

WHERE WE'VE BEEN & WHERE WE'RE GOING

Greater Texas Credit Union
2019
Annual Report

WHO WE ARE

Greater Texas | Aggieland Credit Union
strives to enhance the financial well-being
of members while preserving the unique
benefits of cooperative ownership.

And to be the greatest banking experience. Ever.

CONTENTS

1	CONTENTS
2	MEET US
4	2019 HIGHLIGHTS
6	GIVING BACK
8	FINANCIAL CONDITION
12	REPORTS
16	LOOKING BACK
18	LOOKING FORWARD

MEET US

Board of Directors

CHAIRMAN	Penny V Rychetsky
1 ST VICE CHAIRMAN	Wesley Yeager
2 ND VICE CHAIRMAN	Veronda L Durden
TREASURER	Charlotte Schneemann
SECRETARY	Marilyn Eaton
MEMBER	Flora Fearon
MEMBER	Linda Lothringer

Supervisory Committee

CHAIRMAN	Chris Langan
SECRETARY	Michael (Mike) Trachta
MEMBER	Stephen A Mason
MEMBER	Paula Castillo Reed

Executive Management

PRESIDENT - CEO	Howard N Baker
SVP - CHIEF OPERATING OFFICER	Jason Goodman
SVP - CHIEF TECHNOLOGY OFFICER	Kayvee Kondapalli
SVP - CHIEF LENDING OFFICER	Benjamin Teske
SVP - CHIEF MARKETING OFFICER	Brandy Conway
VP - HUMAN RESOURCES	Tammy L Carter
VP - INFORMATION TECHNOLOGY	Carolyn Muise
VP - REAL ESTATE & DEVELOPMENT	Mike Trapnell
VP - FINANCE	Kevin Lockingen
VP - INVESTMENT SERVICES	Joe James
VP - BUSINESS LENDING	Jesse Holguin
VP - CONSUMER LENDING	Lisa Bateman
VP - COLLECTIONS	Sid Burkins

2019 HIGHLIGHTS

ENHANCEMENTS TO CONTACT CENTER

In an effort to attain a top-tier contact center, enhancements were made to provide the best member experience. With the enhancements we were able to lower the speed to answer a call to forty-four seconds, down from a high of two minutes, twenty-four seconds; our handle ratio is up to 93%; and the time in queue is now fifty seconds, down from two minutes, forty-five seconds. In addition, we implemented a revised fraud resolution method. This project is a multi-year initiative and the credit union will continue to work on improving our contact center to better meet our member's needs.

NEW ARLINGTON BRANCH

In September of 2019 our Greater Texas branch in Arlington opened its doors to our North Texas membership. The new branch is located at 1425 North Center Drive in the heart of Arlington's new entertainment district. The new branch replaced the current branch which has been serving our members for over 18 years.

TEXAS A&M PARTNERSHIP

The credit union was named "The Official Credit Union of Texas A&M University." This partnership improves student and employee membership growth as well as credit union visibility and viability. The partnership with Texas A&M University aligns with our mission to support and engage Aggies where they study, work, and live. As part of the partnership, members can take advantage of a co-branded Texas A&M University debit card.

COMMUNITY INVOLVEMENT

At Greater Texas | Aggieland Credit Union, community involvement is a top priority. "People Helping People" is what we do, both in meeting members' direct financial service needs, and in supporting local and regional charitable and civic causes. Through the credit union's enterprise-wide volunteer initiative called Greater Good, employees donated a total of 1,261 hours, this is an increase of 242% from 2018. The credit union also supported non-profits through philanthropic giving. In 2019, the credit union donated over \$256,000 to worthy causes. Because of our philanthropic beliefs, Greater Texas Credit Union was nominated for the Austin Gives Generous Business Award, awarded by the Austin Chamber of Commerce.

NEW ONLINE BANKING

In 2019 our members were introduced to a new online banking system. This new system allows members to use one login for both the mobile app and online banking. The desktop site now mirrors the mobile app and each has the same functionality as well as the same look and feel. New features include mobile bill pay, an on/off "switch" for debit and credit cards and a money management solution.

MAINTAINED COMPETITIVE RATES

Members continued to take advantage of some of the most competitive rates in our markets, especially on consumer loans, mortgages and share certificates.

GIVING BACK

SENIOR SERVICES

\$9,241

CHILDREN & YOUTH

\$64,802

BASIC NEEDS & POVERTY

\$87,577

EDUCATION

\$94,688



\$256,308

TOTAL DONATION IMPACT

1,000

PAID VOLUNTEER HOURS

×

21.96

AVERAGE COST



\$21,965

TOTAL VOLUNTEER IMPACT



BARTON SPRINGS CLEAN UP

Austin area employees helped scrub away algae and clean Barton Springs Pool.

SCHOOL FUEL - SAN MARCOS

Greater Good volunteers helped pack sacks of food for students who might struggle with hunger.



ELDER-AID BRAZOS VALLEY

Aggieland staff members helped with home repairs for senior citizens in the Brazos Valley.

FOOD BANK OF THE RGV

South Texas employees volunteered at the food bank to help feed the hungry.



FINANCIAL CONDITION

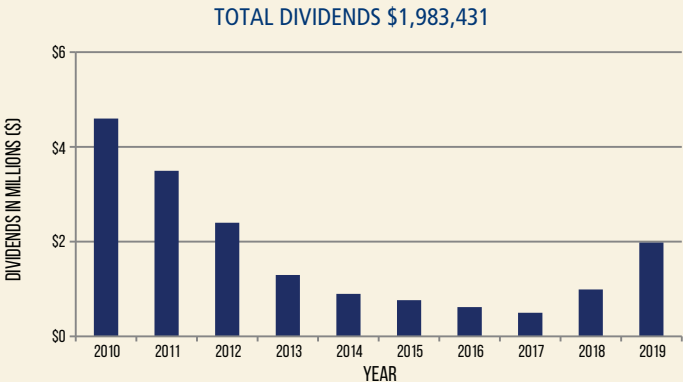
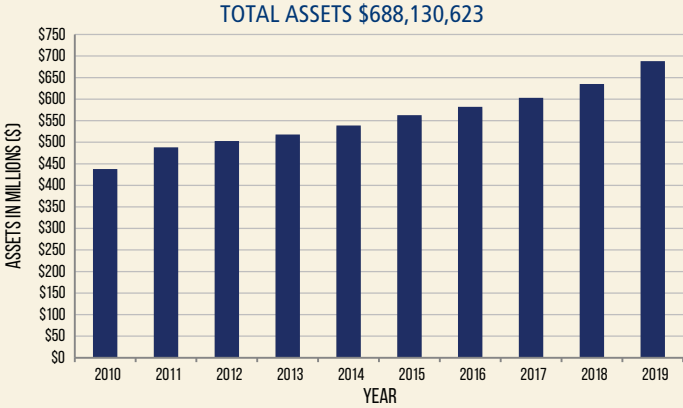
ASSETS	2017	2018	2019
Loans to Members	427,887,925	472,682,412	458,727,302
Allowance for Loan Losses	(1,504,374)	(2,263,652)	(1,544,591)
Cash & Investments	144,419,438	127,070,021	181,597,530
Furniture & Equipment	894,291	1,447,314	1,824,936
Land & Building	19,455,012	19,122,120	23,562,414
Other Assets	12,184,026	17,179,021	23,963,032
TOTAL ASSETS	\$603,336,319	\$635,237,236	\$688,130,623

LIABILITIES, SHARES & EQUITY

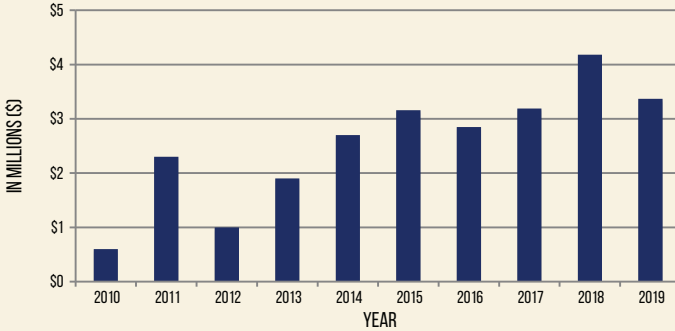
Accounts Payable and Other Payables	2,954,591	7,001,039	4,955,612
Drafts Payable	1,604,211	1,283,548	1,447,365
TOTAL LIABILITIES	\$4,558,802	\$8,284,587	\$6,402,977
Regular Share Accounts	215,930,858	222,729,563	232,690,255
Share Draft Accounts	163,328,982	167,289,263	190,466,546
IRA Accounts	23,084,726	20,128,450	25,019,033
Money Market Security Accounts	108,437,074	99,445,767	97,697,985
Share Certificates	38,783,006	63,779,179	77,568,613
Other Shares	972,891	1,000,302	1,085,984
TOTAL SHARES	\$550,537,537	\$574,372,524	\$624,528,416
Regular Reserve	4,570,907	4,570,907	4,570,907
Undivided Earnings	45,752,982	49,930,763	53,298,263
Other Reserves	(2,083,909)	(1,921,545)	(669,939)
TOTAL EQUITY	\$48,239,981	\$52,580,125	\$57,199,230
TOTAL LIABILITIES, SHARES, EQUITY	\$603,336,319	\$635,237,236	\$688,130,623

DISTRIBUTION OF INCOME	2017	2018	2019
Total Operating & Non-Operating Expenses	19,813,343 78.37%	21,611,901 75.97%	24,710,525 82.17%
Dividends & Interest on Borrowed Money	506,545 2.00%	1,057,171 3.72%	1,984,023 6.60%
Loan Loss Provision Expense	1,770,420 7.00%	1,600,000 5.62%	10,000 0.03%
Net Income	3,190,550 12.62%	4,177,781 14.69%	3,367,500 11.20%
GROSS INCOME	\$25,280,859 100.00%	\$28,446,853 100.00%	\$30,072,047 100.00%

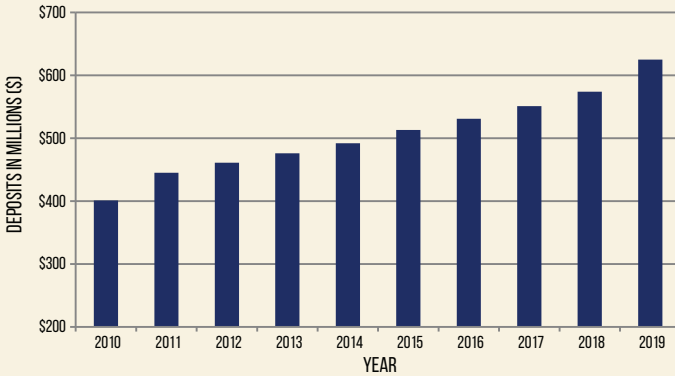
FINANCIAL CONDITION



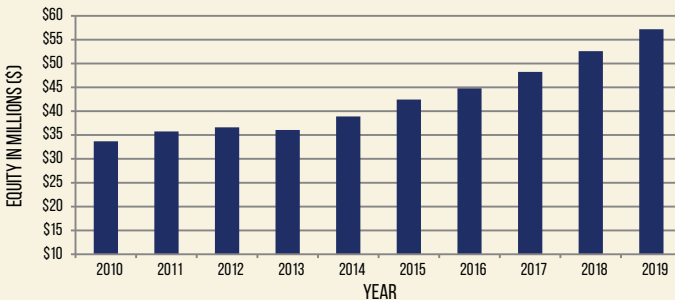
NET INCOME \$3,367,500



TOTAL DEPOSITS \$624,528,416



TOTAL EQUITY \$57,199,230



REPORTS

From The Chairman

“Enhance the financial well-being of members while preserving the unique benefits of cooperative ownership.” That’s the credit union’s Mission Statement, and what a great year it was for Greater Texas | Aggieland Credit Union members. By every key measure, members’ personal financial health improved significantly, and your credit union was pleased to be a part of it. 2019 saw member deposits grow at an accelerated pace, while negative account balances and insufficient funds/overdraft charges declined by 35% by the end of the year.

In order to provide members and their families the best opportunities to continue to succeed financially, the Board of Directors remains absolutely committed to offering top-tier loan and certificate rates, while maintaining some of the lowest fees in banking. Whether buying or refinancing their homes and automobiles, saving money for the future, or simply transacting daily business, members increasingly rely on Greater Texas/Aggieland Credit Union.

In the past year, the credit union implemented a variety of member-focused efforts to remain your best financial institution option. To build on our success, one of our continuous goals is to improve member experiences, both in facilities and in technology. We introduced an online financial education tool that provides members with free financial coaching and education. We continue to make improvements to our communication systems and are working diligently to offer the most up-to-date banking technology. An important issue for members, we commissioned a third-party cybersecurity risk assessment that verified the safety and security of your funds and personal information.

As part of the company-wide volunteer program, Greater Good, employees participate in and support community, civic and charitable events. Last year, employees gave back a total of 1,261 hours. In addition, the credit union supported many non-profits through philanthropic giving, with over \$256,000 donated to numerous worthy community causes.

In October 2019, we held the official grand opening at our new Arlington Branch located at 1425 North Center St., Arlington, TX 76011. The new Arlington Branch is 3300 sq. ft. with three drive-thru lanes and a drive-thru ATM to better serve our members. It is a beautiful

building and the improved facilities and location are already driving additional growth.

The most anticipated and exciting news is that we are moving forward with a new corporate office! After many years of searching for the best location and facility, we have purchased property and broken ground. This much needed facility will be located at 12544 Riata Vista Circle, Austin, TX 78727. The completion of this facility will result in all administrative staff to be housed in the same location and to allow for future growth. To say we are excited is an understatement.

As Chairman, I offer my congratulations and sincere appreciation to all of those who help make Greater Texas | Aggieland Credit Union a success. Management and staffs' dedication to the credit union and the service provided to our members, each and every day, is a driver of our success. It is important to also recognize the many hours of volunteer service our Board and Committee members provide. Volunteer governance is a critical component of credit unions and is what differentiates us from other financial institutions. I assure you that the Board of Directors and senior management will operate the credit union in a safe and sound manner while maintaining a strong capital position for the future.

It has been an honor to serve as your Chairman this past year.

Penny V. Rychetsky
Chairman, Board of Directors

REPORTS

From The Supervisory Committee

The Supervisory Committee (Committee) is composed of five members who are appointed by the Board of Directors. During 2019, the Committee was responsible for several tasks. One task was to satisfy National Credit Union Administration (NCUA) requirements that an annual audit be conducted. NCUA regulations require a credit union with assets of \$500 million or more to have an opinion audit by a public accounting firm. To facilitate the opinion audit, a fiscal year-ending date of June 30 was selected by the Board of Directors. The certified public accounting firm of CliftonLarsonAllen, LLP was used by the Committee to perform an audit of Greater Texas Credit Union's statement of financial condition as of June 30, 2019. The firm expressed an unqualified opinion of the credit union's financial reports and statements, indicating that the financial statements fairly and accurately represent the financial condition of the credit union, in accordance with Generally Accepted Accounting Principles. Copies of the complete statement of financial condition and related footnotes are available upon request.

On a periodic basis, closed account verification samples are drawn to confirm the closing of accounts by members and to determine the reasons for closure. The Committee also contracts with CliftonLarsonAllen for loan verifications on a quarterly basis. In addition, the Committee along with the Board of Directors, continued an internal audit program through our contracted audit firm, CliftonLarsonAllen, LLP. This firm audits organizational activities including reviews of member and staff loans, operating processes, information technology, and accounting records. The Committee reviews the internal audit work schedule annually, and redirects the focus of work, if necessary.

Throughout the calendar year, the Committee analyzed key financial trends and ratios. The following represents ratios on December 31, 2018 and December 31, 2019, with a comparison to peers across the nation.

	12-31-18	12-31-19	PEER 09-30-19
Loans/Shares	82.30%	73.45%	86.17%
Loans/Assets	74.41%	66.66%	72.68%
Delinquency Ratio	0.26%	0.17%	0.57%
Return on Average Assets	0.67%	0.51%	0.93%
Net Worth /Assets	8.57%	8.41%	11.31%

As the members' representatives, it is our goal to protect and safeguard member assets and to ensure that records are accurately maintained. We welcome your questions and comments at any time concerning the overall operation of the credit union or your individual account.

Thank you to all of our Committee members for the many hours of work in conducting their duties this past year!

Chris Langan
Chairman, Supervisory Committee

LOOKING BACK

The 67th Annual Meeting, 2019

The 67th Annual Meeting of Greater Texas Credit Union was held February 21, 2019 at the Holiday Inn Austin Midtown located at 6000 Middle Fiskville Rd., Austin, TX 78752.

The meeting was called to order at 6:31 pm by Penny V. Rychetsky, Chairman of the Board of Directors. Verification that a quorum was present was affirmed by Marilyn Eaton, Secretary.

The Invocation was given by E. Wayne Kuykendall. Presenting the Colors and leading the Pledge of Allegiance was the Reagan Early College High School Junior ROTC, followed by our National Anthem by Otha McClinton. Paul Leche was designated as Parliamentarian.

A motion was made by Lena Brown-Owens and seconded by Paul Root to waive the reading of the previous annual meeting minutes. Copies were printed in the 2018 Annual Report. The motion carried.

Chairman Rychetsky introduced the following Board members and Supervisory Committee Chairman: Wesley Yeager, First Vice Chairman; Flora Fearon, Second Vice Chairman; Linda Lothringer, Treasurer; Marilyn Eaton, Secretary; Veronda Durden, Member; Charlotte Schneemann, Member; and Stephen A. Mason, Supervisory Committee Chairman.

Chairman Rychetsky recognized all former volunteers who were present: Ben Moreno, Paul Root, Rey Morales, Robert Rosales, Ken Owens and E. Wayne Kuykendall.

The Treasurer's report was accepted as presented by Linda Lothringer on a motion by Joan Huntley, seconded by Lena Brown-Owens.

Stephen Mason, Supervisory Committee Chairman, presented the Supervisory Committee report. He recognized his committee who were unable to attend: Robyn Knocke-Johnson, Secretary; Chris Langan and Mike Trachta, Members. The Supervisory report was accepted as presented on a motion by E. Wayne Kuykendall, seconded by Pat Aldridge.

Chairman Rychetsky, presented the Chairman's Report. She asked members to refer to her written report in the annual report.

There was no unfinished business.

Ben Moreno, Chairman of the Nominating Committee, was introduced by Chairman

Rychetsky. Mr. Moreno introduced the Committee Members Damon Holditch and Veronda Durden. The following nominations were submitted:

THREE-YEAR TERMS

Flora Fearon
Linda Lothringer

ONE-YEAR TERM

Charlotte Schneemann

Chairman Rychetsky called for nominations from the floor; hearing none, a motion to elect the nominees by acclamation was made by E. Wayne Kuykendall, seconded by Rey Morales. The motion carried with no opposition.

President/CEO, Howard N. Baker, was introduced by Chairman Rychetsky. Mr. Baker recognized retired employees present then presented his report and Employee of the Quarter awards. Mr. Baker presented Employee of the Quarter for 2018 to: Caleb Ball, for the First Quarter, Miriam Delgado-Soto for the Second Quarter, Janet Maldonado, for the Third Quarter, and Angelica De La Cruz, for the Fourth Quarter.

Jason Goodman, Senior Vice President & COO, was introduced by Mr. Baker to present Service Awards, as listed below, followed by Door Prizes.

5 YEARS – Jasmin Uriostegui (received in local branch), Meghan Barry, Chrisaunda Bridges, Maritza Garza Leal, and Larry Hudson

10 YEARS – Sara Hanz (received in local branch), Lorena Salazar (received in local branch), Ashley Conant, and Kimberly Gaines

15 YEARS – Jennifer Lynn Castillo

20 YEARS – Amy Dobbs (received in local branch), Eric Jensen, Reagan Martin

25 YEARS – Lisa Bateman, Pamela G. Dawson, Susana Rodriguez, Colleen Whitten

Mr. Goodman presented the NAFCU Quarter Century Honor Roll Awards, to the following four employees, in recognition of their 25 years of service, on behalf of the members of this credit union:

NAFCU Quarter Century Honor Roll Award		
North Lamar	Vice President Consumer Lending	Lisa Bateman
SW Parkway	Senior Receptionist	Pamela G. Dawson
Edinburg	Branch Manager II	Susana Rodriguez
San Antonio Callaghan	Regional Branch Manager	Colleen Whitten

Mr. Goodman presented the door prizes. Winners of the door prizes were:

10 - \$50 Cash Prizes: Chris Oballe, Barbara Rattle, Joe Flores, Clifford Wright, Raeann Barre-ra, Deborah De La Cruz, Ruben Hernandez, John Saldana, Erin Frank and Janine Kuykendall.

Mr. Goodman turned the meeting back to Chairman Rychetsky.

There being no further business to discuss, a motion to adjourn the meeting was made by Ben Moreno, seconded by Lena Brown-Owens. The meeting adjourned at 7:21 PM.

Penny V. Rychetsky, Chairman
Marilyn Eaton, Secretary

LOOKING FORWARD

TECHNOLOGY ENHANCEMENTS

Each New Year comes with new technological enhancements and 2020 will be no different. The credit union will continue to enhance both online and mobile banking as well as our contact center. Within the contact center, we have added 24/7 card support to include lost or stolen card notifications and travel notices and are working to provide a call back feature to reduce the amount of time members remain on-hold. In addition, we will look to install and implement systems to improve the overall member experience with new account opening and loan origination. These new systems will reduce the overall application time and increase the approval timeframe. We will work to improve processes and procedures to increase efficiency and remove unnecessary “friction” in member interactions.

MAINTAIN COMPETITIVE RATES

In 2020, we anticipate a potentially unstable rate environment. As a result, members can be assured that we will retain our top-tier market standing and continue to operate in a safe manner, and maintain a strong capital position.

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Federally Insured by NCUA