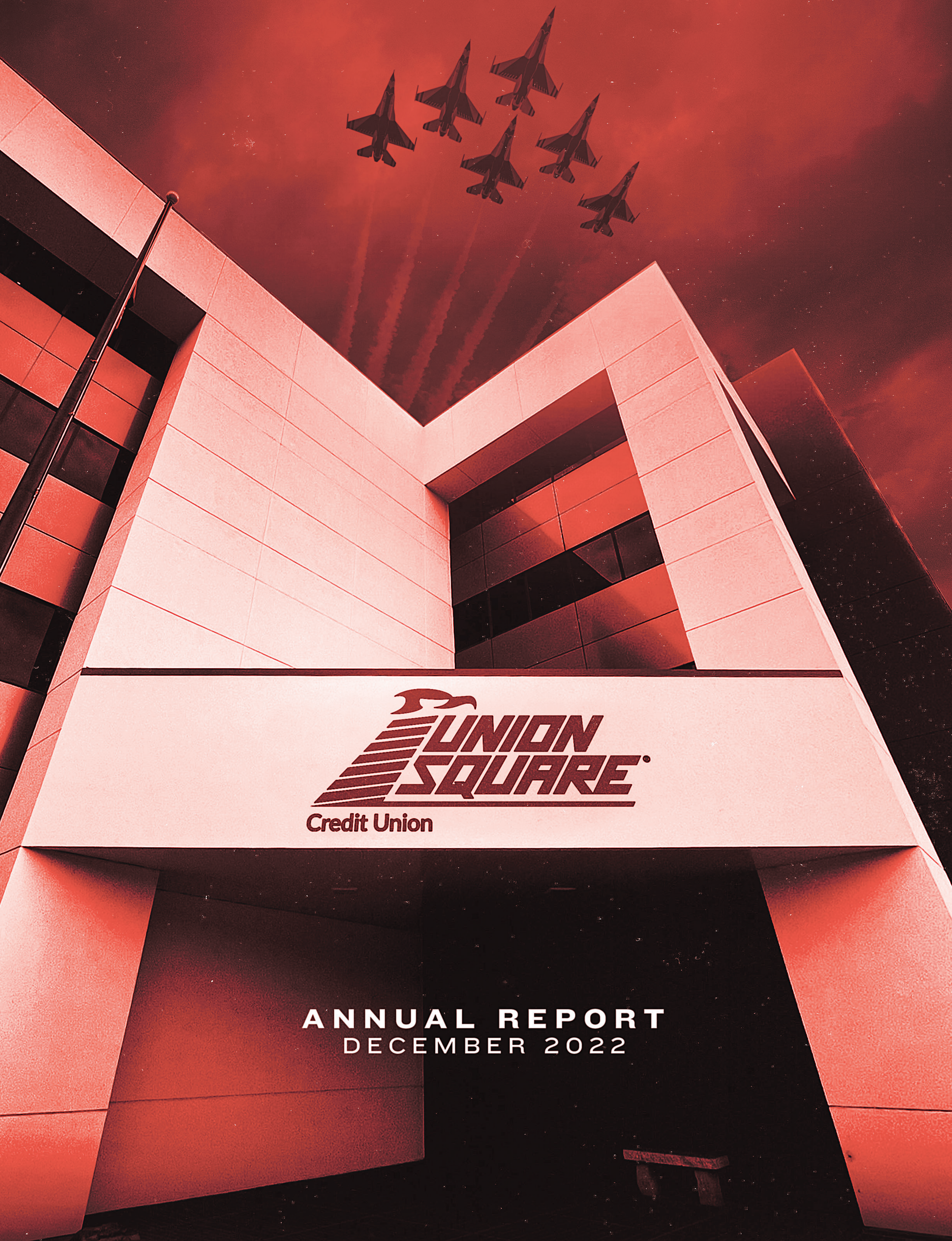
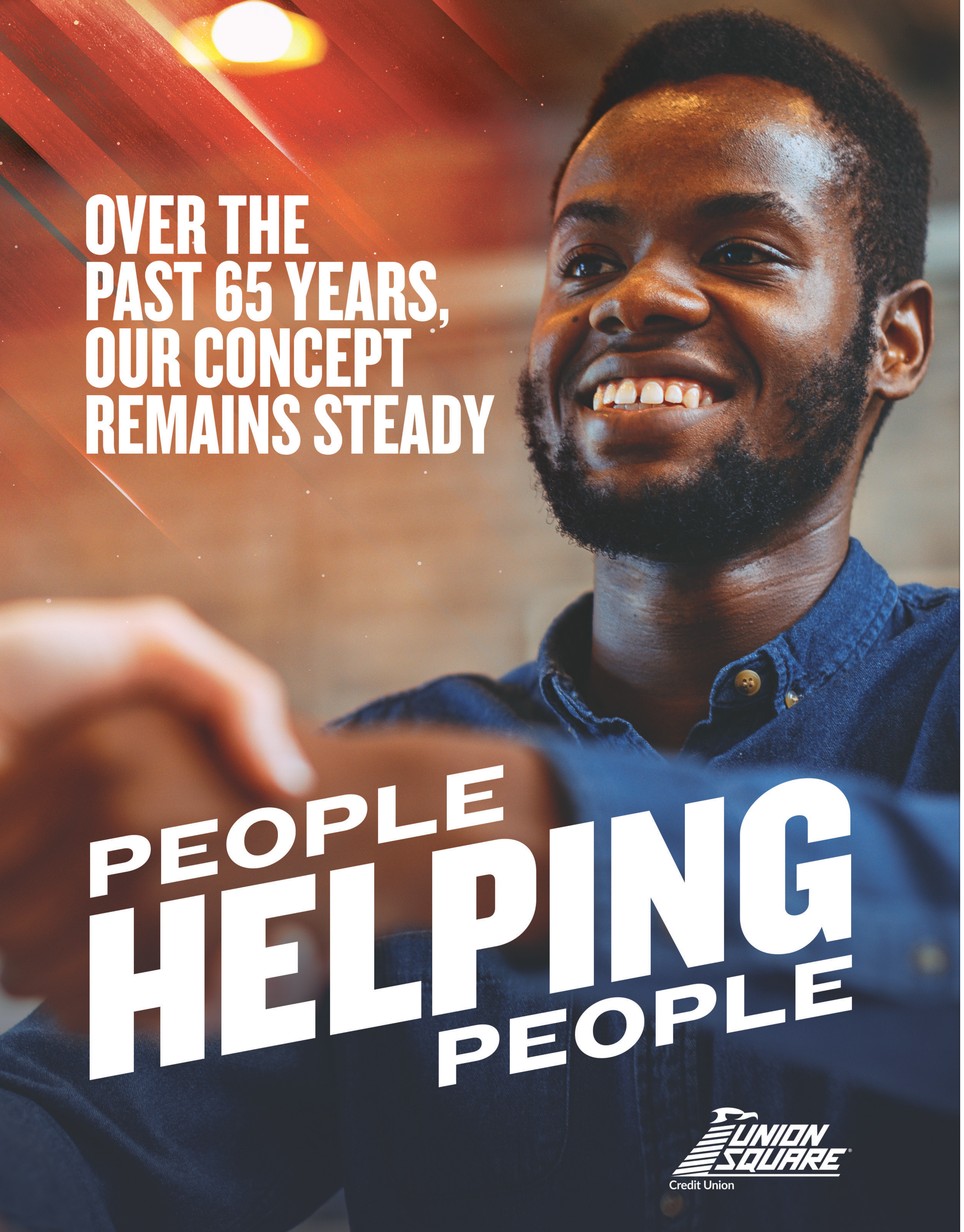


ANNUAL REPORT
DECEMBER 2022



DIRECTORS (TERM)

David Nix • Chairman .... (2024)
Gary Stevenson • Vice-Chairman .... (2023)
Eric West • Secretary/Treasurer .... (2025)
Danny Ahern • Director .... (2025)
John Barad • Director .... (2023)
Paul Fleming • Director .... (2025)
Julie Pruett • Director .... (2024)

CONTACT INFORMATION

All Offices .... (940) 720-8000
Contact Center .... (940) 720-8080

BRANCH LOCATIONS

Downtown
1401 Holliday, Wichita Falls, TX 76301

Parker Square
2903 Kemp in Parker Square, Wichita Falls, TX 76308

Sheppard AFB
Building 212, 2nd St, Sheppard Air Force Base, TX 76311

Burkburnett
909 West Kramer Road, Burkburnett, TX 76354

CHAIRMAN AND PRESIDENT'S REPORT

Committed to our members and providing a personal, professional, and unparalleled banking experience, Union Square Credit Union continues raising standards and expectations and has experienced progress and unprecedented growth for another year. Membership continues to grow—**adding 4,300 members** in 2022 alone and increasing Union Square's **total membership to 38,418**.

Assets saw record-breaking growth, exceeding **$640 million**. Over 9,000 new checking and saving accounts were opened in 2022, representing more than **$60 million in deposits**. Union Square's exceptional deposit rates—among the area's highest-yielding—deserve much credit for the growth. Certificates of Deposit, Money Markets, Kasasa Savers, and the popular Kasasa Cash checking accounts all enjoyed historical dividend rate increases—earning members even more on their deposits.

Union Square's products are impressive, but so too, are its services. Taking advantage of Union Square's many opportunities to increase loans in both numbers and dollars outstanding is a credit to our significant 2022 asset growth. Our dealer finance department **funded 4,977 vehicle loans**, amounting to **$200 million in production**. **Direct lending funded 2,083 loans**, resulting in **$36 million in production**. Consumer finance saw an **increase of $71 million in loan balances**, and we funded **246 member business loans totaling $38 million**.

The new Union Square Mortgage Center opened its doors in 2022. Located adjacent to our Parker Square branch, the 9,500-square-foot building extends our footprint and offers members a second-to-none home-buying experience. **In its inaugural year, the Mortgage Center processed 354 loans totaling more than $85 million.**

The Union Square website—our most visited branch—received a complete "remodel". The all-new, easy-to-navigate website allows members access to their financial information online, enabling most transactions, inquiries, and business to be conducted quickly and efficiently from any desktop or mobile device.

A commitment to relevant resources and cutting-edge technologies remains at the forefront of our decision-making. Members now take advantage of additional advances and improvements in technology via the following 2022 initiatives:

- **Shep**, Union Square's virtual AI assistant, deployed for service first by answering questions, providing account information, and facilitating transactions initiated through our Contact Center; however, look for him to evolve—by supporting our mission and telling our story in fun and exciting ways.
- **CardHub**, Union Square's updated and streamlined system for card management and expense tracking features, brings all the necessary tools and resources to one place—the expanded Union Square CU Mobile Banking app—making mobile banking even more convenient.
- ATM and ITM fleet expansion continued this past year with units coming soon in **Vernon**, located at **4200 College Drive**, and **Bridgeport**, located at **US 380 & 10th Street**.
- **Silhouette**, one of the most competitive credit cards in the market, was introduced and made available to members, offering low-interest rates, no annual payments, and cash-back rewards.

DAVID M. NIX // BOARD CHAIRMAN **JOHN G. BARAD // PRESIDENT & CEO**

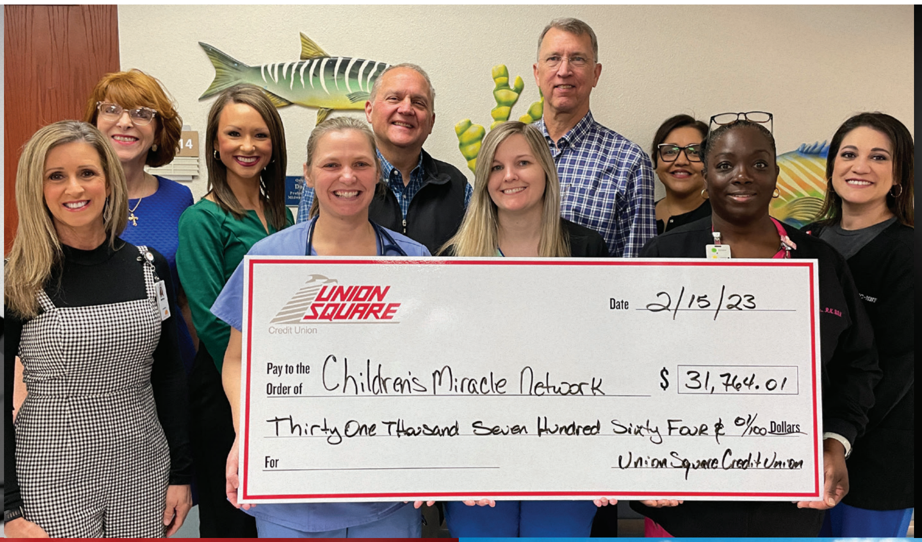
The dynamic group of employee professionals who call Union Square Credit Union their home away from home is the very life of our organization, possessing an incomparable commitment to our work. Added to the team in 2022 were **Simeon Hendrix, Director of Marketing and Business Development**, and promotions among our existing staff included **Teea Reed to Chief Operations Officer**, **Scott Flinn to Senior Vice President, Mortgage Services**, **Jonathin Hurst to Assistant Vice President, Retail Banking**; and **Chris Enriquez to Loan Officer, Member Business Lending**.

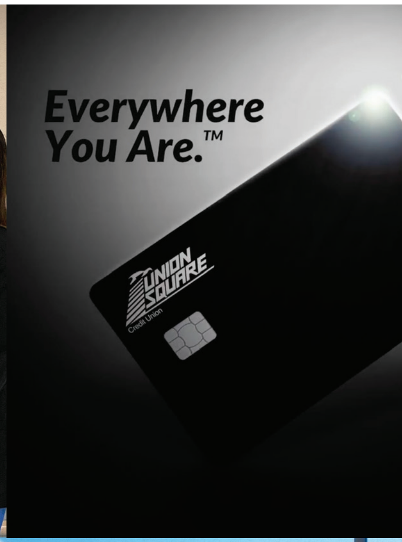
Serving our community is broader than the financial facilities and resources we afford our members. Union Square continues to find meaningful work and purpose by positively impacting the communities we live in and serve.

2022 was an effort and results record-breaking year in support of our own Children's Miracle Network (CMN) hospital, United Regional Health Care System, with our team **proudly raising $31,764.01—and exceeding our contribution for the previous year by 50 percent**. Here's to growth, progress, and raising the bar!

Serving our member-owners remains our most incredible privilege, and doing that well—supporting financial needs and dreams—is our commitment to our members and the community. We're proud of Union Square's tremendous growth and progress in recent years and excited for the future.

MORE LIKE FAMILY™





2022 FINANCIAL REPORT

ASSETS	2022	2021
Loans to Members	$ 578,855,993.05	$ 467,417,665.21
Allowance for Loan Loss	$ (1,518,295.28)	$ (1,230,670.86)
Cash on Hand and on Deposit	$ 7,005,451.76	$ 5,458,905.67
Investments	$ 54,340,234.28	$ 35,137,654.05
Other Prepaid and Deferred Expenses	$ 5,137,658.20	$ 4,149,590.22
Land	$ 2,598,613.02	$ 1,939,611.40
Buildings	$ 16,095,828.81	$ 10,950,798.01
Furniture, Fixtures & Equipment	$ 3,122,795.55	$ 5,472,856.71
Accrued Interest on Loans	$ 2,504,300.24	$ 1,828,610.74
Accrued Interest on Investments	$ 114,632.84	$ 49,934.19
NCUA Share Insurance Fund	$ 4,760,213.04	$ 4,357,690.37
Other Assets	$ 11,714,579.99	$ 24,448,152.69
TOTAL ASSETS	**$ 684,732,005.50**	**$ 559,980,798.40**

LIABILITIES & EQUITY	2022	2021
Accounts/Notes Payable	$ 69,546,281.68	$ 136,571.52
Accrued Employee Benefits	$ 297,444.25	$ 293,566.12
Other Accrued Expenses	$ 2,744,581.10	$ 3,550,545.30
Other Liabilities	$ 455,406.35	$ 15,862,764.92
Shares (Member's Deposits)	$ 561,608,602.50	$ 489,594,221.83
Undivided Earnings	$ 54,589,797.39	$ 50,589,537.58
Accum. Unrealized Gain/Loss On Investments AFS	$ (4,510,107.77)	$ (46,408.87)
TOTAL LIABILITIES & EQUITY	**$ 684,732,005.50**	**$ 559,980,798.40**

PROFIT & LOSS STATEMENT	2022	2021
Operating Income	$ 34,433,757.87	$ 29,292,419.52
Operating Expenses	$ 26,252,755.85	$ 22,800,081.88
Income from Operations	$ 8,181,002.02	$ 6,492,337.64
Non-Operating Gains (Losses)	$ (124,436.77)	$ 112,351.61
Dividends	$ 4,056,305.44	$ 2,926,002.28
NET INCOME	**$ 4,000,259.81**	**$ 3,678,686.97**

STATISTICAL INFORMATION	2022	2021
Total Number of Members	38,418	34,084
Average Deposit Amount per Member	$ 14,618.00	$ 14.364.34
Total Number of Loan Accounts	20,459	10,400
Average Dollar Amount per Loan	$ 25,408.00	$ 44,944.01

UNION SQUARE®
Credit Union