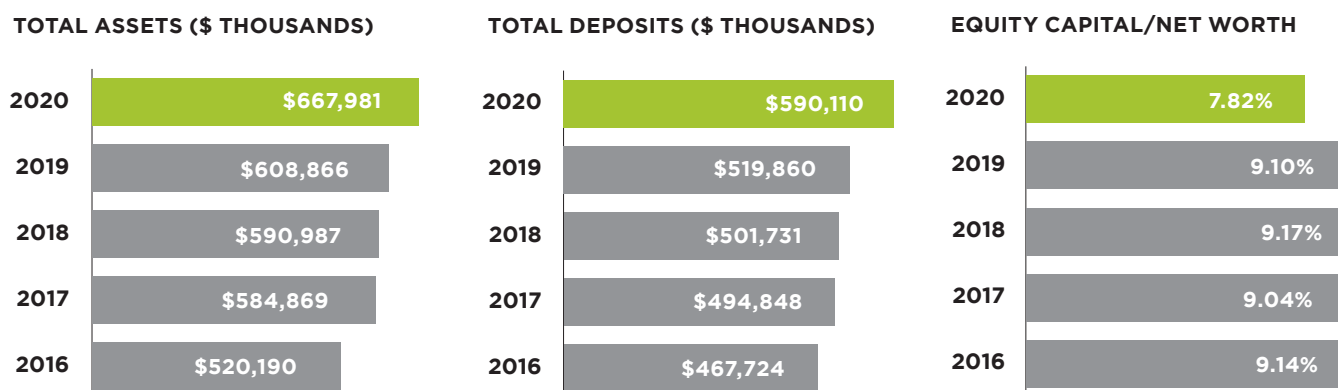


Performance Highlights



Message from the Treasurer: Wilfred Krenek

During this past year, both the pandemic and global economic recession impacted our members and the financials of the credit union. Deposits grew by \$70 million as members increased their savings rates during this time of uncertainty. Total assets grew to a record \$667 million. Loans decreased by \$15 million as a result of the recession.

Dramatically lower interest rates caused our interest income to decline by \$4 million in 2020 as compared to 2019. As the pandemic continued, we also increased the allowance for future loan losses by \$1 million to account for potential pandemic-related loan losses. To offset both this higher allowance and the loss in interest income, the credit union proactively managed and reduced costs to end the year with a net loss of \$3.1 million. Despite the loss, the credit union also paid our members over \$2.9 million in interest payments on their Certificates of Deposit and other share accounts. Overall, Members Choice Credit Union remains financially strong and “well capitalized” as defined by our regulators.

The financial statements provide further details on our financial performance. We remain committed to meeting the needs of our membership and to long-term strategies as we strive to be the best financial partner we can be.

Supervisory Committee Message: Tonya Jordan, Supervisory Committee Chair

The Supervisory Committee ensures that audits are conducted on a regular basis and that established internal controls effectively maintain and protect the credit union and its membership.

The annual audit of the books and records of Members Choice Credit Union, for the period ending December 31, 2020, was conducted by BKD, LLP. The audit was made in accordance with generally accepted auditing standards. They examined, on a test basis, evidence supporting the amounts and disclosures in the financial statements. In their opinion, the financial statements of the credit union present fairly in all material respects the financial position of Members Choice Credit Union as of December 31, 2020.

Balance Sheet

YEAR ENDED DECEMBER 31,
(in thousands)

	2020		2019	
ASSETS				
Total Loans	\$	446,425	\$	460,343
Less Allowance		2,917		1,994
Net Loans		443,508		458,349
Cash & Cash Equivalents		97,402		34,885
Net Investments		75,478		59,166
Other Assets				
Fixed Assets		36,314		37,972
Other Assets		15,279		18,494
TOTAL ASSETS	\$	667,981	\$	608,866
LIABILITIES, SHARES & EQUITY				
Total Liabilities		25,556		33,913
Total Shares & Deposit		590,110		519,860
Total Equity		52,315		55,093
TOTAL LIABILITIES, SHARES & EQUITY	\$	667,981	\$	608,866

Statement of Income

YEAR ENDED DECEMBER 31,
(in thousands)

	2020		2019	
Total Interest on Loans	\$	18,207	\$	19,649
Income from Investments		1,953		4,932
Fee and Other Operating Income		6,734		7,062
TOTAL GROSS INCOME		26,894		31,643
TOTAL OPERATING EXPENSE		24,752		27,709
INCOME (LOSS) FROM OPERATIONS		2,142		3,934
Less Provision for Loan Losses		2,399		538
Dividends Paid to Members		2,885		3,828
NET INCOME (LOSS)	\$	(3,142)	\$	(432)