



Alhambra

CREDIT UNION

December 2023

ALCO Packet

- ALCO Report
- Concentration Risk
- Investment Schedule
- Net Interest Margin

Mission Statement: Provide Products and Services That Enhance Our Member's Lifestyles.

Vision Statement: A Respected and Trusted Credit Union Focused On You, Your Family, and Our Community.



ASSET/LIABILITY MANAGEMENT COMMITTEE MINUTES
November 29, 2023

Chairman Jesse Linderman called the meeting to order in person at 4:33 p.m.

ALCO Members Attendance:

Eddie Moraga, President/CEO	Carlos Gutierrez, Vice Chairman	Jacqueline Espinoza, Director

Others Present:

Arleth Orozco, Accounting Mgr.	Deborah Hallahan, Director
Cathy Poplin-Lutz, Director	Erma Frank, Collections Mgr.
Cody Howard, Sr. Audit Manager	Norma Pacheco, Director

A quorum was determined.

MINUTES OF PREVIOUS MEETING

A motion was made by Eddie Moraga, seconded by Jacqueline Espinoza, to approve the Minutes of the October 25, 2023, ALCO meeting. Motion carried 4-0.

FINANCIAL STATEMENTS

Eddie reported on the October financial statements. Assets are \$32,093,463, a decrease of \$445,235; net worth increases to 9.85%; loan yield is 6.52%; investment yield is 1.71%; cost of shares is 0.21%; net interest margin is 4.52%; return on assets for October was at .34%. The year-to-date ROA is 0.28%.

Asset Yields are performing well. There has been a decrease in assets, but we never were built like a \$36 million asset credit union. We are still well-capitalized.

Eddie stated that loans are going strong, and we are repricing at a higher rate as loan payoff. This income will help with the increase in term share rates. The return on assets was lower because we had to fund ALLL more due to charging off loans.

LIQUIDITY

October liquidity was reviewed.

October risk limits were reviewed: loans/assets are 67.77%; borrowings & non-member deposits/total share & liabilities 0.0%; cash and short-term investments/assets are 14.45%; and loans/shares decreased to 75.62%.

October's average assets were 31.9 million; our corporate cash account is approximately 1.1 million. Liquidity is stable.

New Investments:

No new investments.

Eddie reported the investment strategy is to reinvest maturing CDs in the short term to rebuild the ladder system if liquidity is adequate.

SHARE AND LOAN RATES

No recommendation loan rates.

No changes to share rates.

BOARD RECOMMENDATION

A motion was made by Eddie Moraga, seconded by Jesse Linderman, to approve the recommendation of no change to loan and share rates.

Motion carried 4-0

ADJOURNMENT

The meeting was made to adjourn at 4:41 p.m.

Submitted by,

Approved by,

Eddie Moraga, Member

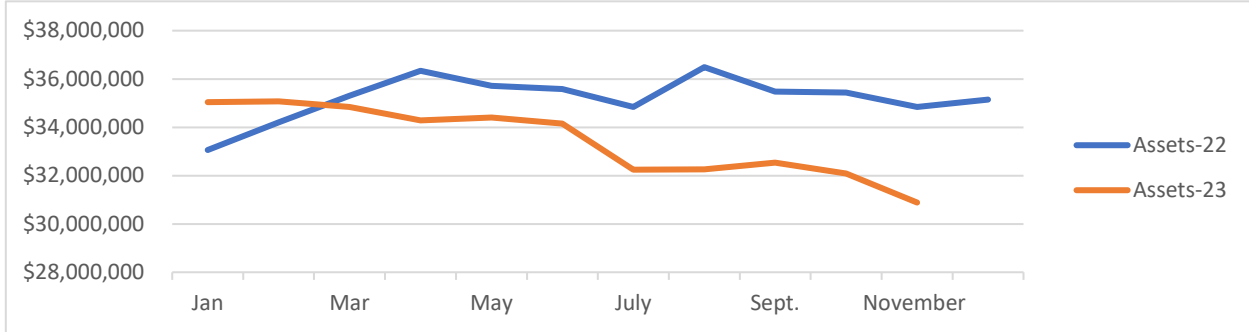
Carlos Gutierrez, Member



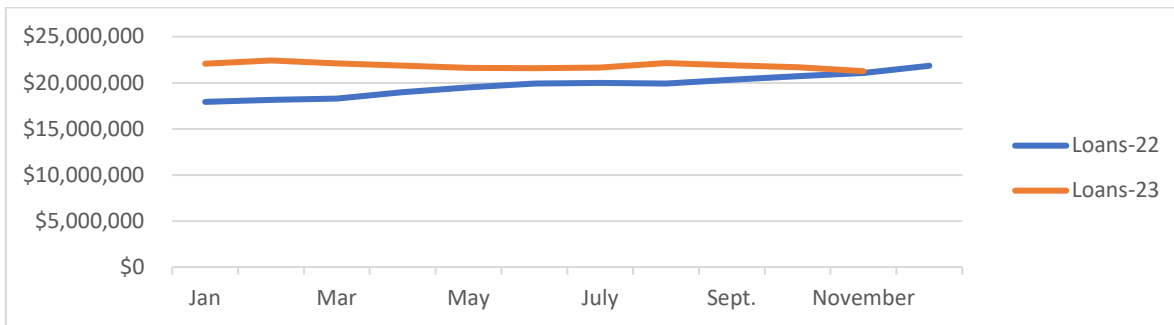
ALCO REPORT December 2023

November Asset Performance

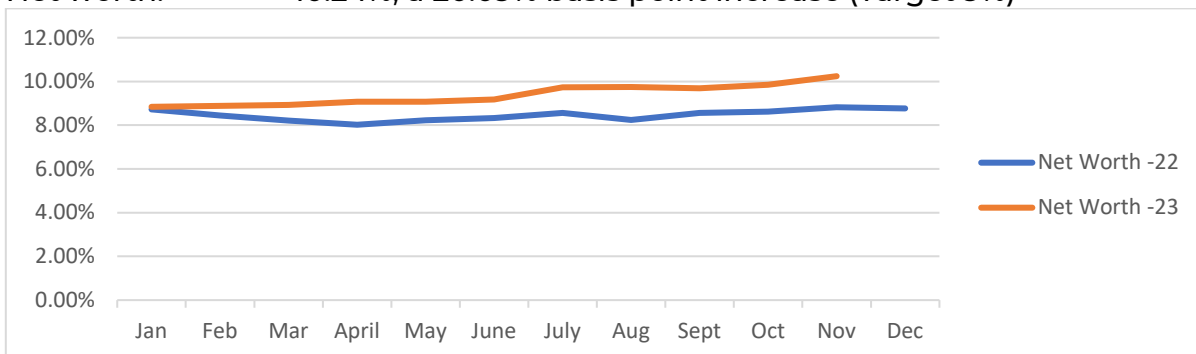
Assets: \$30,885,562 a \$1,207,902 decrease (-12.13% YTD)



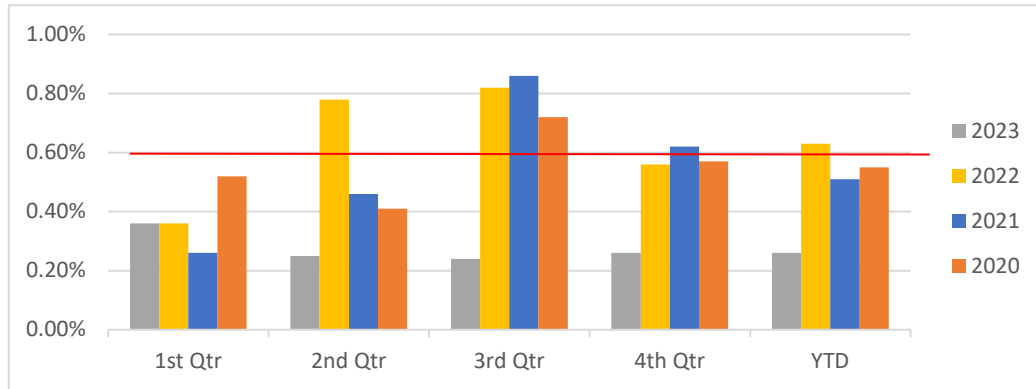
Loans: \$21,259,997, a \$419,341 decrease (-2.67% YTD)



Net worth: 10.24%, a 20.09% basis point increase (Target 9%)



November Return on Assets: .0%; YTD 0.26% (Prior yr-end assets + current month/2 = \$33,016,684 avg assets)



Asset Yields:

6.58%	Loan yield - Target - 7.00%
1.74%	Investment Yield - Target – 2.00%
0.22%	Cost of Shares - Target - .29%
4.59%	Net Interest Margin - Target - 5.00%

Comments:

LIQUIDITY ANALYSIS

Risk Limits:

68.83%	Loans/Assets (<90%)
76.90%	Loans/Shares (<105%)
14.04%	Cash & Short-Term Investments/Assets (<35%)
0%	Borrowings & Non-member Deposits/Total Shares & Liabilities (<4%)

Liquidity Comments:

New Investments:

No new investments

Investment strategy: Reinvest maturing CDs in the short term to rebuild the ladder system if liquidity is adequate.

SHARE AND LOAN RATES

BOARD RECOMMENDATIONS



Concentration Risk
November 2023

Loans by Type:	Balance	% of Net Worth	Risk Rated	% Net Worth Guideline	% Total Loans	
Variable Rate HELOC 15 years	\$ 266,649	8.43%	Moderate	50%	1.25%	<30% total loans
Variable Rate HELOC 10 years	\$ 42,803	1.35%	Moderate	10%	0.20%	
Fixed Rate HELOC	\$ 574,402	18.17%	Moderate	100%	2.70%	
True Variable Rate HELOC	\$ 3,364,747	106.41%	Moderate	240%	15.83%	
TDR-HELOC	\$ -	0.00%	High	10%	0.00%	
Total Real Estate Loans	\$ 4,248,600	134.36%		300%	19.98%	
Indirect Auto - new	\$ 3,315,761	104.86%	Moderate	200%	15.60%	
Indirect Auto - used	\$ 4,549,454	143.88%	Moderate	200%	21.40%	
Indirect Lending Fees	\$ 57,578					
Total Indirect Loans	\$ 7,922,793	248.74%		300%	37.00%	
Direct Auto - new	\$ 1,585,612	50.14%	Low	200%	7.46%	
Direct Auto - used	\$ 5,392,095	170.52%	Low	400%	25.36%	
TDR-Auto	\$ -	0.00%	Moderate	10%	0.00%	
Total Direct Loans	\$ 6,977,707	220.67%			32.82%	
Total Auto Loans	\$ 14,900,500	469.41%		<700%		
Credit Cards	\$ 628,565	19.88%	Moderate	100%	2.96%	
Signature lines	\$ 189,851	6.00%	Moderate	100%	0.89%	
Other unsecured/PLC/overdraft	\$ 396,141	12.53%	Moderate	100%	1.86%	
APL Loans	\$ 30,263	0.96%	Low	20%	0.14%	
Total Unsecured Loans	\$ 1,244,821	39.37%		<150%	5.86%	
Other Loans	\$ 688,505	21.77%	Low	100%	3.24%	
Share secured loans	\$ 177,571	5.62%	Low	100%	0.84%	
Other TDR Loans	\$ -	0.00%	High	15%	0.00%	
Total Other Type Loans	\$ 866,076	27.39%		<100%	4.07%	
Total Loans	\$ 21,259,997					
Investments by Type:						
Corporate CU CD Investments-insured	\$ -	0.00%	Low	25%		
SimpliCD/DTC CD-insured	\$ 1,240,000	39.21%	Low	400%		
US Sterling SimpliCDs-insured	\$ 5,473,000	173.08%	Low			
Total Investments	\$ 6,713,000	212.30%				
Fixed Assets						
Land & Buildings - net	\$ 1,037,747	32.82%	Low	75%		
Furniture, Fixtures & Equipment-net	\$ 18,676	0.59%	Low	25%		
Total Fixed Assets	\$ 1,056,423	33.41%	3.43%	of unimpaired assets		
Total Assets	\$ 30,885,562					
Deposits						
Reg. Share Draft, MMA, etc	\$ 26,878,079	97.22%				
Reg. & IRA Term Share deposits	\$ 769,110	2.78%	<50% of total deposits			
Total Shares	\$ 27,647,189	100.00%				
Net Worth (member capital)	\$ 3,162,070	100.00%		10.24%	NWR	



Alhambra
CREDIT UNION

INVESTMENT SCHEDULE
November 30, 2023

BANK	TERM	ISSUE DATE	BALANCE	INT. RATE/ PMT. FREQ.	MATURITY DATE	LIQUIDITY CATEGORY
Uinta Bank	3 yrs	4/2/2021	248,000.00	.25% monthly	4/2/2024	<1 year
Barclays Bank Delaware	2 yr	4/27/2022	248,000.00	2.40% Semi-Annual	4/29/2024	<1 year
Texas Exchange Bank	3 years	4/30/2021	248,000.00	0.35% monthly	4/30/2024	<1 year
Farmers Bank & Trust	3 yrs	5/5/2021	248,000.00	0.25% monthly	5/6/2024	<1 year
Primeway FCU	2 yrs	5/6/2022	249,000.00	2.15% monthly	5/6/2024	<1 year
First Bank of Ohio	2 yrs	5/20/2022	249,000.00	2.80% monthly	5/20/2024	<1 year
Forum CU	18 mos	12/12/2022	248,000.00	5.10% monthly	6/12/2024	<1 year
BMW Bank of NA	3 yrs	10/8/2021	249,000.00	0.50% Semi-Annual	10/8/2024	<1 year
Synchrony Bank	3yrs	10/15/2021	249,000.00	0.55% Semi-Annual	10/15/2024	<1 year
State Bank of India, NY	3 yrs	11/29/2021	249,000.00	0.60% Semi-Annual	11/29/2024	<1 year
Sallie Mae Bank	3 yrs	12/15/2021	248,000.00	.80% monthly	12/16/2024	<1 year
Merrick Bank	3 yrs	1/5/2022	249,000.00	0.80% monthly	1/6/2025	1-3 years
Generations Community FCU	3 yrs	1/25/2022	249,000.00	1% monthly	1/25/2025	1-3 years
Capital One Bank	3 yrs	4/6/2022	249,000.00	2.10% monthly	4/7/2025	1-3 years
Barclays Bank Delaware	3 yrs	4/13/2022	248,000.00	1.90% monthly	4/14/2025	1-3 years
TAB Bank	3 yrs	4/12/2022	249,000.00	2.10% monthly	4/14/2025	1-3 years
Beal Bank USA	3 yrs	4/20/2022	249,000.00	2.00% monthly	4/16/2025	1-3 years
Capital One, Nat Assoc	3 yrs	4/20/2022	249,000.00	1.90% monthly	4/21/2025	1-3 years
Discover Bank	3 yr	4/27/2022	249,000.00	2.00% monthly	4/28/2025	1-3 years
American Express Nat. Bank	3 yrs	5/4/2022	249,000.00	1.80% Semi-Annual	5/5/2025	1-3 years
Morgan Stanley Private Bank	3 yrs	5/19/2022	248,000.00	2.20% Semi-Annual	5/19/2025	1-3 years
GBC International Bank	3 yrs	8/30/2022	249,000.00	2.30% monthly	9/2/2025	1-3 years
Nelnet	5 yrs	4/22/2021	248,000.00	0.75% monthly	4/22/2026	1-3 years
Vibrant Credit Union	4 yrs	9/21/2023	249,000.00	3.10% monthly	8/21/2026	1-3 years
NASA FCU	5 yrs	8/24/2022	248,000.00	2.25% monthly	9/24/2026	1-3 years
Latino Community CU	5 yrs	2/23/2022	249,000.00	1.20% monthly	2/23/2027	>3 years
TOTAL CDs			6,464,000.00			
Checking Account			1,375,012.48	1.70% as of 12/31		
Performance Tiered Account			3,561.45	4.20% as of 12/31		
Catalyst Capital			20,026.00	5.95% 4th Quarter actual		
TOTAL INVESTMENTS			7,862,599.93			

<3 mos:

0.00

<1 yr:

2,733,000.00

<1 yr+capital

2,753,026.00

1-3 yr (CALC)

3,482,000.00

>3 yr:

249,000.00

Mat/repric this mth:

1,378,573.93

Org mat <3 mos:

0.00

Rem mat <1 yr:

4,131,599.93

Rem mat >3 yr

249,000.00

GL 742.000

GL 742.000

GL 741.300



November 2023

Asset/Liability Management

Actual plus Budget

Margin Management

	11/01/2023 to 11/30/2023	Plus Budget		
Interest Earned on Loans	\$ 1,300,397	\$ 1,422,480	4.31%	
Interest Earned on Investments	\$ 153,121	\$ 162,621	0.49%	
Other & Fee Income	\$ 590,443	\$ 653,526	1.98%	6.78%
Interest Paid to Members	\$ 63,240	\$ 71,407	0.22%	-0.22%
Operating Expense	\$ 1,764,171	\$ 1,925,912	5.83%	-5.83%
Provision For Loan Loss Expense	\$ 138,521	\$ 148,521	0.45%	-0.45%
				<u>0.28%</u>
Average Assets=Prior Year-end + Current month /2	\$ 33,016,684			

Interest Earned on Loans and Investments	4.80%	
Minus Interest Paid to Members	-0.22%	
Net Interest Margin	4.58%	NIM
Plus Other Income	1.98%	
Minus Operating Expense	-5.83%	
Minus Provision For Loan Loss Expense	-0.45%	
Net Income/(Loss)	0.28%	

Asset/Liability Management

Actual Annualized

	11/01/2023 to 11/30/2023	Annualized		
Interest Earned on Loans	\$ 1,300,397	\$ 1,418,615	4.30%	
Interest Earned on Investments	\$ 153,121	\$ 167,041	0.51%	
Other & Fee Income	\$ 590,443	\$ 644,120	1.95%	6.75%
Interest Paid to Members	\$ 63,240	\$ 68,989	0.21%	-0.21%
Operating Expense	\$ 1,764,171	\$ 1,924,550	5.83%	-5.83%
Provision For Loan Loss Expense	\$ 138,521	\$ 151,114	0.46%	-0.46%
				<u>0.26%</u>
Average Assets=Prior Year-end + Current month /2	\$ 33,016,684			

Interest Earned on Loans and Investments	4.80%	
Minus Interest Paid to Members	-0.21%	
Net Interest Margin	4.59%	NIM
Plus Other Income	1.95%	
Minus Operating Expense	-5.83%	
Minus Provision For Loan Loss Expense	-0.46%	
Net Income/(Loss)	0.26%	