



2018 ANNUAL REPORT

Federally insured by NCUA.





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BOARD OF DIRECTORS

EXPIRATION OF TERMS

1	Gregory J. Watters Chairman of the Board
April 2021	
2	Jose Quiñonez Vice Chairman
April 2021	
3	Guadalupe Giner Secretary/Treasurer
April 2019	
4	Grace Vaughn
April 2020	
5	Teresa Quezada
April 2019	
6	Ricardo Soto
April 2020	
7	John Runkles
April 2020	

ADVISORY DIRECTORS

8	Armando Jimarez	9	Javier Rangel	10	Michelle Padilla
September 2019					





6

1

7

10

8

3

9

AUDIT COMMITTEE REPORT

The Audit Committee is responsible for ensuring that there is appropriate oversight of GECU's required financial-reporting objectives and for ensuring that established practices and procedures are sufficient to safeguard members' assets in accordance with the law.

The Audit Committee is assisted by GECU's Internal Audit Department, which conducts comprehensive internal audits throughout the year, and ensures that 1) accounting records and reports are prepared promptly and accurately reflect operations and results; 2) established internal controls are effectively maintained and adequately protect the credit union, its assets, members, management and employees; and 3) each area of the credit union is carrying out the plans, policies and procedures for which it is responsible as directed by the board of directors.

The Audit Committee also oversees the annual comprehensive audit conducted by the independent certified public accounting firm of Doeren Mayhew. Their examination was conducted in accordance with generally accepted auditing standards as issued by the American Institute of Certified Public Accountants.

As a result of the internal and independent audits, the Audit Committee believes that the financial statements included in the 2018 Annual Report fairly present the financial condition of GECU for the year ending on December 31, 2018.

We appreciate GECU's board of directors, management and staff for their cooperation.



Ricardo Soto — Chairman
Guadalupe Giner
Armando Jimarez
Abraham Valenzuela

LEFT TO RIGHT:

**Abraham
Valenzuela**

**Armando
Jimarez**

**Guadalupe
Giner**

**Ricardo
Soto**





MANAGEMENT TEAM

Crystal Long

President & CEO

Ceci Davila

Sr. Vice President, Chief Operations Officer

Hazel Kennedy

Sr. Vice President, Chief Lending Officer

Teresa Montoya

Sr. Vice President, Chief Marketing Officer

Fernando Ortega

Sr. Vice President, Chief Information Officer

Darlene Palmore

Sr. Vice President, Chief Compliance Officer

Lettie Ramos

Vice President, Mortgage

Mike Sarabia

Vice President, Internal Audit

David Solis

Sr. Vice President, Chief Financial Officer

Chris Tompkins

Sr. Vice President, Chief Commercial Services Officer

Joe Underwood

Vice President, Human Resources

Daniel Vasquez

Vice President, Career & Talent Development



CHAIRMAN'S MESSAGE

In 1932, our 11 founders had the vision to elevate the lives of the people in our community — we strive toward that vision with everything that we do to this day. GECU had a year full of growth, innovation, achievements and most of all, successes for our members and our community.

Your credit union's strong and stable financial performance is the foundation for all of the services that we provide. In 2018, GECU paid you more than \$19 million in interest and dividends, an increase of nearly \$1.9 million over last year. Our deposits increased by almost \$60 million, and our loan portfolio increased by more than \$136 million. Your credit union reached a net income of more than \$32 million, increasing GECU's net worth to 10.42%. Take pride in your strong and stable credit union! We use that strength to elevate everyone's lives in our community.

The strength of the credit union allows us to reach more people than ever before. We've brought new branches, more tellers, added convenience with new online services, additional monthly seminars, more educational outreach and new ways to uplift our future leaders to the community so we can better serve everyone at every stage of life. Every day, we prove that an endless amount of good can happen when we all work to elevate each other's lives.

Speaking of doing good, let's take a look at the exciting, big-picture results of all of us working together. In 2018, our Volunteer Income Tax Assistance volunteers, along with the Coalition for Family Economic Progress and other community partners, helped more than 9,000 local families receive more than \$15.7 million in tax refunds and \$7.7 million in Earned Income Tax Credits — all free of charge! That includes about 1,300 accepted tax returns prepared by local high school and UTEP student volunteers.

We continued the Welcome Home El Paso program, which helps hardworking local families make the dream of homeownership a reality with down-payment assistance on the purchase of a home. Along with our financial education and homeownership seminars that also help local families qualify for down-payment assistance, we helped 147 local families purchase a home of their own, which helps build the assets that create financial stability in our community.

Our drive to fulfill our vision every day comes from serving the hardworking families in our community. All of our products and services are designed to help each individual reach a level of financial freedom that can elevate their lives. And none of this would be possible without you, our member-owners. Being a member of GECU means that you are part of a larger movement that reaches the farthest corners of the globe. Thank you for being a part of the movement and for allowing us to be part of elevating your life. Together, we can do great things for years to come.



Gregory J. Watters
Chairman of the Board



PRESIDENT & CEO REPORT

2018 was a year full of achievements that we can all be proud of. I'm excited to report that your credit union is strong, stable and growing! After 86 years, our membership has grown to 385,134 members and because of this growth, we are meeting our goal to increase access in your neighborhoods with extra convenience and extended hours.

We increased our presence in the Northeast with your new Dyer and Diana location and the remodeled Transmountain and Dyer drive-thru, and we added a new drive-up Personal Teller/ATM service on North Zaragoza! And because we know that mobile convenience is important to you, we provide ways to track your spending and set financial goals with GECU Money Management; ways to make purchases with your mobile wallet; and we offer free financial empowerment videos. We do all of this and more to help get you on the path to financial freedom.

Education is and always has been one of our biggest driving forces. GECU reached 28,467 community members with free financial education seminars — almost 3,000 more than last year — including five reality fairs that give students real life experience with budgeting money and understanding debt and presentations at more than 60 local schools.

Along with our many school partnerships and programs, we're taking our youth initiatives one step further with the launch of our Student Board of Directors by GECU. This innovative educational program is sponsored by GECU and is modeled after the same program at the Federal Reserve. It's a unique opportunity for the youth in our community to be exposed to financial literacy, economics, and business while participating in events that promote financial literacy in their schools. They will learn about reaching financial freedom while becoming better prepared for college, the workplace and community involvement.

The story that our founders started in 1932 stays alive because of you, the member-owner. Our *people helping people* philosophy is at the forefront of everything that we do so we can get everyone closer to financial independence. We appreciate your support of the movement by purchasing our #LoveMyCU shirts and by using your voice to speak out in favor of common-sense regulations that help credit unions everywhere serve their communities.

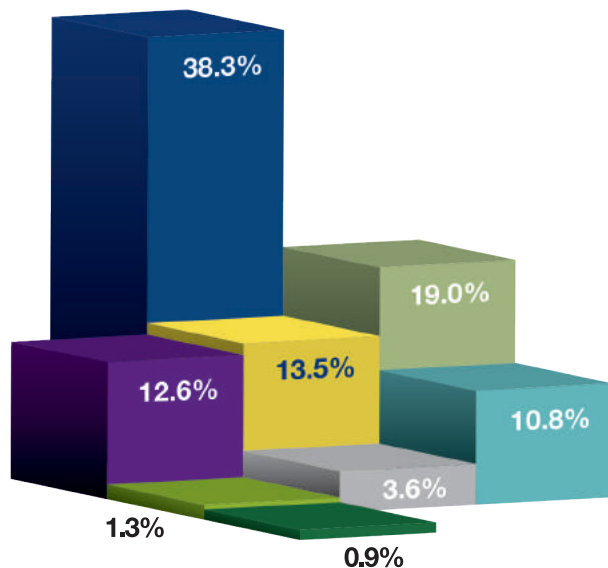
Every day, each and every one of you puts our *people helping people* philosophy into action. Thank you for your continued support and for trusting us with making your hopes and dreams come true. Our strength comes from you, our devoted member-owners. Whether you're a new member or GECU has been a part of your family for generations, we're with you through every stage of life. You're the reason why we're celebrating the past year with so many achievements.

It's an honor to serve you and our community, to listen to you, and to provide services to help you reach financial freedom. Together, we can create a community that we are all proud to be a part of.



Crystal Long
GECU President & CEO

YEAR-END 2018

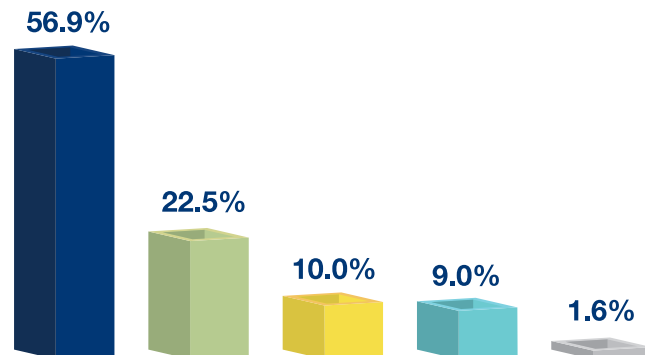


LOANS FUNDED

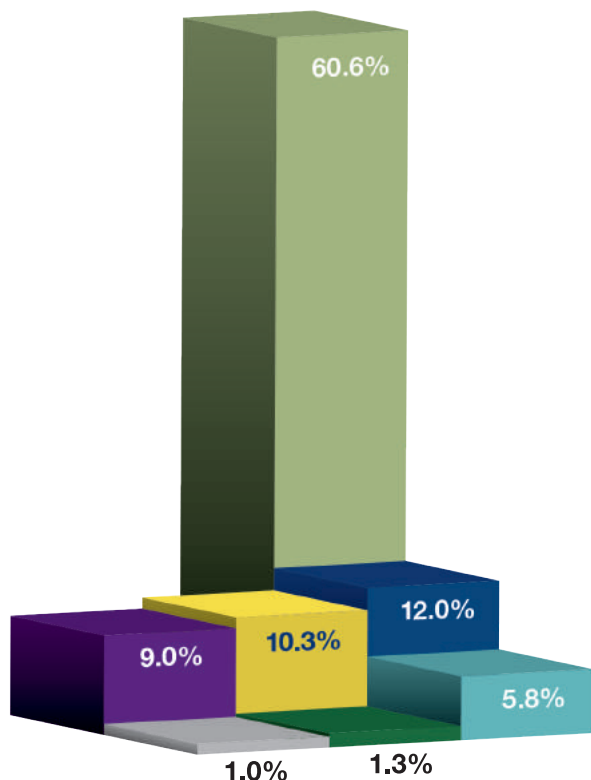
◆ Indirect Auto Loans	\$489,106,537
◆ Credit Cards — Advances	\$243,432,831
◆ Direct Auto Loans	\$172,155,575
◆ Real Estate Loans (1st & 2nd Lien)	\$161,550,280
◆ Installment	\$138,576,147
◆ Home Equity Real Estate Loans	\$45,659,899
◆ Member Business Loans	\$16,884,674
◆ Lines of Credit	\$11,390,270
TOTAL LOANS FUNDED:	\$1,278,756,213

RETURN TO MEMBERS

◆ Interest — CD	\$11,025,799
◆ Interest — IRA	\$4,351,068
◆ Interest — MMA	\$1,928,682
◆ Dividends — Shares	\$1,750,068
◆ Interest — Checking	\$318,156
TOTAL RETURN TO MEMBERS:	\$19,373,773



YEAR-END 2018

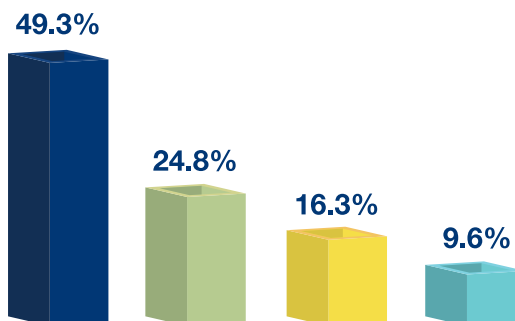


TOTAL LOAN PORTFOLIO

Vehicle	\$1,513,333,835
Credit Card	\$299,791,347
Home Equity	\$258,652,753
Real Estate (1st & 2nd Lien)	\$224,921,849
Unsecured	\$146,166,275
Commercial	\$32,465,992
Fully Secured	\$25,095,831
TOTAL LOAN PORTFOLIO:	\$2,500,427,882

DISTRIBUTION OF EARNINGS

Operating Expenses	\$99,545,540
Employee Compensation & Benefits	\$49,980,622
Reserves	\$32,871,970
Return to Members	\$19,373,773
TOTAL DISTRIBUTION OF EARNINGS:	\$201,771,905



COMMUNITY IMPACT STATEMENTS 2018

385,134 MEMBERS STRONG
AS OF DECEMBER 31, 2018

FINANCIAL EDUCATION
SEMINAR ATTENDANCE

COMMUNITY
PRESENTATIONS 22,780

FINANCIAL
EDUCATION
& HOMEOWNERSHIP

612

FINANCIAL
EDUCATION

4,035

ONE-ON-ONE
COUNSELING

1,040

TOTAL
ATTENDEES

28,467





VITA
TAX ASSISTANCE

**9,206 TOTAL TAX
RETURNS FILED**

\$15.7 MILLION
IN TAX REFUNDS

1,322
TAX RETURNS
PREPARED BY
STUDENTS

\$7.7 MILLION
IN EARNED INCOME TAX CREDITS

**DOWN-PAYMENT
ASSISTANCE**

147 FAMILIES RECEIVED \$788,985 IN DOWN-PAYMENT ASSISTANCE
TO PURCHASE A HOME OF THEIR OWN

GECU
CONTRIBUTIONS

**CHARITABLE
CONTRIBUTIONS \$111,139**

**EMPLOYEE
CONTRIBUTIONS \$112,264**

**GECU
FOUNDATION
\$77,345**

**TOTAL CONTRIBUTIONS
\$300,748**

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

DECEMBER 31, 2018 & 2017

ASSETS	2018	2017
Cash and cash equivalents	\$ 120,461,007	\$ 87,938,561
Investment Securities:		
Held-to-maturity	3,000,000	3,000,000
Available-for-sale	60,132,195	70,216,760
FHLB stock	10,588,600	7,319,000
Loans held-for-sale	10,070,138	10,399,074
Loans to members, net of allowance for loan losses	2,473,787,007	2,337,212,568
Accrued interest receivable	7,560,594	7,104,826
Property and equipment	66,301,172	63,851,226
NCUSIF deposit	21,479,592	20,501,624
Life insurance contracts	29,605,898	28,559,654
Other assets	16,395,789	14,754,715
Total assets	\$ 2,819,381,992	\$ 2,650,858,008
Liabilities and Members' Equity		
Liabilities:		
Members' shares and savings accounts	2,278,544,227	2,219,110,041
Borrowed funds	232,224,947	154,193,454
Accrued expenses and other liabilities	23,125,362	23,223,972
Total liabilities	\$ 2,533,894,536	\$ 2,396,527,467
Members' equity:		
Regular reserves	16,834,261	16,834,261
Undivided earnings	270,447,420	237,575,450
Accumulated other comprehensive income (loss)	(1,794,225)	(79,170)
Total members' equity	\$ 285,487,456	\$ 254,330,541
Total liabilities and members' equity	\$ 2,819,381,992	\$ 2,650,858,008

CONSOLIDATED STATEMENTS OF INCOME

DECEMBER 31, 2018 & 2017

	2018	2017
Interest income:		
Loans receivable	\$ 135,266,389	\$ 121,668,798
Investment securities	4,134,824	2,757,633
Total interest income	\$ 139,401,213	\$ 124,426,431
Interest expense:		
Members' shares and savings accounts	19,373,773	17,510,446
Interest on borrowed funds	3,782,630	1,480,859
Total interest expense	\$ 23,156,403	\$ 18,991,305
Net interest income	116,244,810	105,435,126
Provision for loan losses	27,326,179	29,432,237
Net interest income after provision for loan losses	\$ 88,918,631	\$ 76,002,889
Non-interest income:		
Gains on sale of loans	3,780,723	3,453,842
Other income	2,526,435	1,596,288
Fees and charges and other operating income	56,063,534	49,975,210
Total non-interest income	\$ 62,370,692	\$ 55,025,340
Non-interest expenses:		
Compensation and benefits	49,980,622	46,928,234
Occupancy	8,340,668	7,460,701
Office operations	49,343,435	46,790,734
Other operating expenses	10,752,628	10,363,839
Total non-interest expenses	\$ 118,417,353	\$ 111,543,508
Net income	\$ 32,871,970	\$ 19,484,721

SERVICES

SHARES & DEPOSITS

Share (savings) Accounts
Christmas Club Accounts
No Excuse Savers Club Accounts
Certificates of Deposit
Bump-up Certificates of Deposit
Money Market Accounts
Personal Checking Accounts
Business Checking Accounts
Individual Retirement Accounts (IRAs)
No Excuse IRA Certificates of Deposit
Second Chance Checking
Youth Accounts
Credit Builder Certificates of Deposit*

LOANS

Personal Loans
New and Used Auto Loans
Home Mortgage Loans
Home Equity Loans
Home Improvement Loans
GECU Empowerment® Credit Card
GECU Rewards® Credit Card
Lines of Credit
GECU Fast Cash™
Business Loans
Credit Builder Loan*

SPECIAL SERVICES

ATMs and Real-time Deposit-taking ATMs
Drive-up Personal Tellers
Automatic Transfers (between GECU accounts)
Business Cash-management System
Chip-enabled Credit and Debit Cards
Community Boardrooms

Direct Deposits
Domestic Wire Transfers
GECU Mascot Dru Blue
Electronic Receipts
GECU Call Center
GECU Loan Center
Instant-issue credit* and debit cards
GECU Online Banking — ***gecu.com***
 Bill Pay
 Account balances and transfers
 Online loan applications
 Self-service pay channels
 GECU Money Management*
 eStatements
 eSignature service
 Online skip-a-payment*
GECU Mobile Banking
 Account balances and transfers
 Bill Pay
 Real-time Mobile Deposits
 Mobile loan applications
 Mobile wallet
 ATM locator
 Mobile registration
 Text messaging and account alerts
 Online skip-a-payment*
GECU Knowledge Base, Email and GECU Chat

Night and Lobby Depositories
ImagineU — Online Education Videos*
Overdraft Privilege
Safe Deposit Boxes
Audio-response phone system* (24-hour account information)
TalkBox
Welcome Home El Paso down-payment assistance

LOCATIONS*

Airway & Edgemere

1245 Airway Boulevard
(Drive-thru facility)

Alameda & Ysleta

8936 Alameda Avenue

Artcraft & Upper Valley

6101 Upper Valley Road

Campbell & Mills

218 North Campbell Street,
Suite 100

Dyer & Diana

9435 Dyer Street

Eastlake & Darrington

13750 Eastlake Boulevard

Edgemere & Rich Beem

12801 Edgemere Boulevard,
Building A

El Paso Community College**Valle Verde Campus**

919 Hunter Drive

GECU Community Development

6801 Viscount Boulevard, Suite A

**GECU Investment & Trust
Services****

7227 Viscount Boulevard

Helen of Troy & Resler

7410 Helen of Troy Drive

Lee Trevino & Vista Del Sol

1545 North Lee Trevino Drive

Mesa & Doniphan

7955 North Mesa Street, Suite B

Mesa & Mesa Hills

5710 North Mesa Street

Montwood & Desert Sun

12400 Montwood Drive

**North Loop & Horizon
Boulevard**

10860 North Loop Drive

Operations Center

1225 Airway Boulevard

Oregon & University

2208 North Oregon Street

Piedras & Yandell

716 North Piedras Street

Rojas & Zaragoza

11987 Rojas Drive

Sean Haggerty & Marcus Uribe

11400 Sean Haggerty Drive,
Building D

Transmountain & Dyer

5645 Transmountain Road
(Drive-thru facility)

Trawood & George Dieter

3037 Trawood Drive
(Drive-thru facility)

Viscount & Airway

7227 Viscount Boulevard

Vista Del Sol & Yarbrough

10425 Vista Del Sol Drive

Yarbrough & North Loop

429 Yarbrough Drive

Mailing Address

PO Box 20998

El Paso, Texas 79998-0998

Telephone Numbers

All Offices

778.9221

1.800.772.4328

GECU Call Center and

Loan Center

778.9221

1.800.772.4328

Web Address

gecu.com

*Services and locations as of December 31, 2018. For an up-to-date listing of locations, please visit gecu.com.

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HELPING PEOPLE



