

BOARD PROFILES

The Board of Directors serves in a voluntary capacity to primarily set policy, plan the credit union's course, make sure the credit union maintains sound financial condition, keep communication open to educate members on services and review management's progress in achieving goals and objectives. Specific duties include, but are not limited to, the following:

- Work with the President to develop objectives and goals for the credit union.
- Make sure the credit union adheres to pertinent laws, regulations and sound business practices.
- Make sure the credit union maintains a sound financial condition and that Credit Union assets are protected against unauthorized or illegal acts. Designate depositories, authorize borrowing and investing, provide for bonding and other security factors, including internal control procedures. Approve interest rates, dividends and refunds. Approve loan limits and savings minimums.
- Establish policies and approve them for all credit union programs and activities, i.e., investments, loans, savings, personnel, collections.
- Approve the credit union budget.
- Hire the President, define the scope of the job and review management's progress in attaining goals and objectives.
- Do all the things necessary to carry out the purpose and powers of the credit union, subject to the regulations issued by the Texas Credit Union Department and the National Credit Union Administration.

The present Board and nominated members represent a group of dedicated individuals with the necessary background to ensure the Credit Union's direction and continued existence.

Ms. Vicki Gonzales > Chairman *[elected 2/2014 – 2/2017]*

Ms. Gonzales retired in 1994 after 42 years of federal service. She has an Associate's degree in Business from Del Mar College and completed Management courses at Texas A&M-Kingsville. Her last position was Deputy Controller of NAS Corpus Christi. She volunteers on various community and civic boards. She has completed the core level of the VAP and has completed all requirements for the Friedrich W. Raiffeisen Award. She received the Roy F. Bergengren Award in 2012. She has 22 years of Board service.

Ms. Sylvia Y. Martinez > 1st Vice Chair Board of Directors

[elected 2/2013 – 2/2016]

Ms. Martinez was elected to the Board of Directors in February of 2007. She was a member of the Supervisory Committee for 15 years, serving as chairman for her last five years. She served for 19 years as the Deputy Comptroller for the Naval Hospital, Corpus Christi and retired after 34 years of civil service. She has completed the Volunteer Achievement Program training courses. She has received the Friedrich W. Raiffeisen Award in the VAP; Filene and Tech awards and pins; and the Financial Literacy award and certification. She has been on the board for eight years.

Mr. Don Rymer > 2nd Vice Chair Board of Directors *[elected 2/2014 – 2/2017]*

Mr. Rymer retired as a Sergeant Major US Army in 1992. He holds a degree from El Paso Community College and completed numerous courses while active military. Mr. Rymer retired as Executive Director of the USO South Texas, but maintains several civic board positions. He has completed 18 years of Board service.

Mr. Pedro Rivera, Jr. > Treasurer *[elected 2/2013 – 2/2016]*

Mr. Rivera is retired after 37 years of federal service. He is a graduate of Texas A&I University with a BBA in Accounting, and Syracuse University's Advanced Financial Management School. He maintains certifications in Information Technology/Infrastructure Library and Six Sigma and is employed by the Washington consulting firm of Booz Allen Hamilton. He has served on the Board for 33 years and has completed the core level, Filene, Bergengren, Raiffeisen and Technology awards of the VAP.

Mr. Eloy Salazar > Secretary *[elected 2/2013 – 2/2016]*

Mr. Salazar is a native of Corpus Christi. Throughout his life, he has been an entrepreneur involved with all aspects of real estate - from construction & property management to investment. Mr. Salazar is widely known for his community involvement and serves on several local civic, charity and municipal boards. Mr. Salazar attended Del Mar and Texas A&M where he majored in business. Mr. Salazar has served on the board for five years.

Mr. John Jackson > Board Member *[elected 2/2014 – 2/2017]*

Mr. Jackson retired from federal service in January of this year after 34 years of service. Prior to retirement he served as the Fiscal Officer/Accounting Division Chief for the Corpus Christi Army Depot. Mr. Jackson is a graduate of the University of Arkansas with a BS in Accounting, and holds an MBA from CCSU. He serves on the Board of Trustees of the Behavioral Health Center of Nueces County and is President of the Board of Directors for the Coastal Bend Center for Independent Living. He has completed the VAP, and been awarded the Directors Financial Literacy Award and certification. Mr. Jackson has served on the board for 17 years and on the Supervisory Committee for four years.

Mr. Albert Kessler > Board Member *[appointed 5/2014 – 2/2015]*

Mr. Kessler is a native of South Texas. Born in the Rio Grande Valley, Mr. Kessler moved from his hometown of Donna, TX to Corpus Christi in 1957. At 19, Mr. Kessler went to work in the oil field, and became the youngest District Manager for Baker Oil Tools CAC Division at the age of 21 covering all of South Texas. In 1981, he opened his first specialty retail store, (Health Equipment of South Texas) HEST Fitness Products, and expanded his business to San Antonio, McAllen, Austin, Houston, and Dallas / Fort Worth. Mr. Kessler is an investor and a member of South Coast Angel Network (SCAN). With 35 years of experience in specialty retail, he enjoys coaching startup companies; negotiating various business and real estate contracts; sales and service training; and providing expertise in marketing products and services. This is his first year on the board.

Bryan Stone > Board Member *[appointed 5/2014 – 2/2015]*

Mr. Stone is an attorney with Porter, Rogers, Dahlman & Gordon, PC. He specializes in all areas of real estate-finance/banking. He is a member of the Corpus Christi Bar Association, American Bar Association, and State Bar Association. He graduated from the University of Texas in 1980, and from the University of Houston Law Center in 1986. His volunteer activities include: Buccaneer Commission, City of CC Planning and Zoning Commission, Leadership CC (Class XXII), CC Texas Longhorn Foundation, Corpus Christi Area Council for the Deaf, and the Food Bank of CC. This is his first year on the Board.

Mr. Jerry Woitas > Board Member *[elected 2/2014 – 2/2017]*

Mr. Woitas has 34 years of Credit Union Board experience. Thirty-one of those years are with NACCU where he has served in various positions, including four years as Chairman of the Board. Mr. Woitas is a retired federal civil service employee with over 40 years of management and administrative experience in both the federal and private sector. He has served on numerous civic and community boards and continues to volunteer his time whenever called upon. He has completed sixty-nine credit union self study correspondence courses and is the recipient of the Credit Union National Association's highest awards in the Volunteer Achievement Program and Volunteer Leadership Program.

SUPERVISORY COMMITTEE

Ms. Diana Ochoa > Chairman *[appointed 2/2011 – 2/2014]*

Ms. Diana Ochoa retired from the Corpus Christi Army Depot in 1997. While at the Depot she was employed in Finance and Accounting, Maintenance, and Production Engineering. Ms. Ochoa has served on the Supervisory Committee for 13 years and has served as chairman for the past seven years. She has completed the core level of the Volunteer Achievement Program.

Ms. Linda Anderson > Supervisory Committee Member *[appointed 2/2013 – 2/2016]*

The newest addition to the Supervisory Committee, Ms. Anderson retired from Federal service in 2004 after 25 years. Prior to retirement, she served as the Budget Officer for Naval Air Station Corpus Christi. She spent 22 years in the Budget field. She has completed the core level of the Volunteer Achievement Program. This is her fifth year on the Committee.

Mr. Clinton Gladney > Supervisory Committee Member *[appointed 2/2012 – 2/2015]*

Mr. Gladney retired from civil service in 2004 after 37 years of federal service. Prior to retirement, he served as the Comptroller for Naval Air Station Corpus Christi. He is a graduate of Grambling State University with a BS in Accounting. He has served on the Supervisory Committee for 16 years and has completed the core level of the VAP.

Honorary Board Members:

Wayne Cross
Bob Stillman

Board of Directors

Vicki Gonzales, Chairman
Sylvia Y. Martinez, 1st Vice Chairman
Don Rymer, 2nd Vice Chairman
Pedro Rivera, Jr., Treasurer
Eloy Salazar, Secretary
John Jackson
Albert Kessler
Bryan Stone
Jerry Woitas

Supervisory Committee

Diana Ochoa, Chairman
Linda Anderson
Clint Gladney

Senior Management

Sarah O'Brien, CEO
Dana Sisk, COO
Gerry Morrow, SVP/Lending
Shannon Srp, Chief Technology Officer
Ashley Smith, Marketing Director
Virginia Witham, VP Human Resources

Branch Managers

Michelle Mendes, Airline
Jessica Razzo, Crosstown
Martha Huffman, Kostoryz
Elva Lopez, NAS/Flour Bluff
Alex Yopez, Northwest
Linda Roberts, Kingsville
Helen Ashley, Beeville
Francine Coxwell, Portland
Mando Gonzalez, Northcross/McAllen
Bruny Saucedo, Brownsville
Sandra Espinoza, Ivy Branch/McAllen
Roman Escobar, Real Estate Center
Jennifer Beard, Rockport
Christian Martinez, McCall/Edinburg

Locations

CORPUS CHRISTI
Spohn - 5725 Spohn Drive

Crosstown - 4802 Crosstown Expressway

NAS - Building 125, Ave. D Naval Air Station

Northwest - 12129 Leopard

Flour Bluff - 9552 S.P.L.D. at Flour Bluff Drive

Airline - 522 Airline Drive

Kostoryz - 6202 Kostoryz Road

Real Estate Center - 2814 Rodd Field Rd.
361-986-4500, press 3

KINGSVILLE - 2940 South Brahma
361-595-7468

BEEVILLE - 2505 N. St. Mary's
361-358-5129

PORTLAND - 285 Buddy Ganem
361-643-4571

ROCKPORT - 2207 North Highway 35, Ste. E
361-790-7145

NORTHCROSS/MCALLEEN - 4015 N. 10th Street
956-683-1511

BROWNSVILLE - 2100 FM 802 Ste. 2055
956-542-5805

IVY/MCALLEEN - 1300 Ivy Avenue
956-972-0060

McColl/Edinburg - 3010 S. McColl Rd
956-383-6263

NavyArmy
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361-986-4500
800-622-3631
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CHAIRMAN'S REPORT

This is our 60th year in existence - 60 great years of continued growth. Our membership has grown to 135,994 members, 10,000 more members than last year. Our assets have grown to over \$2.2 billion.

This growth is due to our highly skilled management team and well-trained staff who dedicate themselves to provide the most current products and services available; and, to you, our members who continue to use all our services.

This growth of members and assets enabled NavyArmy to construct a new branch on Kostoryz Road, expand lanes at Airline, add an additional ATM at Spohn Drive and to construct, in the near future, additional branches in Calallen and Mission, Texas.

In addition, for the 20th consecutive year, the Board of Directors has declared a bonus dividend of approximately \$3.6 million dollars of excess profits.

The Board of Directors is very conscious of their responsibilities to you, our members. We participate in extensive training in order to create and execute strategic plans to benefit the credit union.

On behalf of the Board of Directors, the excellent management team, and staff of the Navy Army Community Credit Union, I would like to thank you for your continued confidence and support. Thank You.

—Vicki Gonzales, Chairman

SUPERVISORY COMMITTEE

The Supervisory Committee is composed of three members who are volunteers appointed by the Board of Directors. The Supervisory Committee is an independent body with a two-fold responsibility: first, to ensure that proper internal controls are effectively maintained to adequately protect the credit union, its members, management and employees; and second, to review and evaluate the performance of credit union programs and to resolve any disputes which may occur. To assist in fulfilling those responsibilities, the committee employs a third party to complete monthly audits on the areas of risk in the operations of the credit union. This allows the committee to monitor NavyArmy activities to ensure assets are properly safeguarded and all required audits are completed on a regular basis. The Supervisory Committee retained Clifton Larson Allen, a professional corporation of CPAs, to perform an independent audit for the purpose of ensuring the accuracy and reliability of our financial statements. In addition, the National Credit Union Administration (NCUA) conducted an annual examination of critical credit union policies and procedures. The reviews performed concluded that NavyArmy is safe, sound, financially strong and maintaining its traditional history of sound credit union management. The Supervisory Committee encourages questions or comments regarding credit union activities and provides assistance when a difference cannot be resolved through normal channels. Committee members are listed. If you wish to write to the committee, please address all correspondence to: Supervisory Committee, P.O. Box 81349, Corpus Christi, Texas 78468-1349.

Diana Ochoa, Chairperson
Clint Gladney, Member
Linda Anderson, Member

PRESIDENT'S REPORT

I'm pleased to report that 2014 was a year of growth, opportunity, expansion and success.

In Corpus Christi, we opened a new branch located at 6202 Kostoryz, and completed a full drive thru revamp and expansion at our 5725 Spohn Drive branch. We also purchased property located at 3801 FM 1889 to accommodate our members living in the Northwest CC area.

In the Rio Grande Valley (RGV), we expanded operations and our footprint with the assumption of County & Municipal Employees Credit Union deposit accounts. We are now in the process of transitioning these 7,000 members over to our NavyArmy systems. With the assumption, we acquired a "full-service" branch located in Edinburg and another smaller location in McAllen. Our current members will soon be able to enjoy the convenience of drive thru services and the much needed additional walk-in space in the Edinburg location. We also purchased property located at 408 N Shary Road in Mission to expand our service locations.

I am proud to report that NavyArmy is in a good financial position, closing out 2014 with \$1.78 billion in loans; \$2.2 billion in assets and 135,994 members. These equate to growth of 5%/12%/8% respectively.

In our communities, we funded over \$700 million in loans, mainly auto and real estate. These funds help our members get to work, school and put a roof over their heads.

NavyArmy gave over \$500,000 to local charitable organizations and our staff volunteered more than 3,200 hours for organizations in our communities. Our Member Business program opened 292 accounts this year, helping our members grow their small businesses by offering business checking, savings, debit cards, and loans.

NavyArmy as a whole is making a huge impact in South Texas, its economy, and its families.

We could not have accomplished this growth and success without member referrals and patronage. We look forward to 2015!

—Sarah O'Brien, President

TREASURER'S REPORT

NavyArmy continues to prosper! In 2014, assets increased 10.8%, with very respectable income and resulting net worth. This enabled us to once again pay a bonus dividend to our members. Again this year, we are proud to announce that the National Credit Union Administration (NCUA) review rated your credit union as a very safe, sound and well-managed financial institution. The Board of Directors continues to work to maintain a sound financial posture for the credit union by participation in establishing and monitoring the annual business plan. Our goal is to provide the proper balance of loans, assets, and deposit liabilities with compliance and safety in the forefront. I would like to take this opportunity to express my thanks to my fellow board members; management and staff; and of course to you, the members, for your cooperation and participation in making NavyArmy a continuing success.

—Pedro Rivera, Jr., Treasurer

HIGHLIGHTS

Membership	135,994
Capital	\$ 209,039,477.93
Assets	\$ 2,247,270,291.81
Net Loans	\$ 1,777,833,734.44
Deposits	\$ 2,019,939,175.02

FINANCIAL STATEMENT Dec. 31, 2014

A S S E T S

Loans to Members	\$ 1,796,788,905.02
Less Allowance for Loans Losses	(18,955,170.58)
Net Loans Outstanding	\$ 1,777,833,734.44
Cash on Hand and in Bank	266,476,932.50
Net Investments	131,117,749.51
Other Assets	71,841,875.36
TOTAL ASSETS	\$ 2,247,270,291.81

L I A B I L I T I E S & C A P I T A L

Accounts Payables/Other Liabilities	\$15,514,391.02
Dividends Payable	2,777,247.84
Borrowed Money	\$ 0.00
Shares	2,019,939,175.02
Regular Reserves	4,223,577.37
Undivided Earnings	211,195,850.56
Unrealized Gain (Loss) on Available for Sale Securities	0.00
Other Comprehensive Inc-Pension Plan	(6,379,950.00)
TOTAL LIABILITIES & CAPITAL	\$2,004,665,638.09

ANNUAL GROWTH

