

2024 Annual Report



Firstmark
Credit Union®

LEADERSHIP

Board of Directors¹

Donald Pinson, Chair (2027)
Matthew Ralph, Vice Chair (2025)
Kyle Friesenhahn, Secretary (2027)
Rudy Peña, Treasurer (2027)
Ignacio Orozco Jr., Director (2025)
Clare Coleman, Director (2026)
Donald Jones Jr., Director (2026)
Ericka Olivarez, Advisory Director (2025)
Lloyd Verstuyft, Advisory Director (2025)
Ronald Kyle, Director Emeritus
Redell Ervin, Director Emeritus

Executive Officers

Wendy Cleveland, President/CEO ²
Gregg Thorne, Chief Experience Officer ^{3,4}
Danny Smith, Chief Lending Officer
Laura Ward, Chief Risk Officer
Michael Grundon, Chief Financial Officer
Steve Mott, Chief Operations Officer

Executive Administration

Michelle Akers, VP Governance
Lisa Baty, Chief of Staff
Adriana Calderon, Sr. Manager Strategy & Project Mgmt.

Firstmark Foundation

Marisa Pérez-Díaz, VP Impact & Marketing

Vice Presidents

Andrew Denoncour, Innovation
Angela Guerra-Devora, Member Care
Ashlie Buck, Deposit Operations & Payments ⁵
Mark Leita, Compliance & Legislation
Matt Stiefer, Information Technology ⁶
Rick Nelson, Retail & Business
Shannon Grenet, Human Resources
Veronica Teran, Accounting/Controller

Committee Service

Board ALCO & Credit Committee

Matthew Ralph, Chair
Donald Pinson, Vice Chair
Alex Flores, Member
Gregg Thorne, Member
Michael Grundon, Member
Danny Smith, Member
Rick Nelson, Member

Management ALCO

Michael Grundon, Chair
Danny Smith, Vice Chair
Gregg Thorne, Member
Laura Ward, Member
Steve Mott, Member
Veronica Teran, Member
Matthew Rojas, Member

Risk & Cyber Committee

Donald Jones Jr., Chair
Kyle Friesenhahn, Vice Chair
Michael Hicks, Member
Lloyd Verstuyft, Member
Laura Ward, Member

1. All current terms expire in April of the year noted
2. Appointed as President/CEO in March 2025
3. Served as Interim President/CEO until March 2025
4. Renamed EVP Chief Experience Officer in March 2025
5. Promoted to VP Deposit Ops & Payments in March 2024
6. Promoted to VP Information Technology in March 2024

CHAIRMAN'S REPORT

In February 2025, the Board of Directors proudly announced the selection of Wendy Cleveland as the organization's next president and chief executive officer (CEO). Wendy permanently succeeded Nathanael Tarwasokono, who resigned in January 2024. Her official start date was March 10, 2025.

Wendy's passion for our mission-focused work has been demonstrated by her years of service, advocacy, and community involvement dedicated to improving the lives of others. With her extensive background and vision for the future, we are confident Firstmark will continue to excel under her leadership in member service and community impact. We are extremely pleased to have her join us!

Wendy came to us from Sound Credit Union (\$3B, Tacoma, WA) where she served as executive vice president and chief operations officer since 2018. During her tenure, she led their strategic efforts to enhance the member experience, deepen employee engagement, and generate asset, income, and membership growth. An industry veteran, Wendy has served in a variety of senior leadership roles at credit unions around the country; and through her leadership and volunteerism, she has demonstrated her commitment to bettering

members' lives and enriching communities. She and her husband are excited to call Texas home and look forward to building many new relationships.

In closing, I would like to thank our employees for their unwavering passion and commitment to the success of our credit union and members. I want to thank our Board of Directors for their outstanding leadership and dedication to represent the best interests of our members. And most importantly, I want to thank our members! With the many choices you have in the marketplace, I am grateful you chose Firstmark to be your financial partner.



Donald Pinson
Board Chairman



"I look forward to joining the community of San Antonio and leading Firstmark Credit Union into an exciting new chapter. I am honored to build on the impactful legacies of Mr. Ewing and Mr. Tarwasokono and to work with our dedicated Board and employees to advance the credit union's rich history. Together, we will achieve growth with a member-first vision and best-in-class service and technology."

-Wendy Cleveland
President/CEO

IN APPRECIATION



The Board of Directors extends their heartfelt gratitude to Gregg Thorne for his exceptional leadership in 2024 as our interim president and CEO. His guidance has been instrumental in bringing stability to our organization and navigating us through a transitional phase in our credit union’s history. Gregg will continue to serve as executive vice president and chief experience officer.

Always an advocate for the success of the credit union, Gregg continually prioritizes expense management, digital banking adoption, and strategic growth initiatives. He consistently reminds us of what it means to be a part of a cooperative where engaged members make all the difference. His dedication to our mission and values, along with his ability to inspire and motivate the team, has left a lasting impact on our credit union, and we are grateful for his unwavering support.



BYLAW AMENDMENT

BYLAW AMENDMENT: In June 2024, the Firstmark Credit Union Board of Directors approved an amendment to the credit union’s bylaws that included:

§3.01 Field of Membership – Added full community membership for Hays, Caldwell, Gonzalez, and Karnes counties.

These changes were approved by the Credit Union Department of Texas in November 2024. Members who wish to view the amended bylaws in their entirety may contact the credit union’s executive office at 2023 Gold Canyon Drive, San Antonio, TX 78232.

ASSET/LIABILITY COMMITTEE

The ALCO, or Asset/Liability Committee, 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 on net interest income and maintain a close watch on the credit quality of loans in the portfolio. The committee prices loans and deposits to provide members with a selection of simple solutions at fair rates and terms.

In 2024, the credit union continued to navigate the increased cost of doing business caused by inflation and a higher interest rate environment, which ultimately impacted member pricing. Within the confines of an environment where borrowing was more costly and saving was rewarded, the credit union introduced the MAX Money Market and CD promotions to help our members achieve greater returns.

In the second half of 2024, we formalized a credit committee to oversee the credit union's lending strategies and objectives, review the quality of the credit portfolio, examine trends impacting the credit portfolio, and guide the effectiveness and administration of credit-related policies. These objectives had previously been included in ALCO and then transferred for greater focus and governing efficiency.

The economic environment is very dynamic, and management continues to remain prudent when making short-term pricing adjustments. Keeping our eye on the horizon's long-term view brings a balanced perspective regarding today's climate; and we remain mindful of the forward progress we want to achieve on behalf of the members we serve.

The committee is pleased to report the credit union ended 2024 with a regulatory capital ratio of 10.57 percent, which is 3.57 percent greater than the National Credit Union Association's (NCUA) highest rating of "well-capitalized." By year-end, total assets were approximately \$1.2 billion, total member deposits were \$1 billion, and total member loans were \$708 million. The net interest margin remained healthy at 3.16 percent. The credit union ended the year in a solid financial position during a season of economic challenges and recovery.

In closing, our committee would like to thank the Board and management for their ongoing support. Firstmark Credit Union remains poised to provide our members with products and solutions to benefit their financial wellness.



Matthew Ralph
Committee Chair

RISK & CYBER COMMITTEE

The Risk & Cyber Committee is appointed by the Board of Directors to ensure management adheres to all board-approved policies. The committee's risk focus provides a lens of oversight and support to the risk management, internal audit, and cybersecurity programs, while ensuring the credit union is compliant with all credit union rules and regulations.

In 2024, the committee continued to engage CliftonLarsonAllen (CLA), who provided internal audit support for the credit union. Their firm serves federally and state-chartered credit union clients ranging in a variety of asset sizes. The firm leverages a risk-based approach to the audit program, ensuring that high-risk areas and functions have strong procedures and controls in place.

Furthermore, the committee engaged Doeren Mayhew, a leading credit union CPA auditing firm in the United States, who acquired our previous partner, Nearman, Maynard, Vallez, in June 2024. We are pleased to report that all audits and regulatory exams conducted in 2024 revealed no material findings.

In an era of data breaches and ransomware attacks, the framework of cyber-risk controls and zero trust architecture are vital components to prevention. The Anti-Money Laundering Act (2020) calls for an increased focus on high-risk activities and to align our resources accordingly with the Countering the Financing of Terrorism initiatives. Ultimately, our shared objective is to stop the movement of illicit funds altogether rather than simply reporting them.

Year-over-year, the credit union meticulously fortifies our strong anti-money laundering program per the Bank Secrecy Act (1970), which requires financial institutions to report suspicious transactions to prevent bad actors

from their ongoing attempts to exploit financial systems. As new risks inevitably emerge, it is important for the credit union to monitor and hedge against these risks through effective mitigating strategies and strong coordination with law enforcement agencies.

Partners, such as the Department of Homeland Security, help the credit union optimize our efforts through specific training curriculum designed to build awareness and to reinforce protective measures and security practices. In addition, we arm our members with important information that can be accessed 24/7 on our website's [fraud prevention page](#). I encourage all members to stay vigilant to protect their personal information.

In 2024, the committee appointed board advisory director, Dr. Lloyd Verstuyft, to serve as a voting member. After dedicating over 30 successful years to improving education in our community, Dr. Verstuyft continues to be a loyal advocate for education and the credit union. We appreciate his service.

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 Chair

FINANCIAL CONDITION

Results as of December 31

2024

2023

ASSETS

Loans to Members (Net of Allowance)	\$ 701,406,253	\$ 652,618,453
Accounts Receivable	15,216,173	15,888,423
Cash on Hand in Financial Institutions	12,434,219	13,241,733
Investments	371,183,197	424,294,040
Prepays/Deferreds	2,430,411	2,797,705
Fixed Assets	38,249,975	41,463,989
Accrued Income	3,902,591	3,633,791
NCUA Deposit Insurance	10,072,005	9,635,550
Other Assets	25,481,588	35,627,026
TOTAL ASSETS	\$1,180,376,412	\$1,199,200,710

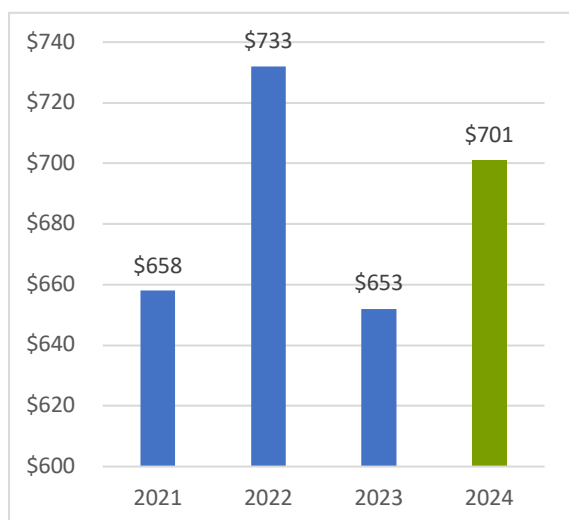
LIABILITIES AND CAPITAL

Notes Payable	\$ 34,348,609	\$ 75,886,609
Other Liabilities	16,643,116	14,856,189
Member Deposits	1,038,521,887	1,023,838,647
Undivided Earnings	124,856,660	123,756,680
Accumulated Comprehensive Income—AFS	(33,993,860)	(39,137,415)
Accumulated Comprehensive Income—Pension Plan	0	0
TOTAL LIABILITIES & CAPITAL	\$1,180,376,412	\$1,199,200,710

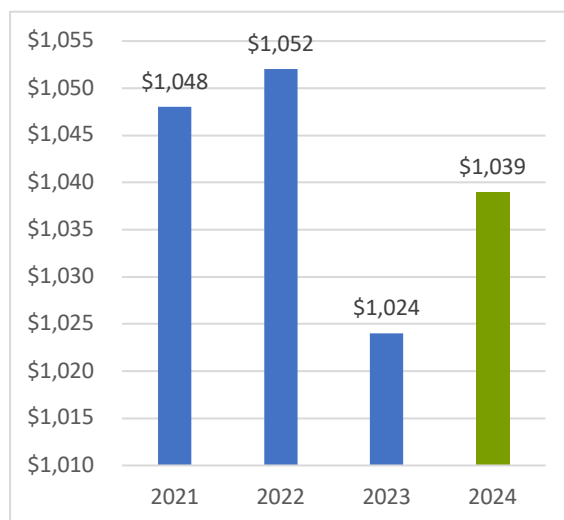
MEMBERSHIP

92,160

91,382



Net Loans (in Millions)



Deposits (in Millions)

INCOME & EXPENSE

Results as of December 31

2024

2023

INCOME

Interest on Loans to Members	\$ 40,774,254	\$ 35,127,361
Interest on Investments	12,505,645	24,115,537
Other Operating Income	16,915,602	16,203,602
TOTAL INCOME	\$70,195,501	\$75,446,500

EXPENSES

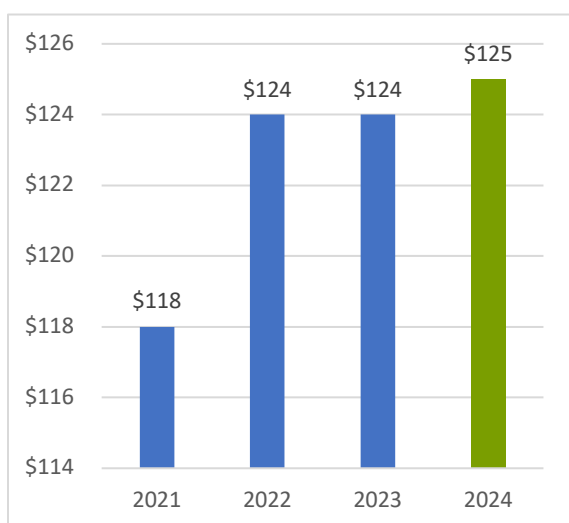
Employee Compensation and Benefits	\$ 22,874,096	\$ 22,965,102
Travel and Conference	218,577	644,408
Office Occupancy	4,026,208	4,019,580
Office Operations	8,578,997	8,409,835
Educational and Promotional	2,365,007	1,901,647
Loan Servicing Expense	3,866,840	3,104,005
Professional and Outside Services	6,588,012	6,991,003
Member Insurance	32,119	26,546
Provision for Credit Losses	5,569,119	2,761,101
Operating Fees	94,868	78,897
Miscellaneous Operating Expenses	399,184	787,286
TOTAL OPERATING EXPENSES	\$54,613,027	\$51,689,410

Non-Operating (Gain)/Loss	(1,110,766)	386,436
Dividends and Interest Paid to Members	14,495,536	6,966,214
Interest on Borrowed Funds	1,097,724	14,043,183
TOTAL EXPENSES	\$69,095,521	\$73,085,243

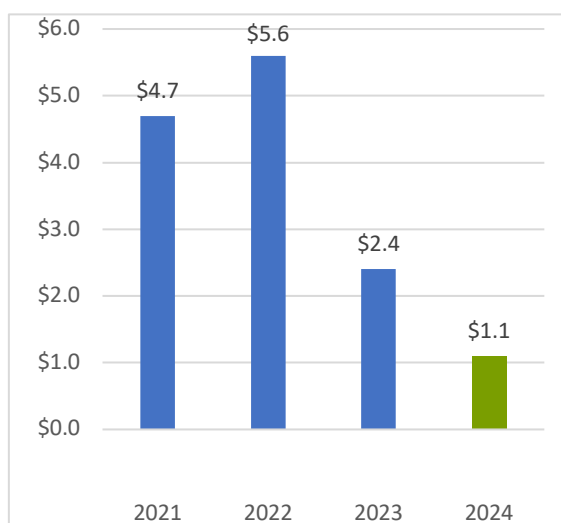
NET INCOME

\$1,099,980

\$2,361,257



Net Worth (in Millions)



Net Income (in Millions)

