Statement of Financial Condition

Assets

Net Loans	$ 1,439,966,863
Loans Held for Sale	$ 549,649
Cash on Hand	$ 13,112,864
Investments	$ 841,161,592
Land & Building	$ 42,609,445
Furniture & Equipment	$ 1,626,871
Other Assets	$ 30,282,670
Total Assets	$ 2,369,309,954

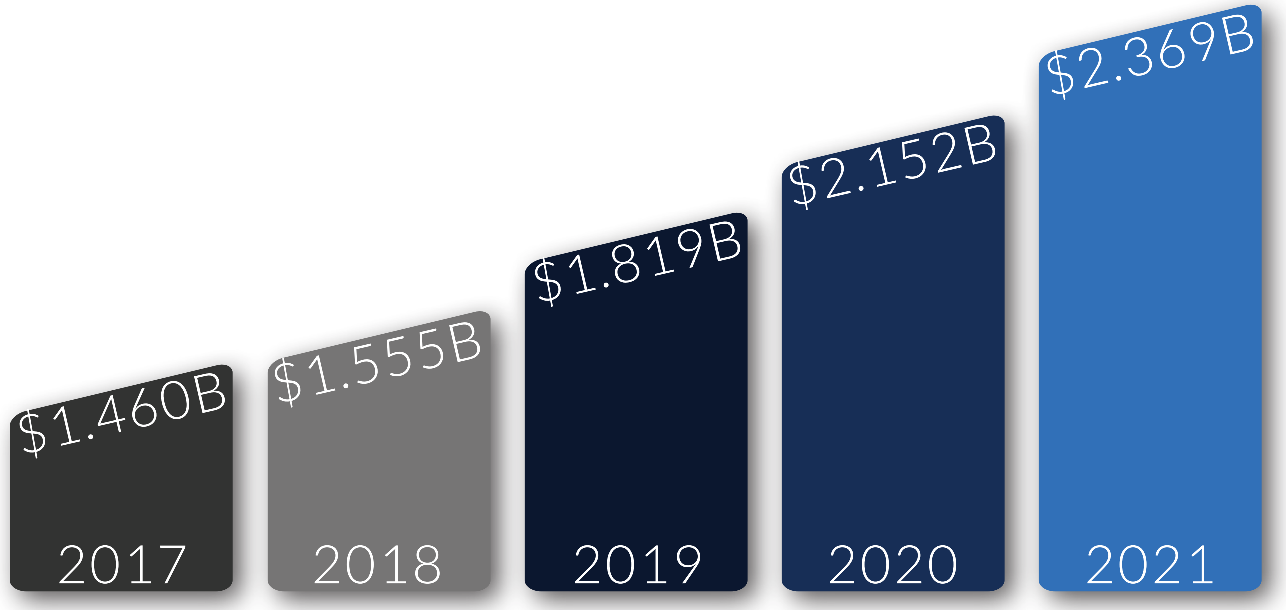
Liabilities & Equity

Total Deposits	$ 2,094,414,353
Liabilities	$ 11,474,582
Regular Reserves	$ 5,133,801
Undivided Earnings	$ 273,126,132
Unrealized G/L (AFS) Securities	($ 5,359,470)
Other Comprehensive Income	($ 9,479,444)
Total Liabilities & Equity	$ 2,369,309,954

Distribution of Income

Total Gross Income	$67,430,653
Operating Expense	$ 34,094,452
Gain [Loss] on Sale of Foreclosed Assets	-
Gain [Loss] on Disp of Assets	-
Gain [Loss] on Investments	$40,268
Dividend Expense	$ 9,671,539
Provision for Loan Losses	$45,281
Change to Undivided Earnings	$23,659,649

Asset Growth

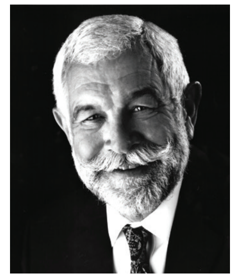


Board of Directors

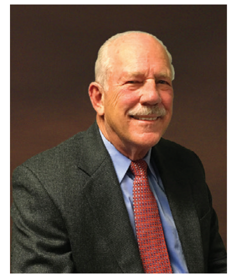

Paul Paulsen
Chairman


Steve Read
Vice Chairman


David Westlund
Treasurer


Fran Berns
Secretary


Joe Bain Jr.
Security/Safety Officer


Paul Tidrick
Membership Officer

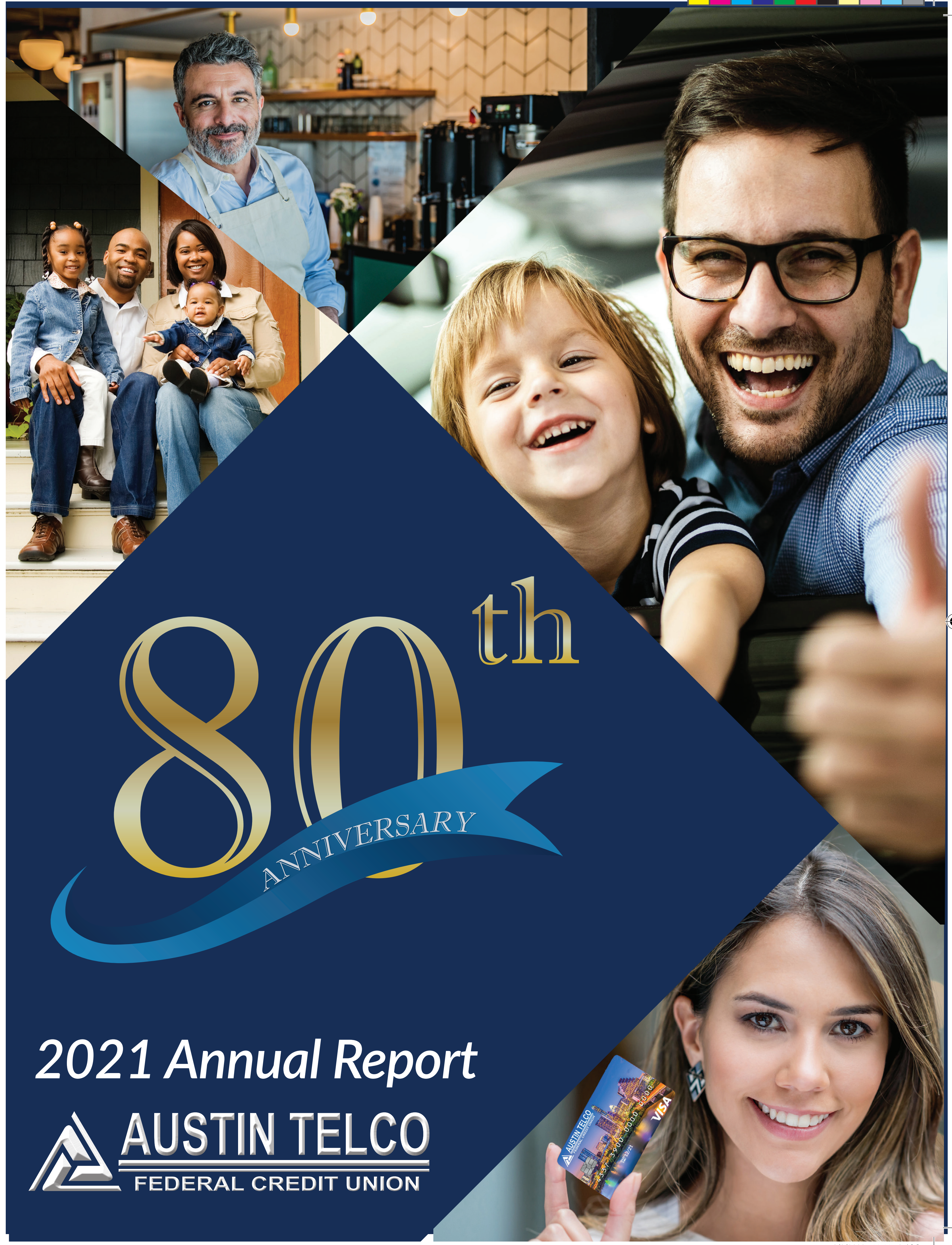

Lea Luchsinger
Member

Supervisory Committee

Mary Brooks, Supervisory Chairman
Brenda Monteith, Secretary
David DeOme, Member
Lea Luchsinger, Board Liaison Officer

Management

James D. Poplin, President/CEO
Tony Rawls, SVP, Lending/CLO
Karen Smith, SVP, Human Resources & Branch Operations
Robert Hernandez, SVP, Finance/CFO
Raye Anne Cawthon, VP, Accounting
Pamela W. Cotton, VP, Member Services
Christopher Mraz, VP, Information Technology/CIO
Chad Winkelmann, VP, Lending
Kathleen Miller, VP, Administrative Services
Sandie Peña, VP, Branch Operations
Katrina Levenick, AVP, Marketing
Charlie Angulo, AVP, Finance
John Johnson, AVP, Core Operations
David Cho, AVP, Lending
Tony Kountoupis, AVP, Indirect Lending



Board Chairman & President/CEO Report

Paul Paulsen, Board Chairman
James D. Poplin, President/CEO

2021 was a fast-paced year full of progress and new opportunities for Austin Telco. While the economy continues to recover from the aftermath of the pandemic, Austin Telco persisted in providing excellent member service and low fixed-rate financing for all our members' financial needs. 2021 also marked the 80th anniversary of the credit union. Since its opening in 1941 to serve Southwestern Bell employees, Austin Telco has grown from 49 members to servicing 90,905, and our assets increased from $338.45 to $2,369,309,954, showcasing the strength and stability of Austin Telco over the 80 years, a task only possible because of our members' support.

We are proud to announce that Austin Telco once again was recognized as the "Best Credit Union in Austin" in the Austin American Statesman's 2021 Best of the Best Choice Awards for the third consecutive year. In addition, this year, Austin Telco won in the Best Bank Category, beating out several very large banks. We are truly thankful to our members for their tremendous support.

With the continued success of Austin Telco, we're able to offer beneficial savings and other financial products and services that enhance our members' lives and improve our delivery channels. Therefore, in 2021 we launched an enhanced phone banking system. Our Touch Tone Teller platform was replaced by Austin Telco Phone Banking. The phone banking system has the same phone number, 512-302-4444, but with new features and an easy-to-use upgraded menu structure. We also launched a redesigned website with updated navigation to make our products and services more accessible.

In 2021, we started a new beginning; our corporate offices moved to the 4th floor and Loan Department moved into the third floor of our Balcones Centre building at 11149 Research Blvd, Austin, TX 78759. The building is located on the Southeast corner of Research Blvd. and Balcones Woods Dr. near Seton Northwest Hospital. The lobby hours remain the same; Monday - Friday: 8:30AM - 3:30PM. We are very excited to have moved to the Balcones location, where we will be able to grow and expand our team for years to come to better assist our increasing membership.

Austin Telco has always been an active partner in the communities we serve by participating in community events and supporting local organizations that benefit those communities. One of the more significant projects sponsored this year was "The House That Credit Unions Built" a collaboration between local credit unions to build a home for a family in need with Austin Habitat for Humanity. We had several employees volunteer their time to help build the house.

We would like to thank our hardworking staff who provide exemplary service to our members, our volunteer members of the Board of Directors, and the Supervisory Committee for their dedication every day to the credit union movement. As we navigate the challenges of 2022 and beyond, we promise that Austin Telco will continue to grow responsibly while listening and responding to our members' financial needs.

Treasurer Report

David Westlund, Treasurer

We are pleased to report that deposits and assets continue to grow at a healthy rate. We had a very prosperous year despite the continued struggles of the pandemic, and these results are demonstrative of our financial strength and continued member support. In addition, our loan rates remained highly competitive throughout 2021, which made purchasing a new vehicle, financing home improvements, and even buying a new home more affordable.

Austin Telco's membership climbed to 90,905 by year-end, and assets rose significantly to $2,369,309,954, representing an annual increase of 10.06%. These strong financial results included finishing the year with undivided earnings of $273,126,132 and a net worth ratio of 11.74%.

The strong commitment and expertise of our Board of Directors, Supervisory Committee, and professional management team ensure that Austin Telco remains a sound financial institution and will remain vigilant in our members' interest.

Supervisory Committee Chairman Report

Mary Brooks, Chairman

The Supervisory Committee is appointed by the Board of Directors and represents the membership's best interest by ensuring safe and sound business practices and confirming that proper internal controls are being followed. The Committee meets monthly, sending letters to members verifying transactions and responding to member feedback as needed.

By reviewing management practices and the credit union's financial condition, the Supervisory Committee ensures that audits are conducted as required, ensuring internal controls effectively maintain and protect the credit union and its members. Outside sources are utilized to evaluate Austin Telco's financial condition with monthly internal audits performed by Cornerstone Credit Union League Resources group and the annual CPA audit performed by CliftonLarsonAllen, LLP.

The comprehensive annual audit conducted in 2021 concludes that Austin Telco once again maintains the highest possible level of financial standards. With a very strong net worth ratio of 11.74%, our committee is delighted to report that the financial condition of Austin Telco is healthy and sound; a credit union that will continue to serve the financial needs of the Austin Metro community for years to come.

The Supervisory Committee would like to extend a special thank you to our management team and staff for their dedicated service to the credit union and special thanks to our loyal members for putting your trust and ongoing support in Austin Telco.

Fiscal Report

	2019	2020	2021
Gross Income	$ 69,429,468	$ 70,595,394	$67,430,653
Operating & Provision Expense	$ 32,215,186	$ 35,225,110	$34,139,733
Net Income	$ 22,200,152	$ 20,185,074	$23,659,649
Dividends	$15,057,719	$15,273,151	$9,671,539
Undivided Earnings	$ 229,281,409	$ 249,466,483	$273,126,132
Regular Reserves	$ 5,133,801	$ 5,133,801	$5,133,801
Allowance for Loan Loss	$ 2,383,488	$ 3,712,308	$3,058,890
Total Equity	$ 234,415,210	$ 254,600,284	$278,259,933
Total Assets	$ 1,819,435,867	$ 2,152,751,234	$2,369,309,954
Total Deposits	$ 1,583,889,799	$ 1,890,083,430	$2,094,414,353
Number of Loans Outstanding	44,907	49,055	44,405
Loans Outstanding	$ 1,351,644,809	$ 1,467,804,661	$1,431,679,780
Delinquent Loans	$ 4,050,172	$ 1,495,260	$1,826,131
Number of Members	88,112	89,230	90,905
Number of Checking Accounts	55,963	56,896	58,554

2022 Annual Meeting Agenda

Invocation
Call Meeting to Order
Determination of a Quorum
Reading and approval of 2021 minutes
Officers' Reports
New Business
Election of the Board of Directors
Unfinished Business
Adjournment of the Meeting