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Credit Union Leadership

Executive Council

Marty Pell  
President & CEO

Christie Gabino  
Executive Vice President

Monique Gunter  
Chief Retail Officer

David Jacobs  
Chief Lending Officer

Alexis Lewis  
Chief Legal Officer

Deena Smith  
Chief Financial Officer

Richard Sowell  
Chief Strategy Officer

Wes Turner  
Chief Technology Officer

Board of Directors

Deborah Acosta Conder  
Chair

Brian Freedman  
Vice Chair

Peggy A. Zahler  
Treasurer

Portia S. Keyes  
Secretary

Dwayne D. Busby  
Director

Jenny Dudley  
Director

Lavonne Burke  
Director

Natalie Saiz  
Director

Supervisory Committee

Renee Falls  
Chair

Ivelina Pavlova-Stout  
Vice Chair and Secretary

Candace Brown

Mike Frahlman

Jalisa Sims
## 2022 Highlights

<table>
<thead>
<tr>
<th>Supported</th>
<th>Guided</th>
<th>Returned nearly</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>125,000 Members</strong></td>
<td><strong>300 Families</strong></td>
<td><strong>$6.5 Million</strong></td>
</tr>
<tr>
<td>On their journey toward financial prosperity</td>
<td>On their journey to homeownership</td>
<td>To members in a special 60th anniversary member dividend</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Funded more than</th>
<th>Provided more than</th>
<th>Opened</th>
<th>More than</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>16,000</strong></td>
<td><strong>250</strong></td>
<td><strong>3 New Locations</strong></td>
<td><strong>300</strong></td>
</tr>
<tr>
<td>Dreams through our lending products and services</td>
<td>People with individual solutions for their retirement planning</td>
<td>At H-E-Bs across Greater Houston, and built a new branch in Sienna to better serve our growing membership</td>
<td>Hours</td>
</tr>
</tbody>
</table>
A Message from Our Chair

After 2021’s year of transformation, 2022 was full of development, implementation, and celebration as we supported you on your unique journey toward financial prosperity.

In 2022, we funded more than 16,000 dreams through our full suite of lending solutions. We guided more than 300 families on their journey to the American Dream of homeownership. We provided strategic solutions for more than 250 members as they planned for retirement. In total, we supported more than 125,000 members as they reached for the stars, realized their dreams, and celebrated life’s achievements. I am proud of the work that Wellby Financial accomplished, and I am grateful for your membership and trust.

Our dedication to well-being isn’t limited to our members. We are equally committed to the well-being of our communities. In 2022, our team members engaged in more than 300 volunteer hours to support our neighbors, local non-profit organizations, and community projects that truly help the people of Greater Houston prosper.

We also deepened relationships with partners aligned with our purpose to further support our space community and reinvest in the next generation through education.

Wellby continued proudly supporting Space Center Houston and NASA Johnson Space Center throughout the year in various capacities, including financial education opportunities for employees and patrons.

Through an emerging partnership with Clear Creek Independent School District (CCISD), we supported their critical mission of igniting learning through a spirit of exploration. Wellby’s STEM Stars of the Game recognition program showcased exceptional students achieving excellence in science, technology, engineering, and math programs. We were also honored to sponsor a CCISD Title I elementary school to attend one of our CCISD Nights at Space Center Houston’s Galaxy Lights, a special opportunity for nearly 750 students and their families to enjoy the event.

Further living into our purpose of helping people prosper, we expanded our community engagement to include meaningful acts of kindness. To help with food security during these challenging economic times, the Wellby community donated hundreds of cans of food to support our neighbors. We also hosted raffles, giving away grocery store gift cards. To expand our support of education and local teachers, we fulfilled CCISD teachers’ school supply lists to help provide resources for our children’s education. These are only a few examples of Wellby’s strong commitment to our members and communities.

As we reflect on 2022 with a sense of tremendous accomplishment, I’m pleased to share the operational and financial soundness of Wellby, as detailed herein, on behalf of the Board of Directors.

Our governance and organizational policies are created with the financial well-being of our members and Credit Union as top of mind. We are very well positioned for continued advancement in the competitive financial services industry.

Since our founding in 1961, we remain inspired to support our members and the communities we serve to realize there is no limit to human achievement.

Deborah Acosta Conder
Chair, Board of Directors

NASA’s Space Launch System carrying the Orion spacecraft lifts off from Kennedy Space Center in Florida in the early hours of November 16, 2022, to begin the series of Artemis missions to return to the moon and beyond. Photo: NASA Kennedy via Flickr
A Message from Our President & CEO

I am both proud and honored to serve as the President & CEO of your credit union, Welby Financial. During my first year in this role, our exceptional team has made great strides in our efforts to establish a high-performance culture focusing on delivering excellent service.

To celebrate our 60-year legacy in Greater Houston and your tenure and trust in Welby, we returned nearly $6.5 million in a special dividend to our members. We more than doubled the dividend rates on our high-yield Welby Spending Plus and Welby Savings Plus accounts and expanded account benefits and flexibility to truly support your financial well-being. We also introduced our Home Equity Line of Credit (HELOC), which surged in popularity as a more flexible, lower-interest-rate alternative to credit cards and personal loans. These new and adjusted products exemplify our highly competitive rates and flexible options that meet your needs, leading us to a 27.82% increase in loan production.

Last year, we also provided new avenues to support member engagement and feedback. We launched a Member Advocacy Group, providing you and your fellow members an opportunity to share insights with our leadership on processes, products, and services. We continued surveying members on their experiences and gaining valuable insights to improve all aspects of your relationship with Welby. Thank you for helping us create the best path to prosperity together. These efforts will continue and expand in 2023.

To serve our growing membership, we opened three new Welby locations inside local H-E-B grocery stores in Cypress, Katy, and Sugar Land. We also opened a new community-oriented branch in Sienna with a local coffee shop, co-working spaces, a meeting room for local groups to use at no cost, and a recently completed community mural representing our collective journey to financial prosperity. We also began updating our Pasadena branch to enhance your in-person experience at that location.

We launched a new member service channel, the Welby eBranch. This knowledgeable, highly trained team is ready to provide financial guidance and support through phone and digital channels to enhance member support. We also hired additional team members and provided thorough training to ensure we are serving our members with precision and care.

Our executive team and Board worked diligently throughout 2022 to develop our new strategic plan, goals, and purpose statement: help people prosper. Part of our new strategy includes integrating the Welby Path to Prosperity for our members.

This Path will include guidance on how to build your path toward financial well-being, grow your prosperity as you plan for the future, and truly thrive, so you can manage your needs while helping others along the way. Keep an eye out for more information about the Path in 2023 and beyond.

Also, in 2023, we will be introducing preferred financial institution benefits that incentivizes and encourages members to make Welby their financial institution of choice for their primary checking account, direct deposit, digital wallet, and debit and credit cards. We’ll be sharing more about this exciting new program in 2023.

We are here to serve you. Every new product or service we offer is designed to help you reach your dreams and achieve true financial prosperity. You aren’t just an account holder; you are a highly valued member of our Welby community and a part owner of our organization. As such, we will continue to live into the cooperative principles by returning our profits to you through robust member benefits. We have an incredible team truly dedicated to your financial well-being. I am excited to continue to share what our team is working on with your well-being in mind.

As always, thank you for your loyalty and membership. We continue to place you at the forefront of every decision and strive to provide an unparalleled member experience as we live into our purpose of helping people prosper.

Marty Pell
President and CEO

We continue to place you at the forefront of every decision and strive to provide an unparalleled member experience as we live into our purpose of helping people prosper.
The Wellby Financial Supervisory Committee has two primary purposes: 1) to ensure the organization’s financial reporting is in accordance with generally accepted accounting principles and 2) that its practices and procedures safeguard members’ assets. These goals are met, in part, by ensuring that Wellby’s leadership properly administers policies established by the organization’s Board of Directors and maintains effective procedures to comply with laws and regulations, to minimize the risk of fraud, and to avoid conflicts of interest.

In carrying out its duties, the committee oversees and reviews the internal audit department’s activities and is also responsible for ensuring that Wellby’s financial condition is accurately presented in the Credit Union’s financial statements by engaging an independent audit firm annually. We engaged qualified external auditors to provide a level of assurance commensurate with the Credit Union’s size and complexity.

Doeren Mayhew, a globally recognized CPA firm, performed this external audit for the year ending 2022. In all substantial respects, the Credit Union’s accounting practices, cash flows, and operations aligned with generally accepted accounting principles in the United States of America. This opinion was based on extensive testing of controls and transactions, in accordance with generally accepted auditing standards. An unqualified opinion is also known as a “clean opinion” and provides our members with the assurance that the financial statements are free of material errors and omissions.

Additionally, the National Credit Union Administration (NCUA), the regulatory agency for all federally insured credit unions, performs annual examinations. The NCUA looked at seven major risk areas: credit risk, interest rate risk, liquidity risk, transaction risk, compliance risk, strategic risk, and reputation risk. The NCUA conducted the 2022 audit as of June 2022, and Wellby received an overall rating indicative of a well-managed credit union serving its members’ needs. Based on the NCUA examination report, the Supervisory Committee is pleased to report that Wellby continues to comply with laws and regulations, operating soundly and capable of withstanding business fluctuations.

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For assistance with issues that cannot be resolved through normal channels, members are encouraged to contact the committee by email at: SupervisoryCommittee@wellbyfinancial.com.

Renee Falls
Chair, Supervisory Committee
Financial Report

Assets

<table>
<thead>
<tr>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Loans</td>
<td>$1,679,420,938</td>
<td>$1,466,980,968</td>
</tr>
<tr>
<td>Less Allowance</td>
<td>($11,336,774)</td>
<td>($7,698,230)</td>
</tr>
<tr>
<td>Net Loans</td>
<td>$1,668,084,164</td>
<td>$1,459,282,738</td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>$57,954,833</td>
<td>$207,952,730</td>
</tr>
<tr>
<td>Net Investments</td>
<td>$630,765,731</td>
<td>$821,956,713</td>
</tr>
</tbody>
</table>

Other Assets

| Fixed Assets | $31,950,088 | $34,383,450 | $35,126,263 |
| NCUA Share Insurance Deposit | $21,139,853 | $23,497,439 | $20,074,891 |
| Other Assets | $77,498,058 | $74,996,533 | $20,717,754 |

Total Assets | $2,487,382,727 | $2,623,269,603 | $2,573,724,423 |

Liabilities, Shares, & Equity

<table>
<thead>
<tr>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Liabilities</td>
<td>$29,401,438</td>
<td>$45,226,143</td>
</tr>
<tr>
<td>Total Shares &amp; Deposit</td>
<td>$2,209,600,654</td>
<td>$2,279,374,569</td>
</tr>
<tr>
<td>Total Equity</td>
<td>$248,380,635</td>
<td>$298,668,891</td>
</tr>
</tbody>
</table>

Total Liabilities, Shares, & Equity | $2,487,382,727 | $2,623,269,603 | $2,573,724,423 |

Operating Income

<table>
<thead>
<tr>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Interest on Loans</td>
<td>$61,480,658</td>
<td>$63,084,429</td>
</tr>
<tr>
<td>Income from Investments</td>
<td>$23,804,239</td>
<td>$27,556,588</td>
</tr>
<tr>
<td>Fee and Other Operating Income</td>
<td>$15,454,740</td>
<td>$15,970,057</td>
</tr>
<tr>
<td>Total Gross Income</td>
<td>$100,779,637</td>
<td>$86,537,044</td>
</tr>
<tr>
<td>Total Operating Expense</td>
<td>$67,066,816</td>
<td>$99,602,645</td>
</tr>
<tr>
<td>Income (Loss) From Operations</td>
<td>$33,712,821</td>
<td>$26,934,399</td>
</tr>
<tr>
<td>Provision for Loan Losses</td>
<td>$10,400,651</td>
<td>$5,657,540</td>
</tr>
<tr>
<td>Dividends Paid to Members</td>
<td>$9,692,889</td>
<td>$8,057,679</td>
</tr>
<tr>
<td>Other Non-Operating Gain (Loss)</td>
<td>($2,184,220)</td>
<td>$2,560,532</td>
</tr>
<tr>
<td>Adjusted Net Income (Loss)</td>
<td>$15,495,361</td>
<td>$15,779,492</td>
</tr>
<tr>
<td>Special Dividends Paid to Members</td>
<td>$6,473,694</td>
<td>$0</td>
</tr>
</tbody>
</table>

Net Income (Loss) | $5,021,665 | $15,779,492 | $15,532,587 |

2022 Financial Highlights

- **$24M** NET OPERATING INCOME
- **$286M** MEMBERS’ EQUITY
- **$209M** LOAN GROWTH
- **$6.5M** SPECIAL MEMBER DIVIDEND
Our Locations

- **Alvin**
  877 E. Highway 6
  Alvin, Texas 77511

- **Clear Lake - Main Office**
  1330 Gemini
  Houston, Texas 77058

- **Cypress H-E-B**
  14100 Spring Cypress
  Cypress, TX 77429

- **Deer Park - Monument**
  2200 East Thirteenth Street
  Deer Park, Texas 77536

- **Dickinson - Bay Colony**
  2461 FM 646 W.
  Dickinson, Texas 77539

- **Ellington**
  404 FM 1959
  Houston, Texas 77034

- **Friendswood**
  1320 S. Friendswood Drive
  Friendswood, Texas 77546

- **Friendswood North**
  307 N. Friendswood Drive
  Friendswood, Texas 77546

- **Galveston**
  6167 Central City Blvd.
  Galveston, Texas 77551

- **Katy H-E-B**
  6711 S. Fry Rd.
  Katy, TX 77494

- **La Porte**
  607 West Fairmont Parkway
  La Porte, Texas 77571

- **League City**
  501 FM 270
  League City, Texas 77573

- **League City - Tuscan Lakes**
  1280 East League City Parkway
  League City, Texas 77573

- **League City - West**
  2660 West Main Street
  League City, Texas 77573

- **Park Place**
  8424 Park Place Blvd.
  Houston, Texas 77017

- **Pearland - Broadway**
  9101 Broadway
  Pearland, Texas 77584

- **Pasadena North**
  303 W. Shaw
  Pasadena, Texas 77506

- **Texas City - Mainland**
  2300 Gulf Freeway
  Texas City, Texas 77591

- **Seabrook**
  3620 NASA Parkway
  Seabrook, Texas 77586

- **Sienna**
  8215 Hwy. 6
  Missouri City, Texas 77459

- **Sugar Land H-E-B**
  530 Hwy. 6
  Sugar Land, TX 77478

- **Sugar Land North**
  530 Hwy. 6
  Sugar Land, TX 77478