Board of Directors

Donald Pinson, Chairman (2021)
Rudy Peña, Vice Chairman (2021)
Ignacio Orozco, Jr., Secretary (2022)
Matthew Ralph, Treasurer (2022)
Redell Ervin, Director (2023)
Kyle Friesenhahn, Director (2021)
Clare Coleman, Director (2023)
Anthony Petri, Director (2023)
Donald Jones, Jr., Advisory Director (2021)
Ronald Kyle, Director Emeritus

Audit Committee
Donald Jones, Jr., Advisory Director/Chairman
Anthony Petri, Director/Vice Chairman
Larry Wertheim, Member

Asset/Liability Management Committee
Matthew Ralph, Director/Chairman
Michael Grundon, Vice Chairman
Donald Pinson, Director/Member
Redell Ervin, Director/Member
Nathanael Tarwasokono, Member
Danny Smith, Member
Tamika Baker, Member

Chief Executives
Nathanael Tarwasokono, President/CEO
Tamika Baker, Chief Strategy Officer
Michael Grundon, Chief Financial Officer
Danny Smith, Chief Operations Officer
Gregg Thorne, Chief Alliance Officer

Administration
Lisa Baty, Chief of Staff
Michelle Akers, Board Counsel
Dawn Sloans, Executive Director, Firstmark Foundation


1. Alamo Ranch
10911 Culebra Rd., San Antonio, TX 78253

2. Bandera
8826 Bandera Rd., San Antonio, TX 78250

3. Bitters
2600 N. Loop 1604 W., San Antonio, TX 78248

4. Culebra
7200 Culebra Rd., San Antonio, TX 78251

5. Fredericksburg*
610 W. Main St., Fredericksburg, TX 78624

6. Gold Canyon
2023 Gold Canyon Dr., San Antonio, TX 78232

7. Gulfdale
10730 Gulfdale St., San Antonio, TX 78216

8. Huebner
8960 Huebner Rd., San Antonio, TX 78240

9. Jefferson
122 Donaldson Ave., San Antonio, TX 78201

10. Mission
1440 S.E. Military Dr., San Antonio, TX 78214

11. O’Connor
11530 North IH-35, San Antonio, TX 78233

12. Potranco
10610 Potranco Rd., San Antonio, TX 78251

13. Zarzamora
6927 S. Zarzamora St., San Antonio, TX 78224

* Located in Fredericksburg, Texas

1. All current terms expire in May of the year noted.
2. These directors to be affirmed as re-elected at the August Annual Meeting.
Vice Presidents
Aaron Bedingfield, Information Technology
Mark Leita, Compliance and Legislation
Priscilla Navarro-Fox, Risk and Cyber Security
Michael Poligala, Consumer Lending
Tom Pryjomski, Real Estate and Facilities
David Puente, Member Experience
Veronica Teran, Accounting/Controller

Directors
Trevor Brooks, Treasury
Andrew Denoncour, Credit Cards
Jerry Dugas, Loan Resolution
Kelley Farwell, Organizational Responsibility
Angela Guerra, Member Care
Jessica Guzman, Retail Experience
Todd Lanier, Creative Director, Marketing
Mark McDavid, Marketing
Renee Patterson, Human Resources
Melia Peters, Payment Services

Managers
Jennifer Alonzo, Quality and Assurance
Dazery Loredo, Core and Applications
Richard Migliore, Auto Lending
Richard Nelson, Business Partnerships
Donna Prado, Brand and Reputation
Victoria Rodriguez, Online Services
Matthew Rojas, Treasury
Ashlie Schilling, Payment Systems
Crystal Shook, Loan Resolution
Matthew Stiefer, Information Technology
Mark Teter, Consumer Underwriting
Esther Torres, Loan Quality and Servicing
Marisol Trejo, Member Care Center
Katrina Vargas, Human Resources
Kara Veach, Consumer Loan Process

Financial Center Managers
Sylvia Angel, Huebner
Vanessa Arita-Gonzalez, Zarzamora
Diane Bacon, Gulfdale
Matthew Bohr, Bitters
Benjamin Castillo, Alamo Ranch
Joel Ceguera III, Culebra
Christina Mason, Jefferson
Connie Poole, O’Connor
Crystal Saucedo, Mission
Angelica Spinks, Gold Canyon
Brenda Trevino, Patranco
Susan Valenzuela, Bandera

CHAIRMAN & CEO MESSAGE

OUR HISTORY

In 1932, during the Great Depression, ten teachers agreed to establish a credit union to serve educators. San Antonio Teachers Credit Union (SATCU), the first state-chartered credit union in San Antonio, was born and proudly served members under that name for 70 years. In 2002, SATCU became Firstmark Credit Union when membership qualifications were expanded to help more people in our community. Although our name changed 18 years ago, we continue to be deeply rooted in the education community. Today in 2020, we are committed more than ever to the success of our educators and those who support them. We are proud to be a credit union founded by educators for educators!

2019 HIGHLIGHTS

Firstmark Credit Union completed 2019 with a net income of over $8 million, resulting in a return-on-assets ratio of 0.79 percent and a strong capital ratio of 11.13 percent. The NCUA considers a ratio over 7 percent to be well-capitalized. At 11.13 percent, the credit union is financially strong and able to withstand significant downturns in the economy. Additionally, internal audits and the joint state and federal exam continue to verify the safety and soundness of the credit union.

At Firstmark, we believe our members’ experience will never exceed our employees’ experience. That is why we have, and continue to be, fully committed to building a healthy culture for our employees to succeed and make a difference. This has resulted in high engagement scores and low turnover, which has enabled us to provide a higher level of service to our members. In 2019, our members provided us with the highest net promoter scores on record. Additionally, our members rewarded the credit union with a 97 percent member satisfaction rate on the most recent annual member survey; this ranks in the top 13 percent of credit unions in the United States!

In 2019, our employees continued to connect with our community and represented our credit union at numerous volunteer events. Giving back is part of our DNA, and we annually provide every employee with 16 hours of paid volunteer time to support our community. Last year, we served over 1,500 volunteer hours in the community on behalf of our members!

Last year, we completed several important initiatives, including (1) refreshing our logo, (2) launching a rebranding campaign to strengthen brand awareness in the community, (3) improving numerous internal processes to simplify the banking experience for our members and (4) enhancing online banking and our mobile app. I am pleased to report that our Apple store ratings jumped from 2.4 in 2018 to 4.6 in 2019, while our Android store ratings improved from 3.79 to 4.51.

As we look forward, we currently have two exciting financial center projects planned. First, we are rebuilding the Culebra Financial Center on the same property. This new financial center will be a model for the future, and we expect to break ground in the fall of 2020. Second, our Gold Canyon Financial Center will be moving across 1604 to the Legacy shopping center. This move will allow us to expand our corporate office space while providing our members with a modern financial center in a nearby location. Both projects are expected to be completed by the summer of 2021.

$40,000 Funds Raised and Donated to Credit Unions for Kids

$20,000 Cunningham Scholarships Awarded to Students

$7,500 Educator Grants Awarded to Teachers

1,500 Hours Volunteered by Employees
Our story began more than 88 years ago when ten teachers signed a charter to form San Antonio Teachers Credit Union. As the oldest state-chartered credit union in San Antonio, we remain focused in our commitment to champion educators by supporting school district foundations, sponsoring back-to-school events and offering products specially designed for educators. Simply said, we are here to serve our education community.

Our SINCERE GRATITUDE

In closing, we would like to thank our employees for their unwavering passion and commitment to the success of our credit union and members. We want to thank our Board of Directors for their outstanding leadership and dedication to representing the best interests of our members. And most importantly, we want to thank our members for choosing to do business with us. At the end of the day, we simply exist because of you! We know you have many choices in the marketplace, and we are grateful you chose Firstmark to be your financial partner.

On behalf of all of us at Firstmark Credit Union, we wish you and your family the very best!

Donald Pinson  Nathanael Tarwasokono
Board Chairman  President/CEO

BYLAW AMENDMENT: In June 2020, the Firstmark Credit Union Board of Directors approved an amendment to credit union bylaw §3.05 – Annual Meeting. This amendment added language that would support the credit union’s use of a virtual platform for conducting its 2020 annual membership meeting and to allow an emergency exception to the in-person quorum requirement. Members who wish to view the amended bylaw in its entirety may contact the credit union’s executive office at 2023 Gold Canyon Drive, San Antonio, TX 78232 between the hours of 9 a.m. and 4 p.m., Monday through Friday.
Asset/Liability Management Committee Report

The Asset/Liability Committee (ALCO) is appointed by the Board of Directors to appropriately identify, measure, monitor, and control specific elements of balance sheet risk including thepricing of loans and deposits. Examples of risks include liquidity, interest rate, credit and portfolio concentration. The committee’s objectives are to mitigate the impact of interest rate changes to net interest income and maintain a close watch on the credit quality of loans in the portfolio. The committee prices loans and deposits with the goal of providing members a selection of easy-to-understand solutions at fair rates and terms.

The committee is pleased to report the credit union ended 2019 with a regulatory capital ratio of 11.13 percent, which was 4.13 percent greater than the National Credit Union Association’s (NCUA) highest rating of “well-capitalized.” The credit union completed the year with total assets of approximately $1 billion, total member loans of $693 million and total member deposits of $849 million. The credit union granted $318 million in new loans during 2019, while maintaining a low delinquency ratio of 0.28 percent and net charge-off ratio of 0.38 percent. The credit union’s net interest margin remained healthy at 3.29 percent.

In 2019, the local economy continued to grow modestly with historically low unemployment. The Federal Reserve decreased the Federal Funds rate three times during the year to stimulate growth in the domestic economy amid a global slowdown. Inflation remained under control as monetary policy was modified to include lower rates. This move maintained an inflation target rate of 2.00 percent while maintaining high employment numbers. The national economy continued to grow at a modest pace for most of 2019. Market interest rates decreased steadily over the year as the pace of growth slowed in the headwinds of global events.

The Federal Reserve is expected to continue a path towards lower interest rates in 2020 to support economic expansion. Market interest rates will favor borrowers by providing extremely low financing costs for automobiles and homes in 2020.

In closing, our committee would like to thank the Board and management for their support in 2019. Firstmark Credit Union continues to be in a strong position and remains poised to provide our 97,000 members with a path to better their lives in the years ahead.

Matthew Ralph
Matthew Ralph, Committee Chairman

SAReads
Every summer, Firstmark Credit Union collects new and gently used books at each of our locations. These books are then taken to the SAReads Book Bank, which is housed within our Gulfdale Financial Center. Throughout the year, educators are invited to visit the Book Bank and select books for use in their classroom libraries and to send home with their students.

Read Across America Day
In celebration of Dr. Seuss’ birthday, volunteers were invited to read to students in nearby elementary schools. Firstmark employees answered the call, donned red and white striped hats and spent the morning having fun reading books, including: Oh, The Places You’ll Go, The Butter Battle Book and One Fish, Two Fish, Red Fish, Blue Fish to students in kindergarten through third grade.

The 2nd Annual San Antonio Teacher Fest
In 2019, Firstmark once again partnered with San Antonio Leaders & Teachers (SALT) to offer the San Antonio Teacher Fest, a free event held at the City Education Partners facilities at The Pearl. Educators were treated to informational break-out sessions, refreshments, networking opportunities and free takeaways. Local organizations and businesses that offer special educator-only discounts and incentives were invited to participate. The event, in its second year, almost doubled in size with close to 500 educators attending.

Cunningham Scholarship Fund
The Board of Directors made several changes to the Cunningham Scholarship Fund. The number of scholarships increased from 15 to 20 bringing the total amount awarded to $20,000. In addition, the number of scholarships reserved for students planning for a career in education was increased to 25 percent. A new online application made it easier for students to apply. Applicants are evaluated on academic achievement and community involvement. These scholarships may be used at any accredited two- or four-year college or university.

Credit Unions for Kids
With the help of our members and employees, we raised $40,000 in 2019 for The Children’s Hospital of San Antonio Foundation through the Credit Unions for Kids (CUFK) program. Established in San Antonio, CUFK is a partnership with the Children’s Miracle Network, a non-profit organization that increases awareness of childhood health issues and raises funds for local children’s hospitals and medical research.

Firstmark Presents Check to CUFK

Firstmark Credit Union

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Firstmark Presents Check to CUFK
Audit Committee Report

The Audit Committee is appointed by the Board of Directors to ensure management adheres to all board-approved policies. The committee is also responsible for providing oversight to the risk management, internal audit and cybersecurity programs, while ensuring the credit union is compliant with all credit union rules and regulations.

In 2019, the committee continued to engage Nearman, Maynard, Vallez, CPAs as the credit union’s external financial auditor. Nearman, Maynard, Vallez has been ranked by the research firm of Callahan & Associates as a leading CPA firm providing audit services to the credit union industry.

For the credit union’s internal audit program, the committee continued to engage Clifton Larson Allen (CLA), who provided audit support for the credit union in 2019. The firm serves in excess of 600 credit union clients, ranging in asset size from $10 million to more than $35 billion. CLA utilizes a risk-based approach to the audit program, ensuring that high-risk areas and functions have strong procedures and controls in place.

We are pleased to report that the internal and external audits as well as the regulatory exam conducted in 2019 revealed no material findings. Looking ahead, we will focus our attention in 2020 to advancing the credit union’s cybersecurity program while continuing enhancements to the risk management and internal audit programs. As new risks emerge, it will be important for the credit union to monitor and mitigate these risks through effective programs.

In closing, the committee would like to thank the Board and management for their support over the last year. We will continue to work prudently to protect the safety and soundness of the credit union for the benefit of our members.

Donald Jones
Donald Jones, Jr., Committee Chairman

GIVING BACK IN 2019

Volunteer
In 2019, Firstmark employees volunteered over 1,500 hours of their time in support of education activities and other community efforts. Together, we have helped support the great work of Northside ISD, North East ISD, San Antonio ISD, SAWorks, SAReads and Junior Achievement. We have also served other organizations like The Salvation Army, Habitat for Humanity, Animal Defense League, San Antonio Food Bank and more. In addition to supporting nonprofit initiatives, employees enjoyed giving back during community events such as the Fest of Tails, the San Antonio Book Festival and the Raul Jimenez Thanksgiving Dinner.

Junior Achievement
During 2019, Firstmark partnered with Junior Achievement to deliver financial education to 200 students at the Junior Achievement Finance Park. This program educates middle and high school students on the basics of financial literacy: budgeting, investing and managing risk. It also reinforces the value of education and how it affects one’s future.

SAWorks
In 2019, Firstmark welcomed high school students for a half-day visit to our headquarters as part of a city-wide Job Shadow Day organized by SAWorks. The program gives students an inside look at the workplace and sponsors a Summer Internship Program. Firstmark was honored to support the initiative and provide hands-on experiential learning to ten interns.

Academic Planners
For more than 30 years, Firstmark Credit Union has distributed academic planners to educators in the San Antonio area. In 2019, more than 70,000 planners were distributed to teachers, counselors and administrators in public and private schools, as well as students in teacher certification programs throughout the area.

Teacher Appreciation Month
In 2019, Firstmark partnered with the San Antonio Zoo to sponsor Teacher Appreciation Month. During May, all Texas teachers employed by pre-K-12 public, private and parochial schools received free admission to the Zoo, and they could bring up to four guests with a 50% discount on the ticket price.

Educator Grants
In 2019, the credit union expanded the educator grant program to not only increase the number of awards from 10 to 15, but also to allow educators to apply at any time during the school year. The application was moved online, making it more convenient. Educator grants can be used inside or outside the classroom and are awarded based on the impact of the project, including the number of students who will benefit and the sustainability of the materials. Winning projects included bilingual literacy programs, solar ovens, manipulative kits for special education classes, lab equipment and more.

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Donald Jones
Donald Jones, Jr., Committee Chairman

Educator Grant Winner - George Leos

SA Works Interns

Member Care Center
Answer Rate

93%

Mobile App Rating Within
Apple and Android

4.5
## FINANCIAL CONDITION

### ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans to Members (Net of Allowance)</td>
<td>$697,230,820</td>
<td>$741,299,061</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>4,204,453</td>
<td>3,034,114</td>
</tr>
<tr>
<td>Cash on Hand in Financial Institutions</td>
<td>7,647,068</td>
<td>8,440,491</td>
</tr>
<tr>
<td>Investments</td>
<td>261,162,989</td>
<td>219,346,908</td>
</tr>
<tr>
<td>Prepaids/Deferreds</td>
<td>1,615,886</td>
<td>1,822,932</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>23,610,873</td>
<td>24,822,740</td>
</tr>
<tr>
<td>Accrued Income</td>
<td>2,615,476</td>
<td>2,508,653</td>
</tr>
<tr>
<td>NCUA Deposit Insurance</td>
<td>8,168,966</td>
<td>8,175,589</td>
</tr>
<tr>
<td>Other Assets</td>
<td>17,651,616</td>
<td>15,730,143</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$1,020,010,997</strong></td>
<td><strong>$1,025,180,631</strong></td>
</tr>
</tbody>
</table>

### LIABILITIES AND CAPITAL

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
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<tbody>
<tr>
<td>Notes Payable</td>
<td>$49,589,583</td>
<td>$64,106,817</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>6,181,130</td>
<td>8,189,569</td>
</tr>
<tr>
<td>Dividends Payable</td>
<td>462,358</td>
<td>472,836</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>4,804,841</td>
<td>4,042,649</td>
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<tr>
<td>Member Deposits</td>
<td>849,095,916</td>
<td>847,660,044</td>
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<tr>
<td>Regular Reserves</td>
<td>16,902,857</td>
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<tr>
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<tr>
<td>Accumulated Comprehensive Income–AFS</td>
<td>(340,301)</td>
<td>(3,112,355)</td>
</tr>
<tr>
<td>Accumulated Comprehensive Income–Pension Plan</td>
<td>(3,368,409)</td>
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### MEMBERSHIP

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<thead>
<tr>
<th>Year</th>
<th>Members</th>
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<tbody>
<tr>
<td>2019</td>
<td>97,000</td>
</tr>
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<td>2018</td>
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### INCOME & EXPENSE

#### RESULTS AS OF DECEMBER 31

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<tbody>
<tr>
<td><strong>INCOME</strong></td>
<td></td>
<td></td>
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<tr>
<td>Interest on Loans to Members</td>
<td>$34,803,216</td>
<td>$35,263,419</td>
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<tr>
<td>Interest on Investments</td>
<td>7,672,428</td>
<td>7,195,054</td>
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<tr>
<td>Other Operating Income</td>
<td>16,140,301</td>
<td>17,065,862</td>
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<td><strong>TOTAL INCOME</strong></td>
<td><strong>$58,615,945</strong></td>
<td><strong>$59,524,335</strong></td>
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<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Compensation and Benefits</td>
<td>$19,257,860</td>
<td>$19,688,674</td>
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<tr>
<td>Travel and Conference Expenses</td>
<td>426,001</td>
<td>742,108</td>
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<tr>
<td>Office Occupancy Expenses</td>
<td>4,080,081</td>
<td>4,088,719</td>
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<tr>
<td>Office Operations Expenses</td>
<td>6,524,695</td>
<td>6,739,817</td>
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<tr>
<td>Educational and Promotional Expenses</td>
<td>1,186,052</td>
<td>926,134</td>
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<td>Loan Servicing Expenses</td>
<td>1,853,716</td>
<td>1,886,500</td>
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<tr>
<td>Professional and Outside Services</td>
<td>6,458,999</td>
<td>6,858,195</td>
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<tr>
<td>Member Insurance</td>
<td>25,522</td>
<td>25,677</td>
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<tr>
<td>Provision for Loan and Lease Losses</td>
<td>2,267,861</td>
<td>2,334,228</td>
</tr>
<tr>
<td>Operating Fees</td>
<td>82,338</td>
<td>83,877</td>
</tr>
<tr>
<td>Miscellaneous Operating Expenses</td>
<td>464,458</td>
<td>409,441</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING EXPENSES</strong></td>
<td><strong>$42,627,583</strong></td>
<td><strong>$43,783,370</strong></td>
</tr>
<tr>
<td><strong>NON-OPERATING (GAIN)/LOSS</strong></td>
<td><strong>(829,972)</strong></td>
<td><strong>44,134</strong></td>
</tr>
<tr>
<td>Dividends and Interest Paid to Members</td>
<td>5,799,654</td>
<td>4,830,648</td>
</tr>
<tr>
<td>Interest on Borrowed Funds</td>
<td>2,986,480</td>
<td>3,651,938</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td><strong>$50,583,745</strong></td>
<td><strong>$52,310,090</strong></td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td><strong>$8,032,200</strong></td>
<td><strong>$7,214,245</strong></td>
</tr>
</tbody>
</table>
### FINANCIAL CONDITION

**Results as of December 31**

<table>
<thead>
<tr>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
</tr>
<tr>
<td>Loans to Members (Net of Allowance) $</td>
<td>697,230,820</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>4,204,453</td>
</tr>
<tr>
<td>Cash on Hand in Financial Institutions</td>
<td>7,647,068</td>
</tr>
<tr>
<td>Investments</td>
<td>261,162,989</td>
</tr>
<tr>
<td>Prepaids/Deferreds</td>
<td>1,615,886</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>23,610,873</td>
</tr>
<tr>
<td>Accrued Income</td>
<td>2,615,476</td>
</tr>
<tr>
<td>NCUA Deposit Insurance</td>
<td>8,168,966</td>
</tr>
<tr>
<td>Other Assets</td>
<td>17,651,616</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong> $1,020,010,997</td>
<td>$1,025,180,631</td>
</tr>
<tr>
<td><strong>LIABILITIES AND CAPITAL</strong></td>
<td></td>
</tr>
<tr>
<td>Notes Payable $</td>
<td>49,589,583</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>6,181,130</td>
</tr>
<tr>
<td>Dividends Payable</td>
<td>462,358</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>4,804,841</td>
</tr>
<tr>
<td>Member Deposits</td>
<td>849,095,916</td>
</tr>
<tr>
<td>Regular Reserves</td>
<td>16,902,857</td>
</tr>
<tr>
<td>Undivided Earnings</td>
<td>96,683,022</td>
</tr>
<tr>
<td>Accumulated Comprehensive Income–AFS (340,301)</td>
<td>(3,112,355)</td>
</tr>
<tr>
<td>Accumulated Comprehensive Income–Pension Plan (3,368,409)</td>
<td>(1,732,608)</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES &amp; CAPITAL</strong></td>
<td>$1,020,010,997</td>
</tr>
<tr>
<td><strong>MEMBERSHIP</strong></td>
<td>97,000</td>
</tr>
</tbody>
</table>

### INCOME & EXPENSE

**Results as of December 31**

<table>
<thead>
<tr>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCOME</strong></td>
<td></td>
</tr>
<tr>
<td>Interest on Loans to Members $</td>
<td>34,803,216</td>
</tr>
<tr>
<td>Interest on Investments</td>
<td>7,672,428</td>
</tr>
<tr>
<td>Other Operating Income</td>
<td>16,140,301</td>
</tr>
<tr>
<td><strong>TOTAL INCOME</strong> $58,615,945</td>
<td>$59,524,335</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
</tr>
<tr>
<td>Employee Compensation and Benefits $</td>
<td>19,257,860</td>
</tr>
<tr>
<td>Travel and Conference Expenses</td>
<td>426,001</td>
</tr>
<tr>
<td>Office Occupancy Expenses</td>
<td>4,080,081</td>
</tr>
<tr>
<td>Office Operations Expenses</td>
<td>6,524,695</td>
</tr>
<tr>
<td>Educational and Promotional Expenses</td>
<td>1,186,052</td>
</tr>
<tr>
<td>Loan Servicing Expenses</td>
<td>1,853,716</td>
</tr>
<tr>
<td>Professional and Outside Services</td>
<td>6,458,999</td>
</tr>
<tr>
<td>Member Insurance</td>
<td>25,522</td>
</tr>
<tr>
<td>Provision for Loan and Lease Losses</td>
<td>2,267,861</td>
</tr>
<tr>
<td>Operating Fees</td>
<td>82,338</td>
</tr>
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</tr>
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</table>
Audit Committee Report

The Audit Committee is appointed by the Board of Directors to ensure management adheres to all board-approved policies. The committee is also responsible for providing oversight to the risk management, internal audit and cybersecurity programs, while ensuring the credit union is compliant with all credit union rules and regulations.

In 2019, the committee continued to engage Nearman, Maynard, Vallez, CPAs as the credit union’s external financial auditor. Nearman, Maynard, Vallez has been ranked by the research firm of Callahan & Associates as a leading CPA firm providing audit services to the credit union industry.

For the credit union’s internal audit program, the committee continued to engage Clifton Larson Allen (CLA), who provided audit support for the credit union in 2019. The firm serves in excess of 600 credit union clients, ranging in asset size from $10 million to more than $35 billion. CLA utilizes a risk-based approach to the audit program, ensuring that high-risk areas and functions have strong procedures and controls in place.

We are pleased to report that the internal and external audits as well as the regulatory exam conducted in 2019 revealed no material findings.

Looking ahead, we will focus our attention in 2020 to advancing the credit union’s cybersecurity program while continuing enhancements to the risk management and internal audit programs. As new risks emerge, it will be important for the credit union to monitor and mitigate these risks through effective programs.

In closing, the committee would like to thank the Board and management for their support over the last year. We will continue to work prudently to protect the safety and soundness of the credit union for the benefit of our members.

Donald Jones, Jr., Committee Chairman
Asset/Liability Management Committee Report

The Asset/Liability Committee (ALCO) is appointed by the Board of Directors to appropriately identify, measure, monitor, and control specific elements of balance sheet risk including the pricing of loans and deposits. Examples of risks include liquidity, interest rate, credit and portfolio concentration. The committee’s objectives are to mitigate the impact of interest rate changes to net interest income and maintain a close watch on the credit quality of loans in the portfolio. The committee prices loans and deposits with the goal of providing members a selection of easy-to-understand solutions at fair rates and terms.

The committee is pleased to report the credit union ended 2019 with a regulatory capital ratio of 11.13 percent, which was 4.13 percent greater than the National Credit Union Association’s (NCUA) highest rating of “well-capitalized.” The credit union completed the year with total assets of approximately $1 billion, total member loans of $693 million and total member deposits of $849 million. The credit union granted $318 million in new loans during 2019, while maintaining a low delinquency ratio of 0.28 percent and net charge-off ratio of 0.38 percent. The credit union’s net interest margin remained healthy at 3.29 percent.

In 2019, the local economy continued to grow modestly with historically low unemployment. The Federal Reserve decreased the Federal Funds rate three times during the year to stimulate growth in the domestic economy amid a global slowdown. Inflation remained under control as monetary policy was modified to include lower rates. This move maintained an inflation target rate of 2.00 percent while maintaining high employment numbers. The national economy continued to grow at a modest pace for most of 2019. Market interest rates decreased steadily over the year as the pace of growth slowed in the headwinds of global events.

The Federal Reserve is expected to continue a path towards lower interest rates in 2020 to support economic expansion. Market interest rates will favor borrowers by providing extremely low financing costs for automobiles and homes in 2020.

In closing, our committee would like to thank the Board and management for their support in 2019. Firstmark Credit Union continues to be in a strong financial position and remains poised to provide our 97,000 members with a path to better their lives in the years ahead.

Matthew Ralph
Matthew Ralph, Committee Chairman

11.13% Strongest Capital Ratio Ever

.79% Highest Return-on-Assets Ratio in Ten Years

SAReads
Every summer, Firstmark Credit Union collects new and gently used books at each of our locations. These books are then taken to the SAReads Book Bank, which is housed within our Gulfdale Financial Center. Throughout the year, educators are invited to visit the Book Bank and select books for use in their classroom libraries and to send home with their students.

Read Across America Day
In celebration of Dr. Seuss’ birthday, volunteers were invited to read to students in nearby elementary schools. Firstmark employees answered the call, donned red and white striped hats and spent the morning having fun reading books, including: Oh, The Places You’ll Go, The Butter Battle Book and One Fish, Two Fish, Red Fish, Blue Fish to students in kindergarten through third grade.

The 2nd Annual San Antonio Teacher Fest
In 2019, Firstmark once again partnered with San Antonio Leaders & Teachers (SALT) to offer the San Antonio Teacher Fest, a free event held at the City Education Partners facilities at The Pearl. Educators were treated to informational break-out sessions, refreshments, networking opportunities and free takeaways. Local organizations and businesses that offer special educator-only discounts and incentives were invited to participate. The event, in its second year, almost doubled in size with close to 500 educators attending.

Cunningham Scholarship Fund
The Board of Directors made several changes to the Cunningham Scholarship Fund. The number of scholarships increased from 15 to 20 bringing the total amount awarded to $20,000. In addition, the number of scholarships reserved for students planning for a career in education was increased to 25 percent. A new online application made it easier for students to apply. Applicants are evaluated on academic achievement and community involvement. These scholarships may be used at any accredited two- or four-year college or university.

Credit Unions for Kids
With the help of our members and employees, we raised $40,000 in 2019 for The Children’s Hospital of San Antonio Foundation through the Credit Unions for Kids (CUFK) program. Established in San Antonio, CUFK is a partnership with the Children’s Miracle Network, a non-profit organization that increases awareness of childhood health issues and raises funds for local children’s hospitals and medical research.

Credit Unions for Kids
Firstmark Presents Check to CUFK

11.13% Strongest Capital Ratio Ever

.79% Highest Return-on-Assets Ratio in Ten Years
OUR SINCERE GRATITUDE

In closing, we would like to thank our employees for their unwavering passion and commitment to the success of our credit union and members. We want to thank our Board of Directors for their outstanding leadership and dedication to representing the best interests of our members. And most importantly, we want to thank our members for choosing to do business with us. At the end of the day, we simply exist because of you! We know you have many choices in the marketplace, and we are grateful you chose Firstmark to be your financial partner.

On behalf of all of us at Firstmark Credit Union, we wish you and your family the very best!

Donald Pinson
Nathanael Tarwasokono

Board Chairman
President/CEO

BYLAW AMENDMENT: In June 2020, the Firstmark Credit Union Board of Directors approved an amendment to credit union bylaw §3.05 – Annual Meeting. This amendment added language that would support the credit union’s use of a virtual platform for conducting its 2020 annual membership meeting and to allow an emergency exception to the in-person quorum requirement. Members who wish to view the amended bylaw in its entirety may contact the credit union’s executive office at 2023 Gold Canyon Drive, San Antonio, TX 78232 between the hours of 9 a.m. and 4 p.m., Monday through Friday.
CHAIRMAN & CEO MESSAGE

OUR HISTORY

In 1932, during the Great Depression, ten teachers agreed to establish a credit union to serve educators. San Antonio Teachers Credit Union (SATCU), the first state-chartered credit union in San Antonio, was born and proudly served members under that name for 70 years. In 2002, SATCU became Firstmark Credit Union when membership qualifications were expanded to help more people in our community. Although our name changed 18 years ago, we continue to be deeply rooted in the education community. Today in 2020, we are committed more than ever to the success of our educators and those who support them. We are proud to be a credit union founded by educators for educators!

2019 HIGHLIGHTS

Firstmark Credit Union completed 2019 with a net income of over $8 million, resulting in a return-on-assets ratio of 0.79 percent and a strong capital ratio of 11.13 percent. The NCUA considers a ratio over 7 percent to be well-capitalized. At 11.13 percent, the credit union is financially strong and able to withstand significant downturns in the economy. Additionally, internal audits and the joint state and federal exam continue to verify the safety and soundness of the credit union.

At Firstmark, we believe our members’ experience will never exceed our employees’ experience. That is why we have, and continue to be, fully committed to building a healthy culture for our employees to succeed and make a difference. This has resulted in high engagement scores and low turnover, which has enabled us to provide a higher level of service to our members. In 2019, our members provided us with the highest net promoter scores on record. Additionally, our members rewarded the credit union with a 97 percent member satisfaction rate on the most recent annual member survey; this ranks in the top 13 percent of credit unions in the United States!

In 2019, our employees continued to connect with our community and represented our credit union at numerous volunteer events. Giving back is part of our DNA, and we annually provide every employee with 16 hours of paid volunteer time to support our community. Last year, we served over 1,500 volunteer hours in the community on behalf of our members!

Last year, we completed several important initiatives, including (1) refreshing our logo, (2) launching a rebranding campaign to strengthen brand awareness in the community, (3) improving numerous internal processes to simplify the banking experience for our members and (4) enhancing online banking and our mobile app.

I am pleased to report that our Apple store ratings jumped from 2.4 in 2018 to 4.6 in 2019, while our Android store ratings improved from 3.79 to 4.51.

As we look forward, we currently have two exciting financial center projects planned. First, we are rebuilding the Culebra Financial Center on the same property. This new financial center will be a model for the future, and we expect to break ground in the fall of 2020. Second, our Gold Canyon Financial Center will be moving across 1604 to the Legacy shopping center. This move will allow us to expand our corporate office space while providing our members with a modern financial center in a nearby location. Both projects are expected to be completed by the summer of 2021.

$40,000
Funds Raised and Donated to Credit Unions for Kids

$20,000
Cunningham Scholarships Awarded to Students

$7,500
Educator Grants Awarded to Teachers

1,500
Hours Volunteered by Employees
**Vice Presidents**
- Aaron Bedingfield, Information Technology
- Mark Leita, Compliance and Legislation
- Priscilla Navarro-Fox, Risk and Cyber Security
- Michael Poligala, Consumer Lending
- Tom Pryjomski, Real Estate and Facilities
- David Puente, Member Experience
- Veronica Teran, Accounting/Controller

**Directors**
- Trevor Brooks, Treasury
- Andrew Denoncour, Credit Cards
- Jerry Dugas, Loan Resolution
- Kelley Farwell, Organizational Responsibility
- Angela Guerra, Member Care
- Jessica Guzman, Retail Experience
- Todd Lanier, Creative Director, Marketing
- Mark McDavid, Marketing
- Renee Patterson, Human Resources
- Melia Peters, Payment Services

**Managers**
- Jennifer Alonzo, Quality and Assurance
- Dazery Loredo, Core and Applications
- Richard Migliore, Auto Lending
- Richard Nelson, Business Partnerships
- Donna Prado, Brand and Reputation
- Victoria Rodriguez, Online Services
- Matthew Rojas, Treasury
- Ashlie Schilling, Payment Systems
- Crystal Shook, Loan Resolution
- Matthew Stiefer, Information Technology
- Mark Teter, Consumer Underwriting
- Esther Torres, Loan Quality and Servicing
- Marisol Trejo, Member Care Center
- Katrina Vargas, Human Resources
- Kara Veach, Consumer Loan Process

**Financial Center Managers**
- Sylvia Angel, Huebner
- Vanessa Arita-Gonzalez, Zarzamora
- Diane Bacon, Gulfdale
- Matthew Bohr, Bitters
- Benjamin Castillo, Alamo Ranch
- Joel Ceguera III, Culebra
- Christina Mason, Jefferson
- Connie Poole, O’Connor
- Crystal Saucedo, Mission
- Angelica Spinks, Gold Canyon
- Brenda Trevino, Patranco
- Susan Valenzuela, Bandera

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**Dr. Seuss’ Birthday - Book Reading at Kindred Elementary**

**Raul Jimenez Thanksgiving Volunteers**

**San Antonio Teacher Fest Booth**

**Animal Defense League Volunteers**

**Southwest School of Arts Volunteers**

**Southwest School of Arts Volunteers**
Board of Directors

Donald Pinson, Chairman (2021)
Rudy Peña, Vice Chairman (2021)
Ignacio Orozco, Jr., Secretary (2022)
Matthew Ralph, Treasurer (2022)
Redell Ervin, Director (2023)1
Kyle Friesenhahn, Director (2021)
Clare Coleman, Director (2023)2
Anthony Petri, Director (2023)2
Donald Jones, Jr., Advisory Director (2021)
Ronald Kyle, Director Emeritus

Audit Committee

Donald Jones, Jr., Advisory Director/Chairman
Anthony Petri, Director/Vice Chairman
Larry Wertheim, Member

Asset/Liability Management Committee

Matthew Ralph, Director/Chairman
Michael Grundon, Vice Chairman
Donald Pinson, Director/Member
Redell Ervin, Director/Member
Nathanael Tarwasokono, Member
Danny Smith1, Member
Tamika Baker, Member

Chief Executives

Nathanael Tarwasokono, President/CEO
Tamika Baker, Chief Strategy Officer
Michael Grundon, Chief Financial Officer
Danny Smith, Chief Operations Officer
Gregg Thorne, Chief Alliance Officer

Administration

Lisa Baty, Chief of Staff
Michelle Akers, Board Counsel
Dawn Sloans, Executive Director, Firstmark Foundation

1. Alamo Ranch
   10911 Culebra Rd., San Antonio, TX 78253

2. Bandera
   8826 Bandera Rd., San Antonio, TX 78250

3. Bitters
   2600 N. Loop 1604 W., San Antonio, TX 78248

4. Culebra
   7200 Culebra Rd., San Antonio, TX 78251

5. Fredericksburg*
   610 W. Main St., Fredericksburg, TX 78624

6. Gold Canyon
   2023 Gold Canyon Dr., San Antonio, TX 78232

7. Gulfdale
   10730 Gulfdale St., San Antonio, TX 78216

8. Huebner
   8960 Huebner Rd., San Antonio, TX 78240

9. Jefferson
   122 Donaldson Ave., San Antonio, TX 78201

10. Mission
    1440 S.E. Military Dr., San Antonio, TX 78214

11. O’Connor
    11530 North IH-35, San Antonio, TX 78233

12. Potranco
    10610 Potranco Rd., San Antonio, TX 78251

13. Zarzamora
    6927 S. Zarzamora St., San Antonio, TX 78224

* Located in Fredericksburg, Texas