

smart:financial

# ANNUAL REPORT 2025

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STEREO

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FINANCIAL CREDIT UNION



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RECORDS

SMART FINANCIAL'S 92<sup>nd</sup>  
ANNUAL MEETING  
Thursday, May 28<sup>th</sup> 2026

SIDE  
A

45  
RPM

DOWN AT SMART FINANCIAL  
by Conway Short  
(2:51)

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STEREO

anti-skating

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# Standing Rules

- I. Robert 's Rules of Order are the governing rules of this meeting.
- II. Debate by any one member is limited to two minutes at one time on any motion.
- III. A member may speak only twice on any motion and the second time only after others who wish to have been allowed to speak once.
- IV. Affirmation and negative views will be recognized alternately, when possible.
- V. All motions must be submitted in writing, signed by the maker, if requested by the Chair.
- VI. The Credit Union bylaws state that written ballots shall be required for any contested position. The nominee receiving a plurality of the votes cast shall win the election; otherwise, the election may be by voice vote.



# 91<sup>st</sup> Annual Meeting Minutes

April 3, 2025

The Annual Meeting of Smart Financial Credit Union was called to order by the Chair of the Board, Mr. Chad Greer, on Thursday, April 3, 2025, at 6:30 p.m. at Smart Financial Credit Union located at 6051 North Course Drive, Houston, Texas. Mr. Timothy Raffield provided the invocation.

Mr. Greer confirmed the presence of a quorum and appointed Ms. Sandra Torres as the Recording Secretary. Ms. Teri Mathis served as the Parliamentarian. Mr. Greer shared that Ms. Mathis had served as parliamentarian for the past 24 years.

Mr. Greer welcomed the members to the 91st Annual Membership Meeting and introduced the Board of Directors and Audit Committee members. He then referred to the Standing Rules included in the Annual Report and requested that the Standing Rules be adopted. Mr. Jeffrey Hamlin motioned adopting the Standing Rules as presented, which Dr. Robert Bostic seconded. The motion passed.

Mr. Greer referred to the printed minutes of the April 4, 2024 Annual Meeting in the Annual Report and requested any necessary corrections. Mr. Michael O'Neill motioned to approve the minutes presented, which Ms. Diana Carrion seconded. The motion passed.

Ms. Kaczynski, the CEO of Smart Financial Credit Union, welcomed the members and thanked them for coming to the 91st Annual Membership Meeting. Ms. Kaczynski expressed her gratitude to the Board of Directors and the staff for their support over the past year. She specifically acknowledged the leadership team, emphasizing their daily contributions and the crucial role they play in the organization's success.

She then highlighted the officers and senior management team, noting that a significant number in this group have long tenures. Currently, 16 members have been with Smart Financial for ten years or more, including six individuals who have been with the credit union for 15 to 20 years. She noted that she would join the latter group as she celebrates her 20th anniversary the following day.

Ms. Kaczynski reported that 2024 was a relatively good year for us; although we experienced a slight decrease in asset size, ending the year with \$783 million in assets. Our income for the year was \$2 million, and our Net Worth grew to 10.63%, which is an excellent outcome. Regulators consider a Net Worth Ratio of 7% or higher well-capitalized. Last year, our loans increased by approximately \$18 million. Unfortunately, shares decreased by about \$37 million. Ms. Kaczynski noted that the national savings rate has declined, and inflation is affecting household budgets, leading people to keep less money on deposit.

Ms. Kaczynski announced several initiatives aimed at reversing trends and increasing our market share in 2025 and beyond. She highlighted our strategic plan, which focuses on four Pillars of Sustainability, starting with member engagement. Key enhancements to our debit card program include re-engineering the card, adding a tap-to-pay feature, allowing PIN changes, and enabling card freezing through online banking. We also launched Zelle for person-to-person payments, essential for younger consumers, and introduced Savvy Money, a tool to help members monitor and improve their credit scores.

Ms. Kaczynski discussed employee engagement, highlighting that this is our second pillar. We are continuing to strengthen our partnership with Gallup, a renowned think tank organization that has a division dedicated to employee engagement. We have conducted training classes focused on transitioning from a boss mentality to a coach mentality, which is strongly correlated with increased employee engagement. Additionally, we have established a new position in HR: Manager of Employee Development. This role will support employees in their personal development and help managers in developing their teams. Furthermore, the majority of our staff, including all frontline personnel, are currently undergoing certification as financial education professionals.

All of these efforts have contributed to our success, as we received several “Best Places to Work” awards in 2024, including recognition on USA Today’s list of the best places to work in the country.

Ms. Kaczynski then highlighted the importance of a strong community connection for our growth and success, stating that Community, Brand, and Trust are our third pillar. In 2024, we participated in several initiatives, including Meal Pack 911, where Smart Financial volunteers packed 9 million meals for Houston residents. We also continued our partnership with the Houston Children’s Charity, engaging in events such as the Christmas Toy Giveaway, which benefited 6,000 families, and the Back-to-School event, which provided backpacks and supplies to 3,400 children. Additionally, Smart Financial donated a handicapped-accessible van to a family with a disabled child, enhancing their quality of life and making mobility easier for them.

Ms. Kaczynski commented on our fourth pillar, Financial Stability. She stated that we have started several initiatives in our compliance and risk management areas to support this pillar. A strong and vibrant organization must have proper controls, compliance, and adherence to regulations. We have expanded our compliance team and provided them with additional resources to support their work. Several new tools have already been implemented, and we plan to introduce another this year to ensure we remain compliant with regulations and maintain adequate controls.

Ms. Kaczynski then stated that she would be available for questions after the meeting and handed the meeting back to Mr. Greer.

# 91<sup>st</sup> Annual Meeting Minutes

## cont'd

Mr. Greer inquired if there were any unresolved matters from the previous Annual Meeting and mentioned that he was unaware of any.

Hearing none, Mr. Greer then turned the meeting over to Ms. Angela Cox, Nominating Committee Chair to explain the Election Process. She then introduced the 2024-2025 Nominating Committee members, Ms. Fre'Etta Brooks, Dr. Jane Silva, and Mr. Timothy Raffield. Ms. Cox reported that the Nominating Committee placed the following slate of nominees before the membership for their consideration:

| <b>POSITION</b> | <b>NAME</b>                                      | <b>LENGTH OF TERM</b> |
|-----------------|--|-----------------------|
| Position 4      | <b>Mr. Larry Frazier (Incumbent Director)</b>    | <b>3 Years</b>        |
| Position 6      | <b>Dr. Robert Bostic (Incumbent Director)</b>    | <b>3 Years</b>        |
| Position 7      | <b>Mr. Michael O'Neill (Incumbent Director)</b>  | <b>3 Years</b>        |
| Position 10     | <b>Mr. Michael Childers (Incumbent Director)</b> | <b>1 Year</b>         |

Ms. Cox reported that no nominations by petition had been received for Position 4, Position 6, Position 7, and Position 10. Therefore, the election for these positions may be held by voice vote.

She asked for a motion to elect Position 4, Position 6, and Position 7 for a three-year term. Mr. Solomon Silva motioned for election by acclamation for three-year terms for Position 4, Position 6, and Position 7. Mr. Jeffrey Hamlin seconded the motion. The motion carried.

Ms. Cox then asked for a motion to elect Position 10 for a one-year term. Ms. Diana Carrion motioned for election by acclamation for a one-year term for Position 10. Mr. Solomon Silva seconded the motion. The motion carried. Ms. Cox then congratulated Mr. Frazier, Dr. Bostic, Mr. O'Neill, and Mr. Childers.

Mr. Greer inquired about any other new business, and upon hearing none, he expressed gratitude to the members for attending.

The meeting adjourned at 6:51 p.m.



**Mr. Chad G. Greer**

Chairman, Board of Directors



**Mr. Tim Raffield**

Secretary, Board of Directors

*\*Subject to approval at the May 28, 2026 Annual Meeting*



# Report from the President/ Chief Executive Officer

I am proud to say that 2025 was a very successful year for our credit union. Smart Financial ended the year with just over \$803.5 million in Assets and nearly \$7.5 million in Net Income. Our Net Worth has grown to 11.29% of assets, which continues to significantly exceed the 7% minimum that our regulator designates as “well capitalized”. The extraordinary income achieved in 2025 was in big part the result of the liquidation of the SFCU Employees Pension Plan. In 2025, the Board made the difficult decision to terminate the employees’ pension plan as it has become increasingly challenging to afford both a pension plan and a 401(k) benefit for our staff. All pension plan participants received either a lump-sum rollover or annuity contract equal to the amount of their vested accrued benefit as prescribed by regulation. After all benefits were satisfied and related expenses taken, liquidation of the plan resulted in \$9 million in income being recognized and \$27.4 million of the \$29.3 million originally invested in the plan being returned to Credit Union. The Board elected to share approximately \$870 thousand of the related income windfall with current employees in the form of a one-time bonus. The Board also voted, upon termination of the plan, to increase the 401(k)-employer match from 4% to 6%.

On the Balance sheet side of things, Total Loans outstanding grew by over \$21 million. Consumer Lending and Mortgage Lending efforts contributed to most of that growth whereas Commercial Lending demand was slow with balances shrinking by over \$9.5 million from the prior year. Total Deposits were up by over \$15 million for the year, achieving growth for the first time in the past several years. Shares grew by just over 2%, which is more in line with pre-COVID expectations.

From a strategic planning standpoint, management and the Board remain focused on our four strategic drivers: **Employee Engagement; Member Engagement; Community, Brand and Trust; and Financial Stability.**

In 2025, Management and the Board continued to deploy significant resources into staff training and development efforts. Our continued focus on our employees resulted in significantly higher employee engagement survey scores; and we were once again named as a Houston Chronicle Top Workplace. Not coincidentally, this investment also resulted in the highest member satisfaction scores that our organization has ever achieved.

In 2025 much of the team’s focus was shifted to conducting due diligence on a potential merger with TDECU. Member Engagement remains the primary focus for the team and there will be several enhancements in that regard coming out of the merger if it comes to fruition.

On the Community engagement front, our employees were very active in the community again last year as we continued to give back and promote the Smart Financial brand. We collaborated once again with Houston Children's Charity on several charity events including their holiday Annual Toy Distribution at the George R. Brown Convention Center providing over 66,000 toys to 16,000 children. We also participated again this year in Meal Pack 9/11 Day of Service and assisted in packaging 367,000 meals for Houstonians in need. The team also conducted multiple financial literacy sessions throughout the year benefiting students throughout the region and staying true to our roots in education.

In closing, together we have succeeded in maintaining a strong and healthy credit union while providing a great place for staff to work and for members to do their banking. I feel blessed to be the leader of this organization.



*LeAnn Kaczynski*

**LeAnn Kaczynski**

President & Chief Executive Officer

# Report from the Chair of the Board

At Smart Financial Credit Union, our work is rooted in a cooperative spirit and a commitment to staying centered on doing what is best for our membership. This is my first annual report to you as your Board Chair, and I am honored to help lead this institution at such a pivotal time.

I want to recognize our President and CEO, LeAnn Kaczynski, our Vice Chair, Timothy Raffield, alongside our entire dedicated Board of Directors and staff, for their steady leadership.

Stepping into this role over the past year has given me a front-row seat to what makes Smart Financial unique. It is not just our financial strength, it is our amazing staff and our deeply rooted focus on the financial well-being of the human beings we serve that drives that success. Management, the entire staff, and board have worked tirelessly throughout this past year to protect your deposits and ensure our cooperative remains a safe, stable haven in a complex economic landscape. You can find comfort knowing that we are a well-run credit union. As Mrs. Kaczynski noted in her annual report, 2025 was a strong year financially for the credit union, and the future is bright as we help members achieve success along their financial journey.

And finally, as we look forward to 2026 and beyond, our members will remain our focus at all times. Let me assure you that your board will continue to work tirelessly on your behalf to ensure a smooth transition into our 93rd year and beyond!

Thank you for welcoming me so warmly during my first year as Chair. It is my honor to serve. We thank you for your loyal membership.



**Ms. Tammie Moore**

Chair of the Board

# New Business Report From the Nominating Committee and Election of Directors

## Positions for Election

|             |                             |           |
|-------------|-----------------------------|-----------|
| Position 8  | <b>Mr. Timothy Raffield</b> | Incumbent |
| Position 10 | <b>Mr. Mike Childers</b>    | Incumbent |

No nominations by petition were received for Position 8 and 10; therefore, the election for this position will be confirmed.



# Statement of Financial Position

|  | DEC 31, 2025         | DEC 31, 2024        |
|--|----------------------|---------------------|
| <b>ASSETS</b>                              |                      |                     |
| Cash                                       | \$56,560,146         | \$45,960,632        |
| Investments                                | \$92,729,578         | \$116,132,007       |
| Loans                                      | \$558,721,992        | \$542,062,416       |
| Receivables                                | \$38,374,275         | \$441,840           |
| Accrued Income                             | \$2,607,147          | \$2,440,313         |
| Land                                       | \$10,521,235         | \$9,542,298         |
| Building and Leasehold<br>Improvements     | \$21,126,089         | \$21,101,864        |
| Furniture and Equipment                    | \$1,801,319          | \$2,091,066         |
| Other Assets                               | \$21,063,969         | \$43,615,215        |
| <b>TOTAL ASSETS</b>                        | <b>\$803,505,750</b> | <b>783,387,651</b>  |
| <b>LIABILITIES</b>                         |                      |                     |
| Accounts and Drafts Payable                | \$9,561,793          | \$10,667,836        |
| Other Payables                             | \$6,120,517          | \$5,452,315         |
|  | \$15,682,310         | \$16,120,151        |
| <b>MEMBERS' DEPOSITS</b>                   |                      |                     |
| Member Shares                              | \$326,926,400        | \$332,856,531       |
| Other Member Deposits                      | \$370,588,145        | \$349,394,415       |
|  | \$697,514,545        | \$682,250,946       |
| <b>RESERVES and<br/>UNDIVIDED EARNINGS</b> | <b>\$90,308,895</b>  | <b>\$85,016,554</b> |

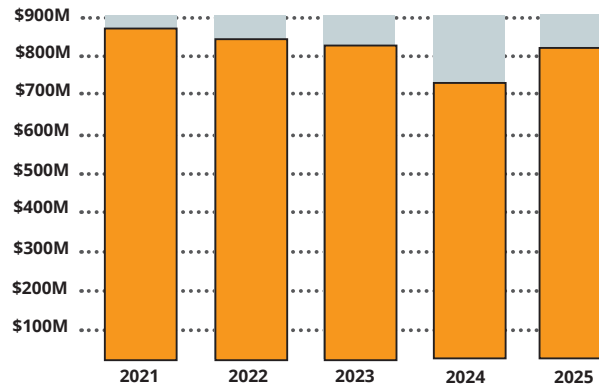
# Statement of Income and Expenses

|                               | DEC 31, 2025 | DEC 31, 2024  |
|-------------------------------|--------------|---------------|
| <b>INCOME</b>                 |              |               |
| Income on Loans               | \$34,920,177 | \$30,731,803  |
| Income from Investments       | \$3,392,202  | \$5,551,840   |
| Other Income                  | \$22,358,675 | \$13,834,321  |
| Total Operating Income        | \$60,671,054 | \$50,117,964  |
| <b>EXPENSES</b>               |              |               |
| Salaries and Benefits         | \$23,315,499 | \$20,044,346  |
| Travel and Conference         | \$76,551     | \$88,071      |
| Office Occupancy              | \$3,683,438  | \$3,628,183   |
| Office Operations             | \$5,830,765  | \$5,673,913   |
| Marketing                     | \$1,227,571  | \$1,213,546   |
| Loan Servicing                | \$1,716,889  | \$796,975     |
| Professional Services         | \$3,282,265  | \$3,781,671   |
| Provision for Credit Loss     | \$8,762,819  | \$2,741,005   |
| Interest                      | \$244        | \$2,737,825   |
| Other Operating Expenses      | \$203,141    | \$179,206     |
| Total Operating Expense       | \$48,099,182 | \$40,884,741  |
| <b>INCOME FROM OPERATIONS</b> | \$12,571,872 | 9,233,223     |
| Non-Operating Gain (Loss)     | \$ -         | \$(2,382,335) |
| Dividends Paid to Members     | \$5,118,169  | \$4,791,950   |
| <b>NET INCOME</b>             | \$7,453,703  | \$2,058,938   |

# Smart Financial Credit Union Profile

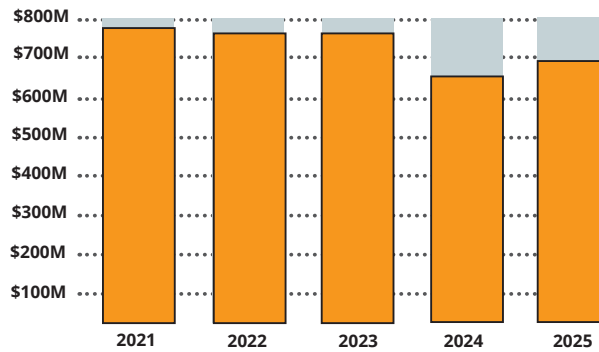
## Total Assets

|             |                      |
|-------------|----------------------|
| <b>2021</b> | \$863,409,315        |
| <b>2022</b> | \$858,654,907        |
| <b>2023</b> | \$848,651,263        |
| <b>2024</b> | \$783,387,651        |
| <b>2025</b> | <b>\$803,505,750</b> |



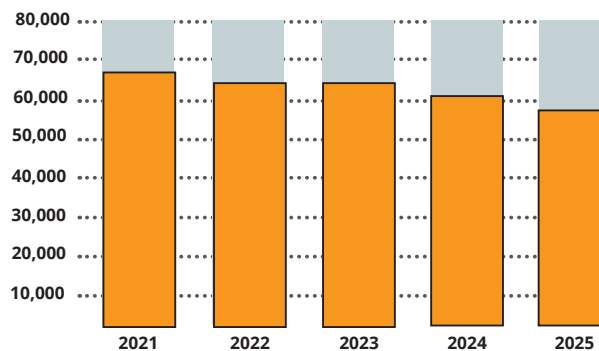
## Total Deposits

|             |                      |
|-------------|----------------------|
| <b>2021</b> | \$780,329,791        |
| <b>2022</b> | \$775,184,792        |
| <b>2023</b> | \$718,986,176        |
| <b>2024</b> | \$682,250,946        |
| <b>2025</b> | <b>\$697,514,545</b> |



## Membership Size

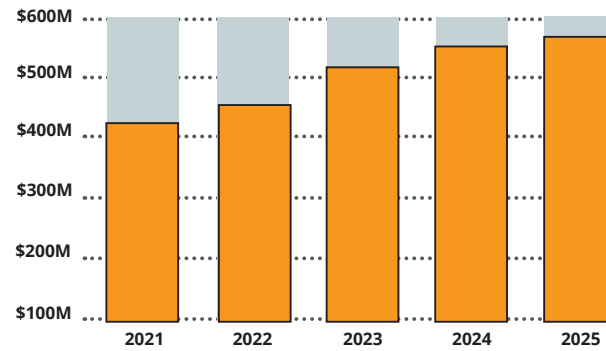
|             |               |
|-------------|---------------|
| <b>2021</b> | 68,277        |
| <b>2022</b> | 63,957        |
| <b>2023</b> | 62,668        |
| <b>2024</b> | 60,531        |
| <b>2025</b> | <b>59,731</b> |



# Financial Highlights

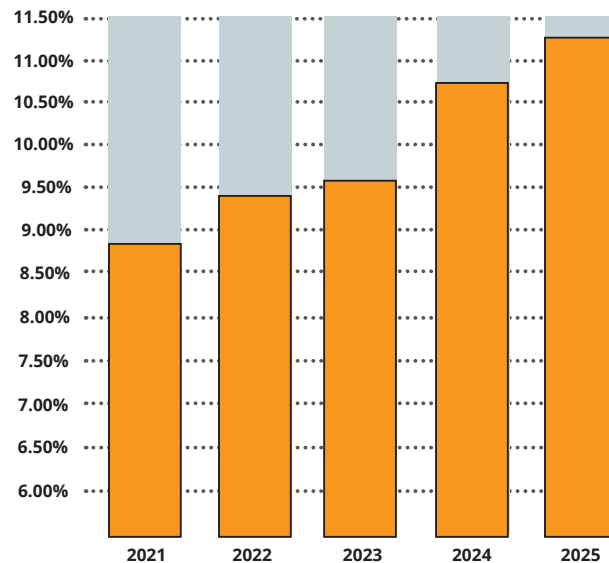
## Total Loans

|             |                      |
|-------------|----------------------|
| <b>2021</b> | \$424,193,972        |
| <b>2022</b> | \$459,503,113        |
| <b>2023</b> | \$524,854,380        |
| <b>2024</b> | \$542,062,416        |
| <b>2025</b> | <b>\$558,721,992</b> |



## Net Worth Ratio

|             |               |
|-------------|---------------|
| <b>2021</b> | 8.83%         |
| <b>2022</b> | 9.46%         |
| <b>2023</b> | 9.57%         |
| <b>2024</b> | 10.63%        |
| <b>2025</b> | <b>11.29%</b> |



# Board of Directors

## Board of Directors Fees

The Board of Directors are compensated for their time according to the below schedule:

Director Fees paid in 2025 were \$79,500; and \$152,000 is scheduled (budgeted) for 2026.

| <b>BOARD OF DIRECTORS</b>                         | <b>TERM ENDS</b> | <b>AUDIT COMMITTEE</b>                               |
|---|------------------|--|
| <b>Ms. Tammie Moore,</b><br><i>Chair</i>          | 2026             | <b>Mr. Mike Childers,</b><br><i>Chair</i>            |
| <b>Mr. Timothy Raffield,</b><br><i>Vice Chair</i> | 2025             | <b>Ms. Tamara Jean Cubit,</b><br><i>Member</i>       |
| <b>Ms. Diana Carrion,</b><br><i>Secretary</i>     | 2026             | <b>Ms. Crystal Dowd,</b><br><i>Member</i>            |
| <b>Mr. Robert Bostic,</b><br><i>Treasurer</i>     | 2027             | <b>Ms. Mackenzie Rychlik Ellis,</b><br><i>Member</i> |
| <b>Mr. Mike Childers,</b><br><i>Director</i>      | 2025             |  |
| <b>Mr. Larry Frazier,</b><br><i>Director</i>      | 2027             |  |
| <b>Mr. Chad G. Greer,</b><br><i>Director</i>      | 2026             |  |
| <b>Mr. Jeffrey Hamlin,</b><br><i>Director</i>     | 2025             |  |
| <b>Mr. Michael O'Neill,</b><br><i>Director</i>    | 2027             |  |

# Officers

## SENIOR MANAGEMENT

## APPOINTMENT DATE

|  |      |
|--|------|
| <b>LeAnn Kaczynski</b> , <i>President &amp; Chief Executive Officer</i>                  | 2022 |
| <b>Angela Chan</b> , <i>Executive Vice President &amp; Chief Financial Officer</i>       | 2022 |
| <b>Marcus Manning</b> , <i>Chief Information Officer</i>                                 | 2021 |
| <b>Sean Price</b> , <i>Chief Lending Officer</i>   | 2023 |
| <b>Corbin Wilson</b> , <i>Chief Experience Officer</i>                                   | 2024 |
| <b>Brian Ziemba</b> , <i>Chief Credit Officer</i>  | 2021 |
| <b>Chris Conway</b> , <i>Chief Operations Officer</i>                                    | 2023 |
| <b>Angela Aguirre</b> , <i>SVP Member Experience - Digital</i>                           | 2023 |
| <b>Caire Humphrey</b> , <i>SVP Member Experience - Retail</i>                            | 2023 |
| <b>Andrea Bain</b> , <i>VP Compliance &amp; Risk Management</i>                          | 2022 |
| <b>Adrienne Brown</b> , <i>VP Enterprise Operations</i>                                  | 2022 |
| <b>Reginald Chambers</b> , <i>VP Commercial Relationship Development</i>                 | 2023 |
| <b>Christopher Felder</b> , <i>VP Information Technology</i>                             | 2025 |
| <b>Cynthia Galindo</b> , <i>VP Technology Operations</i>                                 | 2021 |
| <b>Luis Garcia</b> , <i>VP Commercial Credit</i>   | 2020 |
| <b>Randi Hanks</b> , <i>VP Human Resources</i>   | 2024 |
| <b>Andrew Huang</b> , <i>VP Marketing</i>  | 2022 |
| <b>Kyle Meller</b> , <i>VP Accounting / Controller</i>                                   | 2022 |
| <b>Stephen Overbeck</b> , <i>VP Retail Service Delivery</i>                              | 2024 |
| <b>Shana Scott</b> , <i>VP Community Development &amp; Foundation Executive Director</i> | 2019 |
| <b>Brett Sturgeon</b> , <i>VP Analytics &amp; Business Intelligence</i>                  | 2022 |
| <b>Sandra Torres</b> , <i>VP Board Services / Assistant to CEO</i>                       | 2008 |

## PAST OFFICERS

## DEPARTURE DATE

|  |      |
|--|------|
| <b>Julio Roman</b> , <i>Chief Risk Officer</i> | 2025 |
|--|------|

# Smart Financial Credit Union Bylaws

Since the last annual report to the membership, Smart Financial Credit Union's Board of Directors made changes to Section 5.01(a) of the Bylaws which removed the requirement of an odd numbered Board. The amendment was approved by the Texas Credit Union Department in March 2026.

In accordance with TEX. FIN. CODE § 122.011(d), we are reporting the Credit Union Bylaws recent amendment to our membership.

In line with Section 91.315 of the Texas Administrative Code, Smart Financial is required to notify our members that the above mentioned amendment documents are available for review and how to receive a copy. To request a copy, or to request an appointment to review the amendment/document, please write to:

**Smart Financial Credit Union**

*C/O Risk Management*

P.O. Box 920719

Houston, Texas 77292

# Branch Locations

## **The Woodlands**

26515 I-45  
Spring, TX 77380

## **FM 1960**

520 FM 1960 East  
Houston, TX 77073

## **Wayside**

4411 South  
Wayside Drive

## **North Loop**

2510 North Loop West  
Houston, TX 77092

## **Lamar High School**

***OPEN TO PUBLIC***

3325 Westheimer Rd  
Suite B101

## **North Course**

6051 North  
Course Dr.  
Houston, TX 77072

## **Conroe**

3201 West Davis  
Conroe, TX 77304

## **Kingwood**

4529 Kingwood Drive  
Suite 100

## **Sugar Land**

9810 Highway 90A  
Sugar Land, TX 77478

## **Spring Marketplace**

7206 North Grand  
Parkway W.

## **Magnolia**

6311 FM 1488 Suite A  
Magnolia, TX 77354

## **Pearland**

3060 Kirby Dr  
Pearland, TX 77584

## **Katy/Fulshear**

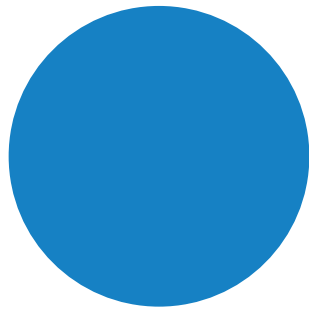
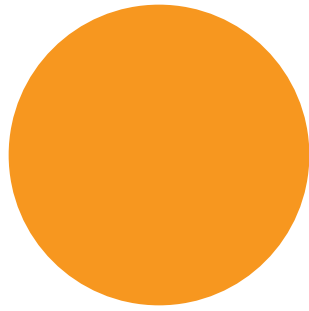
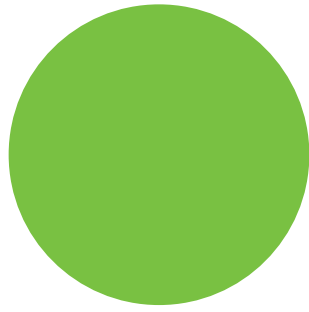
***PERMENANTLY CLOSED***  
*June 30, 2025*

# Outlet Locations

## **Nabors**

***LIMITED ACCESS***





**smart.financial**

☎ (713) 850-1600

✉ infomain@smartcu.org

📍 P.O. Box 920719  
Houston, TX 77292-0719



[smartcu.org](https://smartcu.org)



Download on the  
**App Store**



GET IT ON  
**Google Play**

SMART FINANCIAL CREDIT UNION



2025-2026

[smartcu.org](https://smartcu.org)

**smart.financial**