

since

1935

FirstBasin<sup>CU</sup>

2025 Annual Report

## INCOME & EXPENSE, YEAR TO DATE

	12/31/25	12/31/24
<b>INTEREST INCOME</b>		
INCOME, LOANS	10,639,731	11,626,162
INCOME, INVESTMENTS	3,551,585	1,120,072
<b>TOTAL INTEREST INCOME</b>	<u>14,191,315</u>	<u>12,746,234</u>
<b>INTEREST EXPENSE</b>		
TOTAL INTEREST, DEPOSITS	1,096,760	1,069,260
TOTAL INTEREST, NOTES PAYABLE	1,093,831	306,075
<b>TOTAL INTEREST EXPENSE</b>	<u>2,190,591</u>	<u>1,375,335</u>
<b>NET INTEREST INCOME</b>	<u>12,000,724</u>	<u>11,370,899</u>
TOTAL LOAN LOSS EXPENSE	942,589	1,958,922
<b>TOTAL LOSS PROVISION</b>	<u>942,589</u>	<u>1,958,922</u>
<b>NET AFTER LOSS PROVISION</b>	<u>11,058,135</u>	<u>9,411,978</u>
<b>NON-INTEREST INCOME</b>		
SERVICE FEES	7,252,784	7,014,980
<b>TOTAL OTHER INCOME</b>	<u>7,252,784</u>	<u>7,014,980</u>
<b>NON-INTEREST OPERATING EXPENSES</b>		
<b>TOTAL OPERATING EXPENSE</b>	<u>14,758,254</u>	<u>15,082,996</u>
<b>INCOME BEFORE EXTRAORDINARY ITEMS</b>	<u>3,552,665</u>	<u>1,343,961</u>
<b>EXTRAORDINARY ITEMS</b>		
(GAIN) / LOSS ON NON-OPERATING ACTIVITIES	(82,434)	3,260
<b>NET INCOME</b>	<u>3,635,099</u>	<u>1,340,701</u>

## STATEMENT OF CONDITION

	12/31/25	12/31/24
<b>ASSETS</b>		
TOTAL LOANS TO MEMBERS	168,720,427	203,134,917
TOTAL ALLOWANCE FOR LOAN LOSSES	(1,343,640)	(1,658,344)
TOTAL RECEIVABLES	4,105,476	766,536
TOTAL CASH	8,668,168	8,361,887
TOTAL INVESTMENTS	137,627,265	68,785,356
TOTAL PREPAID AND DEFERRED EXPENSES	3,092,905	3,042,815
TOTAL FIXED ASSETS	26,551,736	27,456,554
TOTAL ACCRUED INCOME	1,559,334	831,260
TOTAL OTHER ASSETS	976,517	822,701
<b>TOTAL ASSETS</b>	<u>349,958,187</u>	<u>311,543,684</u>
<b>LIABILITIES</b>		
TOTAL ACCOUNTS PAYABLE	585,345	836,799
TOTAL NOTES PAYABLE	28,555,165	6,104,766
TOTAL CONTINGENT ITEMS	1,579,493	1,391,665
TOTAL OTHER LIABILITIES	3,944,228	3,291,757
<b>TOTAL LIABILITIES</b>	<u>34,664,232</u>	<u>11,624,987</u>
<b>DEPOSITS</b>		
<b>TOTAL DEPOSITS</b>	<u>279,627,568</u>	<u>270,899,504</u>
<b>EQUITY</b>		
<b>TOTAL RETAINED EARNINGS &amp; RESERVES</b>	<u>38,305,291</u>	<u>34,670,192</u>
<b>UNREALIZED LOSS ON MARKETABLE SECURITIES</b>	<u>(2,638,904)</u>	<u>(5,651,000)</u>
<b>TOTAL LIABILITIES, DEPOSITS &amp; EQUITY</b>	<u>349,958,187</u>	<u>311,543,684</u>

## 2025 ANNUAL MEETING AGENDA

- Call to Order
- Ascertain Quorum
- Reading and Approval of Minutes
- Report from Chairman of the Board
- Report from President/CEO
- Annual Audit Report
- Unfinished Business
- New Business
- Election of Board of Directors
- Closing Remarks/Adjournment

## REPORT OF THE BOARD OF DIRECTORS

and Management, year ending December 31, 2025

### Changing the Color of Banking

For much of its history, banking has been presented in black and white – numbers on a page, rules to follow, balances to maintain. It has often felt transactional and impersonal, built more on systems than stories. But life is rarely black and white, and neither are the people behind every account, loan, or decision.

At First Basin Credit Union, we have always believed that banking should reflect the full spectrum of the people it serves. It should be vibrant, personal, and grounded in trust. In 2025, as we celebrated sixty years of service, we took time to reflect not only on what we have accomplished, but on how we have chosen to grow. Changing the Color of Banking is more than a theme—it is a reflection of our past and a promise for our future.

### Sixty Years of Shared History

Our 60th Anniversary was not defined by a single event or moment in time. Instead, it unfolded throughout the year in thoughtful, personal ways that honored the relationships at the heart of our story. Members encountered small reminders of the milestone during everyday visits – from themed promotions to anniversary-branded surprises that sparked conversation and nostalgia. 2025 culminated in more than 2,500 new members joining our celebratory year.



On April 11th, the celebration came together across all branches. Familiar spaces were transformed with decorations, friendly competition, and a shared sense of pride. Members were welcomed with exclusive anniversary gifts, but more importantly, with gratitude. Sixty years of service represents generations of members who have trusted First Basin through milestones big and small. These moments allowed us to pause and say thank you – for the loyalty, the confidence, and the shared journey.

## Community in Full Color

Changing the color of banking means recognizing that our role extends far beyond financial transactions. Throughout 2025, First Basin continued to invest in the communities we serve, showing up in ways that felt genuine and human.

One of the most meaningful initiatives was **Feeding Our Educators**, through which we provided meals to the educators, at schools in nearly every city we serve. This effort was a simple but heartfelt way to honor teachers who dedicate their time, energy, and compassion to shaping future generations. The conversations, smiles, and moments of connection that followed reinforced why service matters.



That support continued through our **Back2School Giveaway**, which provided resources to both a teacher and their school, helping classrooms feel a little more prepared and a little more supported as the year began.



Our commitment to service was also visible during **Odessa Cares Day**, when Team First Basin stepped away from their daily responsibilities to help clean and care for the community we share. These moments – hands-on, humble, and collaborative, reflect who we are at our core.

## Navigating Change, Building Strength

In a shifting lending landscape, 2025 demonstrated First Basin's ability to adapt while staying focused on quality and relationships. **Mortgage** lending reached a milestone, accounting for 23% of total loan volume – the largest share since 2015. Combined mortgage funding for 2024 and 2025 totaled \$19.6 million, making them the two strongest consecutive years in a decade. To put that growth into context, First Basin funded \$18.9 million in mortgages over the entire four-year period from 2018 to 2021.

**Credit Card** lending also continued its steady climb, growing approximately 15% for the second consecutive year. Card totals increased from 175 in 2023 to 204 in 2024, and to 234 in 2025, driven by thoughtful promotions and meaningful conversations with members about their financial needs.

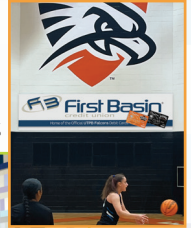
**Auto** lending remained a cornerstone of our portfolio, with 94% of loans rated B-tier or better – maintaining strong credit quality consistent with the previous year. While overall loan production declined, primarily due to reduced indirect lending, the change reflected a deliberate shift toward direct, relationship-based lending. Historically, indirect loans accounted for up to half of our volume. In 2025, mortgage, direct auto, and commercial lending played a larger role in shaping a balanced and intentional portfolio.

**Commercial** lending held steady at 15% of loan volume – demonstrating the strength of our foundation and team collaboration.

## Being Present, Seen, and Recognized

First Basin also expanded its reach in new ways. In 2025, we launched our largest paid social media advertising effort to date, placing our name and message in front of more than 200,000 people. These campaigns helped introduce First Basin to new audiences while reinforcing our commitment to people-first banking.

That presence took physical form throughout the community. Inside the UTPB Falcon Dome, two signs featuring our exclusive UT Permian Basin debit cards stand as a visible reminder of our commitment to local education, pride, and partnership. At our Parks Legado Headquarters, a striking floor-to-ceiling mural brings Changing the Color of Banking to life in vivid detail. Designed by Chief Marketing Officer Tim O'Reilly, the mural greets our operations team each day, reinforcing that behind every process and every decision is a person who matters.



## Growing From Within

Our commitment to people begins with our own team. Even on Veterans Day – a holiday typically observed – every member of Team First Basin chose to come together for an Employee Development Day, the first of its kind in several years.



Guided by ServiStar Consulting, the day created space for reflection, learning, and honest conversation. Team members explored how better understanding one another strengthens collaboration and improves the way we serve our members. It was a powerful reminder that growth starts from within.

## Recognized for Doing Good



For the second year in a row, First Basin received Campaign Excellence recognition from United Way of Odessa, affirming our ongoing commitment to community partnership and service.

As we look ahead, we do so grounded in sixty years of stories – of members, employees, and communities growing together. Changing the Color of Banking isn't about standing out for the sake of it. It's about choosing empathy over indifference, connection over convenience, and people over transactions – year after year. And as our story continues, those values will remain at the heart of everything we do.



A blue ink signature of Shem Culpepper.

Shem Culpepper  
President & CEO

A blue ink signature of Sam Gonzalez.

Sam Gonzalez  
Chairman

## REPORT TO MEMBERSHIP

First Basin Credit Union appreciates the commitment and dedication of the Board of Directors. FBCU paid each director, eligible to receive a fee, an amount of \$500 per board meeting attended in the prior calendar year and budgeted the same to be paid in the current calendar year. The FBCU Board of Directors are presented below, along with the expiration dates of their terms.

<b>Sam Gonzalez</b>	<b>3/2026</b>	<b>2026</b>
<b>Gary Windham</b>	<b>3/2026</b>	
<b>Shem Culpepper</b>	<b>3/2027</b>	<b>2027</b>
<b>Cathy Laracunte</b>	<b>3/2027</b>	
<b>Wesley Burnett</b>	<b>3/2028</b>	<b>2028</b>
<b>Rebecca Marler</b>	<b>3/2028</b>	

## ANNUAL AUDIT

The annual audit, performed by Doeren Mayhew CPAs, resulted in a determination that First Basin Credit Union's reported financial statements for December 31, 2024 present fairly, in all material respects, its financial position and are in conformity with accounting principles generally accepted in the United States of America. The financial statements for December 31, 2025 have not yet been audited.

## MISSION STATEMENT

First Basin Credit Union will do whatever it takes to exceed members' expectations by providing professional financial solutions that place members' needs first.

### Board of Directors

Chairman – Sam Gonzalez  
 Secretary – Gary Windham  
 Treasurer – Rebecca Marler  
 Wesley Burnett  
 Cathy Laracunte  
 Shem Culpepper

### Senior Management

President/CEO – Shem Culpepper  
 Chief Financial Officer – Ana Gonzalez-Alvarado  
 Chief Lending Officer – Doug Sypolt  
 Chief Marketing Officer – Tim O'Reilly  
 Chief Operations Officer – Brad Stillwell  
 Chief Retail Officer – Julia Tarin