



2016

ANNUAL REPORT



COMMUNITY



PEOPLE
HELPING
PEOPLE



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FRONT ROW

Armando Jimarez

Grace Vaughn

Gregory J. Watters — Chairman

Teresa Quezada

Ricardo Soto

BACK ROW

Guadalupe Giner

Javier Rangel

John Runkles

Michelle Padilla

Jose Quiñonez

BOARD OF DIRECTORS

Gregory J. Watters Chairman of the Board	EXPIRATION OF TERMS April 2018
Jose Quiñonez Vice Chairman	April 2018*
Guadalupe Giner Secretary/Treasurer	April 2019*
Grace Vaughn	April 2017
Teresa Quezada	April 2019
Ricardo Soto	April 2017
John Runkles	April 2017*

*Indicates a change in Board of Directors as of December 31, 2016.

Advisory Directors Armando Jimarez Javier Rangel Michelle Padilla	EXPIRATION OF TERMS September 2017 September 2017* September 2017*
Audit Committee Ricardo Soto — Chairman Guadalupe Giner Armando Jimarez	
Governance Committee Jose Quiñonez — Chairman Teresa Quezada Grace Vaughn John Runkles	

MANAGEMENT TEAM

Crystal Long President & CEO	Lettie Ramos Vice President — Mortgage
Ceci Davila Sr. Vice President, Chief Operations Officer*	Mike Sarabia Vice President — Internal Audit
Hazel Kennedy-Ledesma Sr. Vice President, Chief Administrative Officer*	David Solis Sr. Vice President, Chief Financial Officer*
Teresa Montoya Sr. Vice President, Chief Marketing Officer*	Chris Tompkins Sr. Vice President, Chief Commercial Services Officer*
Fernando Ortega Sr. Vice President, Chief Information Officer*	Joe Underwood Vice President — Human Resources
Darlene Palmore Sr. Vice President, Chief Compliance Officer*	Daniel Vasquez Vice President — Career & Talent Development**
Art Perez Sr. Vice President, Chief Lending Officer*	

*Indicates a change in position title as of December 31, 2016.
**Indicates a change in senior management as of December 31, 2016.

GOVERNANCE COMMITTEE



LEFT TO RIGHT

Jose Quiñonez — Chairman

Grace Vaughn

John Runkles

Teresa Quezada



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CHAIRMAN'S MESSAGE

Dear Members,

This past year, your credit union set new milestones for growth and success built on a strong foundation of financial stability and service to you, our member-owners. Our growth is remarkable, because it enables us, now more than ever, to meet you where you live and work, and to offer financial empowerment to more of the community.

In 2016, we paid you \$17,087,620 in interest and dividends, a 4.30% increase over last year. Our deposits increased by 6.64% and our total loan portfolio increased to \$2,194,028,109. Last year, we loaned \$1,266,614,488 in new loans to our members, a major milestone for your credit union. In 2016, GECU made a net profit of \$17,554,491, increasing your credit union's net worth to a healthy 9.49%. I am pleased to report to you, our member-owners, that your credit union is strong, it is stable and it is thriving.

Our credit union was founded on an idea of service: the *people helping people* philosophy that led our 11 founding members to create GECU and help their neighbors. We've stayed true to this vision, carrying our message of hope and empowerment to the community, one member at a time. Whether it's the personal teller who helps you during our extended hours, a financial coach providing free financial counseling, mobile or online banking, or representatives at your local GECU location, you have a dedicated team with a long tradition of service supporting you.

It's our belief that helping you, one person at a time, is the best way to elevate the community as a whole. GECU has not only persisted, but also thrived, because of our members spreading the *people helping people* message to their families, their neighbors and their friends. Together, we share a vision of a more prosperous community, and together we are making that vision a reality.

Through our educational initiatives like the GECU Foundation's R.C. Morgan Scholarship Endowment Fund, we help local students attend UTEP and El Paso Community College, where they can learn and grow into the leaders that will help to build a strong and prosperous El Paso of the future. In 2016, our Volunteer Income Tax Assistance volunteers helped more than 7,000 local families receive more than \$11.3 million in tax refunds. The refunds those families received didn't just go back into the local economy; they helped families build the wealth and assets that bring stability and financial health to our neighborhoods.

This is the strength and growth of our credit union: bringing service, education, hope and prosperity to our community. Our members make us strong, and serving you, one day at a time, enables us to serve our entire community. All of our services are dedicated to meeting your needs and helping you succeed. When you choose GECU, you're not just choosing a credit union dedicated to you and your lifestyle — you're doing your part to help elevate the entire community. Thank you, for allowing us to serve you and to serve our community.

Gregory J. Watters
Chairman of the Board

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PRESIDENT & CEO REPORT

Dear Members,

Your credit union is strong and it is thriving. We're expanding products and services to meet your needs and we're elevating our community. It's my pleasure to share the milestones we set in 2016 and the stellar financial performance that highlights your credit union's safety and soundness with you, our member-owners.

This year, we had another unprecedented year of growth, welcoming our 350,000th member to our credit union and reaching 356,406 members by year-end. We accomplished this amazing milestone by staying true to the *people helping people* mission while expanding our branch network in El Paso's Westside, Downtown and Lower Valley. As your lifestyle grows, and as our community grows, we're growing with you, to give you the choices and tools you need to accomplish your goals.

You, our members, told us that you want help with retirement planning, investments, financial planning for your children's education and more. That's why we launched GECU Investment Services* this year. We have a local financial advisor to serve you; the securities sold and our advisory services are offered through a contract with CUNA Brokerage Services Inc. (CBSI), member FINRA/SIPC, a registered broker/dealer and investment advisor.

GECU also rolled out the GECU Rewards credit card program, paying you points for every qualified purchase, and the new GECU Empowerment credit card, which offers a very low introductory rate. These new chip-enabled cards offer more safety and security for you.

Education is a vital part of building prosperity, and your credit union is invested in supporting the next generation of

members as they learn the skills that will help them throughout life. GECU reached more than 17,000 youths and adults with an array of financial-literacy, home-buying and credit-counseling programs. One way that we are doing this is with the introduction of our mascot, Dru Blue, who represents GECU and promotes financial education to children at schools and events across the community. To make sure that we can reach you with the financial education, community news and important information you need, we created TalkBox, a blog that helps us stay in touch with you, listen to you, and share news about your credit union. You can join the conversation by visiting us at talkbox.gecu.com.

GECU's financial performance shined too. Net income was \$17,554,491, increasing your credit union's net worth to a healthy 9.49%. Loan growth continued throughout 2016, resulting in more than \$1.2 billion in new loan funding for our members in home loans, automobile, credit card and personal loans. GECU's distribution of earnings was \$17,087,620 in the form of interest and dividends back to you.

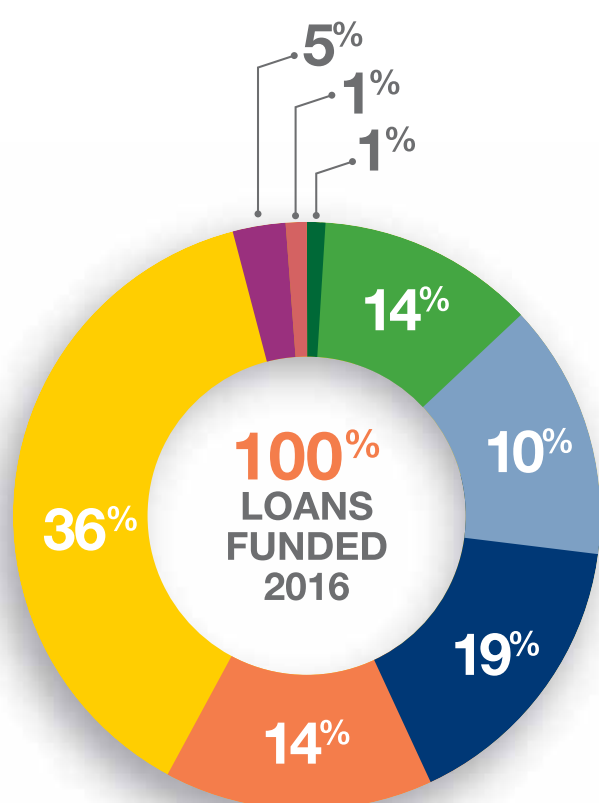
This has been a wonderful year for your credit union. All of us, from our staff to our board of directors, are working toward your success. Thank you for giving us the opportunity to serve you and share in your victories as you achieve the things that matter most.

Crystal Long
President and CEO

*Securities sold, advisory services offered through CUNA Brokerage Services, Inc. (CBSI), member FINRA/SIPC, a registered broker/dealer and investment advisor. CBSI is under contract with the financial institution to make securities available to members. Not NCUA/NCUSIF/FDIC insured, May lose value, No financial institution guarantee. Not a deposit of any financial institution. CBSI is a registered broker/dealer in all 50 states of the United States of America.

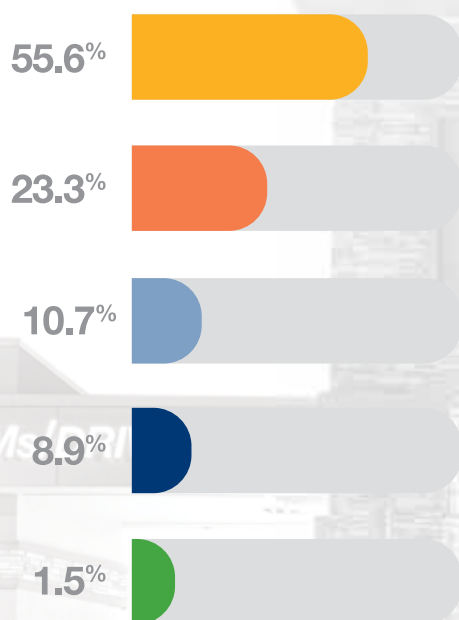
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YEAR END 2016



LOANS FUNDED 2016

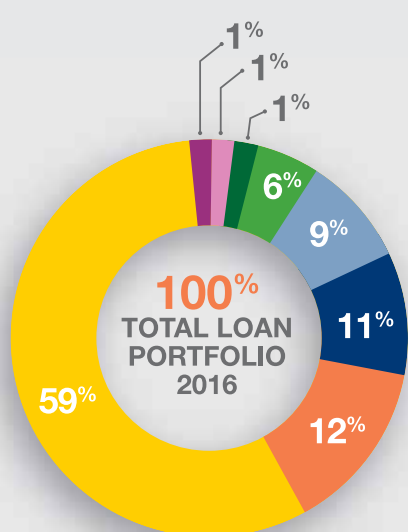
- Indirect Auto Loans **\$462,453,670**
- Direct Auto Loans **\$172,190,868**
- Credit Card Loans — Advances **\$241,375,276**
- Installment **\$136,983,674**
- Lines of Credit **\$11,716,056**
- Real Estate Loans (First, Second Lien) **\$173,005,183**
- Home Equity Real Estate Loans **\$58,324,531**
- Member Business Loans **\$10,565,230**
- TOTAL LOANS FUNDED 2016 \$1,266,614,488**



RETURN TO MEMBERS

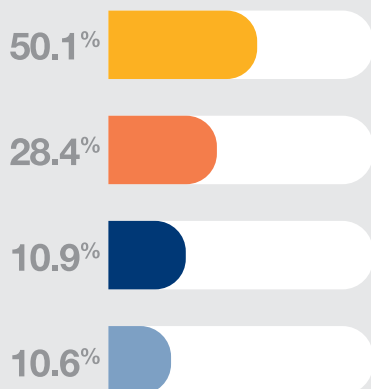
- Interest — CD **\$9,490,234**
- Interest — IRA **\$3,989,099**
- Interest — MMA **\$1,823,200**
- Dividends — Shares **\$1,523,041**
- Interest — Checking **\$262,046**
- TOTAL RETURN TO MEMBERS \$17,087,620**

TOTAL LOAN PORTFOLIO 2016



- Vehicle Loans **59%**
- Credit Card Loans **12%**
- Home Equity Loans **11%**
- First Lien Real Estate Loans **9%**
- Unsecured Loans **6%**
- Fully Secured Loans **1%**
- Commercial Loans **1%**
- Real Estate Other (HI, Second Lien) **1%**

DISTRIBUTION OF EARNINGS



- Operating Expenses **\$80,763,088**
- Employee Compensation & Benefits **\$45,751,692**
- Reserves **\$17,554,491**
- Return to Members **\$17,087,620**
- TOTAL DISTRIBUTION OF EARNINGS \$161,156,891**

AUDIT COMMITTEE



LEFT TO RIGHT
Armando Jimarez

Guadalupe Giner

Ricardo Soto — Chairman

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AUDIT COMMITTEE REPORT

The Audit Committee is responsible for ensuring the 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, ensuring 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 the financial statements included in the 2016 Annual Report fairly present the financial condition of GECU for the year ending December 31, 2016.

We appreciate GECU's Board of Directors, management and staff for their cooperation.

A handwritten signature in black ink, appearing to read "Ricardo Soto".

Ricardo Soto — Chairman
Guadalupe Giner
Armando Jimarez

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GECU & SUBSIDIARY

CONSOLIDATED STATEMENTS
OF FINANCIAL CONDITION

DECEMBER 31, 2016 & 2015

ASSETS	2016	2015
Cash and cash equivalents	\$ 61,142,545	\$ 108,298,635
Investment Securities:		
Held to maturity	3,000,000	7,960,000
Available for sale	81,628,914	98,670,320
FHLB stock	4,435,400	3,191,100
Loans held for sale	5,419,574	6,517,351
Loans to members, net of allowance for loan losses	2,194,028,109	1,946,676,013
Accrued interest receivable	6,755,048	6,207,139
Property and equipment	61,571,299	58,052,045
NCUSIF deposit	18,929,916	18,019,339
Life insurance contracts	27,365,547	26,382,580
Assets acquired in liquidation of loans	1,863,525	6,978,528
Other assets	10,850,865	9,027,115
Total assets	\$ 2,476,990,742	\$ 2,295,980,165
LIABILITIES AND MEMBERS' EQUITY		
LIABILITIES		
Members' shares and savings accounts	\$ 2,139,801,222	\$ 2,006,590,772
Borrowed funds	85,676,605	57,138,009
Accrued expenses and other liabilities	17,195,690	16,245,284
Total liabilities	\$ 2,242,673,517	\$ 2,079,974,065
Commitments and Contingent Liabilities		
MEMBERS' EQUITY		
Regular reserve	16,834,261	16,834,261
Undivided earnings	218,131,115	200,576,624
Accumulated other comprehensive income (loss)	(648,151)	(1,404,785)
Total members' equity	\$ 234,317,225	\$ 216,006,100
Total liabilities and members' equity	\$ 2,476,990,742	\$ 2,295,980,165

Federally insured by NCUA.

GECU & SUBSIDIARY

CONSOLIDATED STATEMENTS
OF INCOME

DECEMBER 31, 2016 & 2015

	2016	2015
Interest income		
Loans receivable	\$ 108,645,334	\$ 94,721,020
Investment securities	1,902,484	2,702,833
Total interest income	110,547,818	97,423,853
Interest expense		
Members' shares and savings accounts	17,087,620	16,380,317
Interest on borrowed funds	359,681	75,142
Total interest expense	17,447,301	16,455,459
Net interest income	93,100,517	80,968,394
Provision for loan losses	24,352,031	13,304,503
Net interest income after provision for loan losses	68,748,486	67,663,891
Non-interest income		
Gains on sale of loans	4,508,977	3,009,451
Gains (losses) on sales of assets	1,618,720	(294,707)
Other income	1,326,808	1,153,896
Fees and charges and other operating income	43,154,568	39,959,251
Total non-interest income	50,609,073	43,827,891
Non-interest expense		
Compensation and benefits	45,751,692	41,619,456
Occupancy	6,989,617	6,069,550
Office operations	41,820,778	35,927,934
Other operating expenses	7,240,981	8,188,379
Total non-interest expenses	101,803,068	91,805,319
Net income	\$ 17,554,491	\$ 19,686,463

SERVICES

Share & 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

Loans

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

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 Cards*
- Community Boardrooms
- Direct Deposit
- Domestic Wire Transfers
- GECU Mascot Dru Blue*
- Electronic Receipts
- GECU Call Center
- GECU Loan Center
- GECU Online Banking — **gecu.com**
 - Bill Pay
 - Account balances and transfers
 - Online loan applications
 - Credit card management
 - Self-service pay channels
 - FinanceWorks™
 - eStatements
 - eSignature service
- GECU Mobile Banking
 - Account balances and transfers
 - Bill Pay
 - Real-time Mobile Deposits*
 - Mobile loan applications
 - ATM locator
 - Mobile registration
 - Mobile touch ID
 - Text messaging
- GECU Knowledge Base, Email and GECU Chat
- GECU Debit Card
- Night and Lobby Depositories
- Online Education Videos
- Overdraft Privilege
- Safe Deposit Boxes
- SmartLine (24-hour account information)
- TalkBox*



Federally insured by NCUA.
*Services added in 2016.

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

Eastlake & Darrington

13750 Eastlake Boulevard

Edgemere & Rich Beem

12801 Edgemere Boulevard

GECU Community Development

6801 Viscount Boulevard, Suite A

GECU Investment Services**

7227 Viscount Boulevard

Helen of Troy & Resler

7410 Helen of Troy Drive

Lee Trevino & Vista Del Sol

1545 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 Blvd

10860 North Loop Drive

Operations Center

1225 Airway Boulevard

Oregon & University

2208 North Oregon Street

Rojas & Zaragoza

11987 Rojas Drive

Sean Haggerty & Marcus Uribe

11400 Sean Haggerty Drive, Building D

Transmountain & Dyer

5625 Transmountain Road

Trawood & George Dieter

3037 Trawood Drive
(Drive-thru facility)

Viscount & Airway

7227 Viscount Boulevard

Vista Del Sol & Yarbrough

10435 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

SmartLine

778.0009
1.800.772.0009
TDD: 774.6080

GECU Call Center and Loan Center

778.9221
1.800.772.4328

Web Address

gecu.com

*Services and locations as of December 31, 2016. For an up-to-date listing of locations, visit gecu.com.
**Service added in 2016. Securities sold, advisory services offered through CUNA Brokerage Services Inc. (CBSI), member FINRA/SIPC, a registered broker/dealer and investment advisor. CBSI is under contract with the financial institution to make securities available to members. Not NCUA/NCUSIF/FDIC insured, May lose value, No Financial Institution Guarantee. Not a deposit of any financial institution. CBSI is a registered broker/dealer in all 50 states of the United States of America.



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