IMPROVING THE
Quality of Life
FOR OUR MEMBERS

General Electric Credit Union
www.gecreditunion.org
General Electric Credit Union’s driving force is to improve the Quality of Life for our members and employees. With our growing capacity we have the opportunity and obligation to maximize the performance of the Credit Union. While delivering optimal member service in the most efficient and secure environment possible, we provide members with the best of the financial world, including quality products and services with competitive rates, to reach their financial goals.
Your Board of Directors

Mary Cay Vessells
Chairperson

Michael Johnson
1st Vice Chairman

Cheryl Hill
2nd Vice Chairperson

Patrick L. Taylor
Secretary/Treasurer

Richard Ille

John D. MacArthur

Gene Neff

Robert Peak

Frank Wagner

Committees & Senior Management

Supervisory Committee
Jerry Cabe, Chairman
Gayle Nyswonger
Karen Jordan

CPA Firm
Cindrich, Mahalak & Co.

Nominating Committee
Michael Johnson, Chairman

Legal Counsel
David Eyrich & Tom Wietholter of Statman, Harris & Eyrich, LLC

Scholarship Committee
Cheryl Hill, Chairman
Richard Ille & David Eyrich

Executive Management
Timothy Ballinger, President & CEO
Diane Huelsman, Executive Assistant
Donna Miller, Chief Operations Officer
Joan Moore, Chief Financial Officer

Annual Meeting Committee
Jill Lingo & Angela Bachmann
Report from Our CHAIRPERSON

It is our pleasure to report that 2015 was another terrific year for General Electric Credit Union’s continued success. We sustained phenomenal growth supported by a dedicated team who embraces our primary mission to provide the highest quality member service. We also realized success through the support of many loyal and dedicated members, such as yourselves.

When we developed our 2015 Strategic Plan, we did not foresee this as a year of transition. Tim Ballinger became our President/CEO and with his experience, expertise, and enthusiasm has continued the focus of persistent growth for our Credit Union. This expansion has propelled the management team to strive for the highest quality products offered, while also being cognizant of the transformation needed in processes, personnel, and productivity that our growth has demanded. These improvements have been driven by all levels of the GECU team.

We are proud of the financial performance of our credit union during 2015.

- During 2015, our credit union increased membership by 7,813 members, up 5.4% while CUNA (Credit Union National Association – a national trade association for both state and federally chartered credit unions located in the United States) reported a 3.8% trend during the past year for our industry. CUNA also reported auto loan balances grew to a historic $100 billion mark in October 2015; we grew our auto loan volume to $1.32 billion, increasing our portfolio by 10.4%. Additionally, we increased personnel by 17.7% with an average retention rate of 8.3 years, surpassing the industry average of 4.6 years.
- We exceeded expectations with our gross income at $76.7 million, operating expenses at 33.8% of gross income, total dividend expense at 28% of gross income, and retained capital at 10.5%.

The Board of Directors is delighted with Tim and his management team spearheading the opportunity of taking our Credit Union to the next level. We are proud of the professionalism, sense of responsibility, and desire to improve all areas of our Credit Union that the team utilizes to expand our field of membership and services to the community.
As the fourth largest financial institution in Cincinnati and a pillar in the community since 1954, we are not only working to improve the quality of life for our members and employees, but for those within the community around us.

In 2015, we supported a variety of local organizations, including:

- United Way
- Leukemia & Lymphoma Society
- American Diabetes Association’s Walk for Diabetes
- Cincinnati Children’s Hospital
- Toys for Tots
- Local Chambers of Commerce and area schools
Report from Our **TREASURER**

As the Secretary/Treasurer of your Credit Union, I am particularly pleased to report to you that we remain one of the most financially sound credit unions in the country. In addition, we continue to grow at a double-digit pace. Please allow me to be more specific on these two key points.

Our Credit Union is now over $2.2 billion in total assets, making us the fourth largest financial institution in the Greater Cincinnati area. It’s quite a success story from our humble beginnings in our well-served office in the plant.

The number of loans we helped members obtain grew by nearly 12%, while we also served as a secure, trusted financial institution for deposits which grew by nearly 15%. Across the industry, overall loan growth grew by 10.6% and savings balances grew 7%; our portfolios remained stronger than industry averages. Very few financial institutions in the country experienced this extraordinary pace of growth. Likely of importance to you, was the 20% increase in dividends paid out to Membership. We continue to pay most of the highest rates around.

Most importantly, and a particular sense of pride for me, is the safety and soundness of this – our – Credit Union. The financial strength, the value of our Credit Union if you will, is our Capital – our Net Worth. Total Member’s Equity is over $240 million, a 7% jump over 2014.

I am pleased to report to you, the financial strength of your Credit Union is solid and the growth is very healthy.
Financial HIGHLIGHTS

Loans

- 2013: $1,771,560,597
- 2014: $1,831,200,012
- 2015: $2,048,242,400

Shares

- 2013: $1,557,929,923
- 2014: $1,763,398,533
- 2015: $2,025,084,365

Assets

- 2013: $1,912,336,208
- 2014: $2,062,806,099
- 2015: $2,295,040,250

Members

- 2013: 133,903
- 2014: 145,553
- 2015: 153,366
Report from Our SUPERVISORY COMMITTEE

On behalf of the Supervisory Committee: Gayle Nyswonger, Karen Jordan, our Internal Auditor - Jack Delaney, and myself, I would take this opportunity to personally thank you for your interest and attendance today.

The primary responsibility of the Supervisory Committee is to protect the welfare of the Credit Union’s members, officials, and employees. Safety of funds, protection of members’ balances, and the determination of accuracy in maintenance of accounts and records are all under our authority. Your role is to report to this committee any transaction which you consider unusual or not in agreement with your records. Our working together will ensure the continued protection of funds.

In 2015, the financial records of your credit union were audited on a continuing basis, and we found them to accurately represent the true financial condition of the Credit Union. We also conducted a number of member account verification audits. We randomly select member accounts for verification and ask the member to verify the accuracy of the Credit Union’s records versus the member’s records.

Also, under the direction of the Supervisory Committee, the certified public accounting firm of Cindrich, Mahalak and Company assisted us by performing our annual audit. The annual examination by the State of Ohio and the National Credit Union Administration was also performed and the Credit Union was found to be in compliance with the laws and regulations set forth by the Ohio Division of Financial Institutions and the National Credit Union Administration.

Based on the results of these audits, I am pleased to report your Credit Union is financially sound and well-managed. Thank you.
Report from Our NOMINATING COMMITTEE

General Electric Credit Union’s Board of Directors is comprised of volunteers elected by the membership. It is the committee’s responsibility to nominate at least one member for each vacancy on the board. As explained in the flyer you received in December, nominations may also be made by petition, signed by at least 1% of the membership.

In late January, the Secretary of the Board, Mr. Patrick Taylor, caused a mail ballot to be sent to all members of record as of January 5, 2016. These ballots were to have been completed and received by our credentials committee, the CPA firm of Cindrich, Mahalak and Company, by midnight March 3, 2016.

This year’s candidates, in alphabetical order, are: Jeanenne Denzler, Cynthia Greenwald, Clifford Hackney, Cheryl Hill, Richard Ille, Marcia Laderman, Swazi Nkosi, Robert Peak, Naomi Sims, and George Stringer.

The nominating committee thanks the candidates for participating in this election process. Their willingness to serve in this volunteer capacity shows their active interest in the Credit Union and its membership. It also demonstrates the volunteer spirit that makes credit unions truly great.

The results of our election are announced at the Annual Meeting.
February 25, 2016

Board of Directors
General Electric Credit Union
Cincinnati, Ohio

At your request, we have completed the Comprehensive Annual Audit of General Electric Credit Union for the years ended December 31, 2015 and December 31, 2014.

Our examination of the Statements of Financial Condition, Statements of Income, Comprehensive Income, Changes in Members' Equity, and the Statements of Cash Flows was conducted in accord with auditing standards generally accepted in the United States of America. Our full report, which includes an unmodified opinion on the financial statements, has been submitted to the Board of Directors.

Sincerely,

Cindrich, Mahalak & Co.

Cindrich, Mahalak & Co.
### Statement of Financial Condition

<table>
<thead>
<tr>
<th>Assets</th>
<th>2015</th>
<th>2014</th>
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<tbody>
<tr>
<td>Cash and Equivalents</td>
<td>$11,765,584</td>
<td>$11,060,907</td>
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<tr>
<td>Investments</td>
<td>177,800,353</td>
<td>168,278,342</td>
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<tr>
<td>Loans to Members</td>
<td>2,048,242,400</td>
<td>1,831,200,012</td>
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<tr>
<td>Less: Allowance for Doubtful Loans</td>
<td>12,768,466</td>
<td>11,303,051</td>
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<tr>
<td>Other Assets</td>
<td>69,961,247</td>
<td>63,537,517</td>
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<tr>
<td>Total Assets</td>
<td>$2,295,001,118</td>
<td>$2,062,773,727</td>
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<table>
<thead>
<tr>
<th>Liabilities and Members’ Equity</th>
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<tbody>
<tr>
<td>Share Accounts</td>
<td>$2,024,626,826</td>
<td>$1,763,134,327</td>
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<td>Other Liabilities</td>
<td>30,047,558</td>
<td>75,065,835</td>
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<tr>
<td>Members’ Equity:</td>
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<tr>
<td>Statutory Reserve</td>
<td>13,346,093</td>
<td>13,346,093</td>
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<tr>
<td>Retained Earnings</td>
<td>227,173,285</td>
<td>210,988,987</td>
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<tr>
<td>Net Unrealized Gains on Investments</td>
<td>-192,644</td>
<td>238,485</td>
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<tr>
<td>Total Members’ Equity</td>
<td>240,326,734</td>
<td>224,573,565</td>
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<tr>
<td>Total Liabilities &amp; Members’ Equity</td>
<td>$2,295,001,118</td>
<td>$2,062,773,727</td>
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### Statement of Income

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<thead>
<tr>
<th>Income</th>
<th>2015</th>
<th>2014</th>
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<tbody>
<tr>
<td>Interest on Loans</td>
<td>$63,414,658</td>
<td>$60,335,563</td>
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<tr>
<td>Interest on Investments</td>
<td>1,608,512</td>
<td>916,798</td>
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<td>Total Interest Income</td>
<td>65,023,170</td>
<td>61,252,361</td>
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<td>Less: Dividends</td>
<td>21,482,969</td>
<td>17,937,726</td>
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<tr>
<td>Less: Interest Expense</td>
<td>1,943,183</td>
<td>481,092</td>
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<td>Net Interest Income</td>
<td>41,597,018</td>
<td>42,833,543</td>
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<td>Non-interest Income</td>
<td>11,691,515</td>
<td>10,495,542</td>
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<td>Less: Non-interest Expenses</td>
<td>25,928,595</td>
<td>27,625,545</td>
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<tr>
<td>Less: Provision for Loan Losses</td>
<td>11,175,639</td>
<td>16,743,992</td>
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<tr>
<td>Net Income</td>
<td>$16,184,299</td>
<td>$8,959,548</td>
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2016 Strategic DIRECTION

Your General Electric Credit Union (GECU) has a very focused mission, namely improving the financial “Quality of Life” for our members. To that end, in 2015 we undertook many transformational actions to better serve you both today and in the future. Providing you with the best of the financial world is our driving force.

We understand you want and need the highest possible rates on deposits and low rates on loans. Many are also looking for convenience of quality service, low to no fees, and access to the right technology. While we have been delivering the right rates and services, we also have been enhancing your Credit Union to better serve you in an ever-changing financial world.

Looking into 2016 without considering changes in rates, would be unwise. While no one truly knows what lies ahead, we cautiously believe there will likely be two increases of .25% each; with one at the end of the first quarter and another at the end of the third quarter. With regard to how this will affect our deposit rates, as the weekly comparisons in the Enquirer show, we regularly hold the area’s leading rates and fully plan for this rate leadership position to continue amidst a rising interest rate environment.

Over the last few years we have steadily grown to over $2.2 billion in assets, and are one of the most financially sound credit unions in the country. Locally, this stature makes GECU the fourth largest financial institution in the Greater Cincinnati market. Our position as the largest vehicle lender, and in the top rankings for mortgage and small business lenders, are designed to better serve you.

We’ve made, and will continue to make, technological advances encouraging the use of various digital channels. Updating our new website was step one; as well as implementing Mobile Deposit capabilities. Coming soon, we’re excited to have our own mobile and tablet application solution available. Plus, we’ll be announcing our participation with various digital wallet solutions such as: MasterPass™, Visa Checkout, Apple Pay™, Samsung Pay™, and Android Pay™. We’re equipping you with a number of digital wallets so you have a choice in how you make purchases at participating online and in store retailers. In addition, we have also transitioned to a new phone system and are planning for future development of Northern Kentucky locations.

While growth is good, growth and transformation to better serve you is what will allow us to improve your financial Quality of Life. Thank you for your membership and allowing us to serve your financial needs. We are continually hard at work making your Credit Union even better. Please let us know what we can do to further strengthen our relationship and improve your Financial Quality of Life.
Recognition & Accolades

General Electric Credit Union
Cincinnati, Ohio

For continuously earning a five-star SUPERIOR rating for 102 consecutive quarters. Five-stars is our highest rating and indicates that this institution is one of the strongest in the United States.

Awarded January 2016
Rated five-stars since December 1990

Paul A. Bauer, Founder

IDC Financial Publishing, Inc., is pleased to present the rank of
SUPERIOR
to
General Electric Credit Union
Cincinnati, OH

This credit union has achieved a rank in IDC’s Superior category. This rank indicates one of the safest institutions in the United States.

Financial data as of September 30, 2015

John E. Rickerson, CPA
President

Federally Insured by NCUA

Equal Opportunity Lender
Sharing our growth and transformation efforts toward improving your financial Quality of Life.