



Shell 
Federal
CREDIT UNION

TOGETHER
We're Family



BOARD OF DIRECTORS



Amy Carlson
CHAIRMAN



Mike Kellb
VICE-CHAIRMAN



Ben Esquivel
TREASURER



Royce Parker
ASST. TREASURER



Chester Senance
SECRETARY



William White
ASST. SECRETARY



Donald Booth



Kurt Hoefler



Mark Sapp

EXECUTIVE TEAM



José Rodriguez
PRESIDENT/CEO



Kristi Garner
CHIEF FINANCIAL OFFICER



Nicole Hernandez
CHIEF ADMINISTRATION OFFICER



Sam James
CHIEF INFORMATION OFFICER



Nancy Johnson
CHIEF OPERATIONS OFFICER



Natalie May
CHIEF HUMAN RESOURCES OFFICER



D-Anne Turner
CHIEF LENDING OFFICER



SUPERVISORY COMMITTEE



Darnick Duke
CHAIRMAN



Salma Hartley



Martin Vasquez



Cindy Williams

CHAIRMAN REPORT

Amy Carlson

We are all different and face different challenges. This is what makes us unique and special. Your credit union understands this and knows one solution will not fit all. With Shell FCU, you are more than just a number and your loan applications are not pushed through a computer for decisioning. The staff takes the time to understand your needs and situation. By providing this type of exceptional service, Shell FCU has grown to over 98,000 family members strong.

Shell FCU lent out 23,283 loans in 2018 for \$924.6 million and offered Skip-A-Pay in July and December. Dividends of \$5.8 million were paid out and members received \$2 million in cash back when funding their auto loan or securing the special 30 month share certificate. Total assets exceeded \$1 billion and more than \$20k in prizes were disbursed to members through marketing campaigns and promotions.

Your credit union is your family. We are here for you when you are living paycheck-to-paycheck, making your auto purchases, home purchases, financing college and weddings, saving for rainy days and preparing for retirement. Let us be your resource to guide, support and encourage you through all stages of life. You have a purpose-driven volunteer Board of Directors and more than 300 dedicated individuals who are devoted to making your dreams a reality. Remember, Together We're Family!



PRESIDENT/CEO REPORT

Jose Rodriguez

I wake up each day and know it's a great day to be alive! For 25 years, I have been honored to come to work and do what's best for my Shell FCU family. The tough decisions, meetings and long days are worth it when I see the progress we've made to better the lives of our members and the communities around us. Each and every decision is made in the best interest of the membership and is never taken lightly.

2018 was an exciting year for your credit union! We reached \$1 billion in assets, awarded over \$2 million in cash-back rewards, launched our 24/7 call center, opened the 10th branch in Katy, the Houston Chronicle named Shell FCU the #1 top workplace in mid-sized companies and much more. We are working diligently to implement products and services that will positively impact the convenience and quality of service you have come to know from Shell FCU. Look for details coming soon about appointment tools, two-way text messaging and additional Shell FCU branches!

Together We're Family – You, the staff, board and communities make up the Shell FCU family. Each day we work hard to exceed your expectations, improve technology, positively impact your finances and create memorable experiences. I stand by my commitment to ensure each of you receive the personal and quality service you deserve with every Shell FCU interaction. Please contact me directly at jose.rodriquez@shellfcu.org if we are not meeting your expectations. Thank you for the opportunity to serve you!



SUPERVISORY COMMITTEE REPORT

Darrick Duke

Your Supervisory Committee focuses on ensuring that the Board of Directors and Management of the credit union meet required financial reporting objectives and establish sound practices and procedures sufficient to safeguard our members' assets. In 2018, the committee contracted with CliftonLarsonAllen to perform quarterly compliance assessments and engaged Warren Averett, CPAs and Advisors to perform the annual financial audit. Excellent reports were presented, without any material discrepancies noted.

Thank you for your continued confidence in Shell Federal Credit Union. We invite you to communicate with us by mail at P.O. Box 237, Deer Park, TX 77536 or visit the Supervisory Committee link on the 'About' page at www.ShellFCU.org. All communications are reviewed by this committee.



DIRECTORS SEEKING RE-ELECTION

For over 30 years, Royce Parker has served on both the Supervisory Committee and the Board of Directors as a Director, Vice Chairman and Chairman of the Board, watching assets grow from less than \$60 million to over \$1 billion. Royce enjoys the challenge and opportunity to personally grow as the credit union has grown. As a dedicated volunteer, he knows the challenge is to always address every situation from the membership's point of view. He is committed to ensuring we retain a member focus while providing a place people want to work.

Royce and his wife Penny have lived in Deer Park for nearly 40 years. They have two children, both Deer Park High School graduates, and two grandchildren. Retiring nearly 7 years ago, he now enjoys time on the golf course, volunteering, traveling and supporting the University of Houston.



Royce Parker

Since 2013, Mark Sapp has served on the Board of Directors. His favorite part of being a Board member is knowing that he has played an important role in the growth and strength of the credit union. Mark realizes serving as a Board member requires a significant dedication of one's time. However, he loves Shell FCU and hopes to serve for many years to come. Mark has been a member since 1972 and his personal commitment to the members of Shell FCU is to always advocate for the best overall benefit to the membership of the Credit Union.

Mark holds a Bachelor of Science in Accounting and lives in Deer Park with his wife of 22 years, Amy. They have two children and Mark is currently employed by LyondellBasel Inc. Previously he worked for Shell Chemicals for 21 years. Golf, hunting and tinkering in his workshop are a few of Mark's hobbies.



Mark Sapp

Serving on the Board of Directors since 1998 and on the Supervisory Committee from 1993 to 1998, Donald Booth understands the credit union's mission to serve the financial needs of the underserved. Throughout his service, Donald has completed all online courses from CUNA and attended continuing education conferences and seminars. He accepts the challenge to stay educated on all the rules and regulations, as credit unions are constantly coming under attack by the Banking industry.

Donald retired from Shell Deer Park after 35 years of service and currently resides in Deer Park with his wife of 26 years, Valerie. They have two children and five grandchildren. Their son is serving our country in the United States Air Force, currently stationed in Germany. Donald enjoys volunteering in Mrs. Carlson's 2nd grade class in Deer Park ISD and spending time with his competition BBQ team.



Donald Booth

GREAT Grocery GIVEAWAY

Three
\$500
winners every
month!



**EVERY NEW eCHECKING ACCOUNT,
NEW LOAN OR NEW SHARE CERTIFICATE
IN 2019 QUALIFIES FOR THE DRAWINGS**



TOGETHER *We're Family*

Shell FCU is federally insured by the National Credit Union Administration and is an Equal Opportunity Lender. Anyone who lives, works, worships, attends school, or regularly conducts business in Harris County can bank with Shell FCU once a \$5 savings account is established for membership. **GREAT GROCERY GIVEAWAY:** Each month in 2019, those who open a new eChecking account, share certificate, or obtain an auto, signature, mortgage or home equity loan will automatically qualify for a monthly drawing to win one of three \$500 prizes. Winners will be drawn at random and notified via telephone by the 15th of the month for the previous month's qualified entries. At the choice of the winners, the prizes will be paid in the form of a gift card or deposit to a Shell FCU account. Winners must be in good standing with Shell FCU at the time of the drawing. Checking account, certificate and loan must remain open to qualify for the drawing. Applicable 1099 forms will be issued in January 2020. Special loans are not eligible for contest entries. Qualifying criteria applies for all accounts and loans. This offer cannot be combined with any other offer and Shell FCU reserves the right to discontinue promotions without notice at any time and for any reason. Shell FCU employees are not eligible to win. No Purchase Necessary. Anyone 18+ who does not qualify for the quarterly drawings can enter by sending one 3x5 postcard per quarter with their name, phone and address to: Shell FCU — "Great Grocery Giveaway" Drawing, P.O. Box 578, Deer Park, TX 77536. Entries will be included in the next monthly drawing. For complete details visit www.shellfcu.org.



STATEMENTS OF FINANCIAL CONDITION

	2016	2017	2018
<i>Assets</i>			
Loans	\$679,272,844	\$798,563,809	\$924,646,086
Cash	35,417,694	42,295,986	35,722,202
Investments	60,857,308	95,260,438	41,199,642
Fixed Assets	26,922,938	25,663,937	28,481,177
Other Assets	24,800,996	27,086,936	28,478,461
Total Assets	\$827,271,780	\$988,871,106	\$1,058,527,568
<i>Liabilities AND Equity</i>			
Member Shares	\$729,487,024	\$848,914,367	\$886,492,757
Liabilities	18,935,172	49,472,673	66,661,691
Regular Reserve	3,282,855	3,282,855	3,282,855
Undivided Earnings	80,779,665	92,032,358	107,552,710
Unrealized Gains and (Losses)	(5,212,936)	(4,831,146)	(5,462,445)
Total Liabilities & Equity	\$827,271,780	\$988,871,106	\$1,058,527,568

OPERATING STATEMENTS

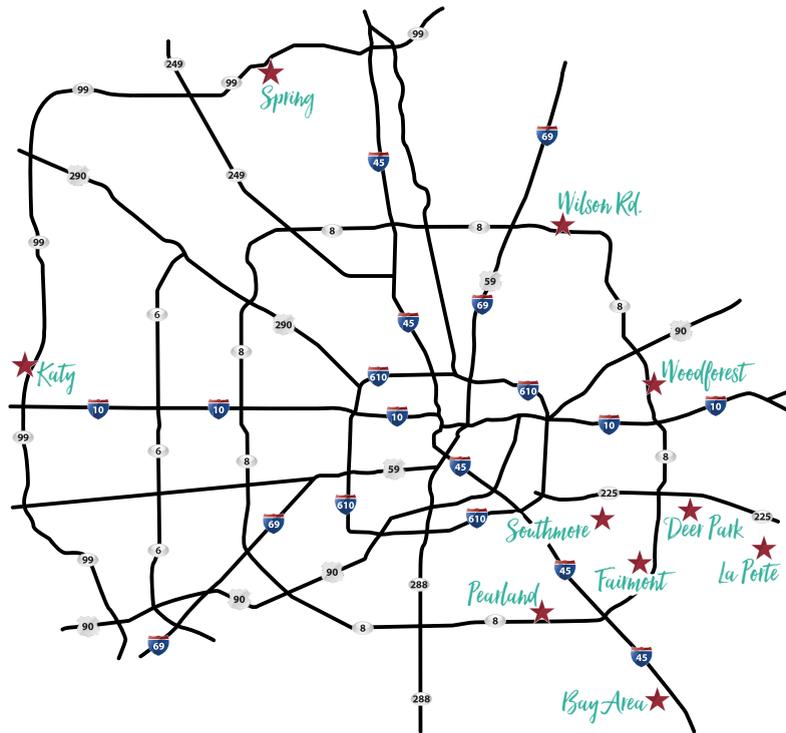
	2016	2017	2018
<i>Income</i>			
Interest on Loans	\$30,403,364	\$36,287,887	\$43,189,217
Income from Investments	1,414,028	2,585,132	3,109,418
Other Income	17,898,896	18,787,371	22,978,090
Total Income	\$49,716,288	\$57,660,390	\$69,276,725
<i>Expenses</i>			
Operating Expenses	\$39,918,640	\$42,376,853	\$48,340,298
Other Expenses	110,596	(261,443)	(390,516)
Dividends	3,647,986	4,292,288	5,806,591
Total Expenses	\$43,677,222	\$46,407,697	\$53,756,373
<i>Net Income</i>	\$6,039,066	\$11,252,693	\$15,520,352

MEMBER STATISTICS

	2016	2017	2018
<i>Membership</i>			
Total Members	81,871	89,094	98,660

FIGURES ROUNDED TO THE NEAREST DOLLAR

BRANCH LOCATIONS



Deer Park

301 E 13th St
Deer Park, TX 77536

La Porte

11526 Spencer Hwy
La Porte, TX 77571

Fairmont

5133 Fairmont Pkwy
Pasadena, TX 77505

Southmore

401 E Southmore Ave
Pasadena, TX 77502

Wilson

4787 Wilson Rd
Humble, TX 77396

Bay Area

1600 W Bay Area Blvd
Houston, TX 77058

Spring

6232 FM 2920
Spring, TX 77379

Pearland

11391 Monroe Rd
Houston, TX 77075

Woodforest

5544 E Sam Houston
Pkwy N
Houston, TX 77015

Katy

23125 Morton Ranch Rd
Katy, TX 77449



SHELL FCU HOURS

Lobby Hours

Monday, Tuesday, Wednesday, Friday
9:00AM – 5:00PM

Thursday
9:00AM – 5:30PM

Saturday
9:00AM – 12:30PM

Drive-Thru

Monday, Tuesday, Wednesday
7:30AM – 6:00PM

Thursday & Friday
7:30AM – 7:00PM

Saturday
8:00AM – 12:30PM



UPCOMING EVENTS

APRIL 13, 2019

Mortgage Expo
1PM – 3PM
Fountain Blu Banquet &
Event Center
6327 Spencer Hwy
Pasadena, TX 77505

Do you have questions about mortgages? Join us at our upcoming Mortgage Expo to learn more about the home buying process, meet with industry experts and get answers to all of your questions. Who better to ask for advice than your Shell FCU Family? For more information or to RSVP online, visit www.ShellFCU.org

APRIL 16, 2019

Social Security Workshop
6PM – 7PM
Shell FCU, La Porte Branch
11526 Spencer Hwy
La Porte, TX 77571

APRIL 17, 2019

6PM – 7PM
Shell FCU, Pearland Branch
11391 Monroe Rd
Houston, TX 77075

Join us for this workshop to learn how to evaluate and manage your Social Security benefits. Enjoy a chance to win door prizes. Limited seating available. RSVP online at www.ShellFCU.org

MAY 11, 2019

Pet Adoption Event
10AM – 12PM
Shell FCU, Fairmont Branch
5133 Fairmont Pkwy
Pasadena, TX 77505

The FCU Team has partnered with the Pasadena Animal Shelter to host a pet adoption day at the Shell FCU Fairmont location. Volunteers are needed to help set up, watch and walk the animals, hold signs to attract attention and much more.

Want to volunteer at this event? Visit www.GoVolunteerToday.org to sign up!

JUNE 18, 2019

Women & Investing Workshop
6PM – 7PM
Shell FCU, Deer Park Branch
301 E 13th St
Deer Park, TX 77536

JUNE 19, 2019

6PM – 7PM
Shell FCU, Spring Branch
6232 FM 2920
Spring, TX 77379

Join us for this workshop to learn how to take charge of your financial future through investing. Enjoy a chance to win door prizes. Limited seating available. RSVP online at www.ShellFCU.org

Main Number

713-844-1100

Toll Free

800-388-5542

Corporate Website

www.ShellFCU.org

FCU Team

www.GoVolunteerToday.org

Youth Website

www.SFCUilife.org



2018 ANNUAL MEETING MINUTES

The 81st Annual Membership Meeting of Shell Federal Credit Union was held Friday, March 23, 2018, at 7:00 p.m. in the Performing Arts Center at the Deer Park High School, in Deer Park, Texas with an estimated attendance of 595 members. Of this total, there were 303 retirees and 88 children.

Welcome – Chairman Amy Carlson welcomed everyone to the Annual Meeting and thanked the Deer Park High School for allowing us to use the beautiful Performing Arts Center.

Call to Order – The meeting was called to order at 7:03 p.m. with Amy Carlson presiding and Pam Gross recording.

Recognition of Military and Families of Military – Chairman Carlson asked for all military that have served or are currently serving to stand and be recognized.

Pledge of Allegiance and National Anthem – Chairman Carlson introduced the DP HS ROTC and everyone stood for the Pledge of Allegiance. Chairman Carlson sang the National Anthem a capella.

Invocation – Mark Reat gave the invocation.

Establish Quorum – Chairman Carlson declared that, by a show of hands, a quorum (15 members) had been established.

Introduction – At the Head Table, the Board Members, Supervisory Committee and CEO were introduced. She also spoke about the duties and responsibilities of these volunteers. Chairman Carlson asked the Shell FCU staff to stand and be recognized.

Minutes of the last Annual Meeting – It was announced that the minutes from the last Annual Meeting were included in the Annual Report. A motion was made by Mark Reat, seconded by others to approve the minutes of the 80th Annual Membership Meeting held on March 3, 2017. Motion carried unanimously.

Introduction of Nominating Committee – Chairman Carlson introduced John Patterson, Galen Davis, and Steve Alexander and called for their report.

Mr. Alexander presented the Committee's recommendations as follows:

Board Members	Mike Kolb	3-year term re-election
	Kurt Hoefler	3-year term re-election
	Ben Esquivel	3-year term re-election

Chairman Carlson called for nominations from the floor and no nominations were offered. A motion was made by David Hutto, seconded by several that the nominees submitted by the Nominating Committee be elected by acclamation. Motion carried unanimously.

Grand Prize Drawing – The Grand Prize Drawing ticket was drawn and attached to the Grand Prize envelope to be revealed at the end of the meeting.

Special Retiree Drawing – Chairman Carlson recognized all retirees and asked them to stand. Chairman Carlson and the Board presented 6 - \$100 cash awards to 6 retirees.

Report of the Chairman – Amy Carlson gave the Chairman's report. She said her report was included in the Annual Report. She asked the membership to please read the Annual Report.

Report of the President – Jose Rodriguez welcomed everyone and thanked the members for spending the evening at the Annual Meeting. He thanked God for today's gift and also reported that it was the credit union's 81st birthday. He shouted "We are.....Shell."

Jose reported that this year's theme is "With Us, You're Family." He gave several definitions of family and told the membership that the staff and membership are an extension of family. He thanked the membership for the opportunity to serve them.

He reported that we are a safe and strong credit union. Jose reported that, last year, our loans grew over 17.5%, assets grew over 19.5%, deposits grew over 16%, membership grew over 9%, with strong earnings and ROA, strong capital and the best NCUA ratings across all categories. He spoke about the challenges that 2017 brought, with Hurricane Harvey. The flood waters impacted our staff and members. He spoke of the recovery efforts to help our members get back on their feet with disaster aid loans, skip-a-pay, and refunded fees. Last year we made improvements by replacing all of our ATMs with state-of-the-art security features. We implemented a secure email portal for members to send and receive sensitive documents using encrypted email. Last year, we enhanced our mobile apps for Apple and Android platforms. Coming soon will be the new Katy branch. In the next 60 days, our call center hours will be 24/7.

Jose thanked the volunteers and staff for their dedication and commitment to serving the members. He said that his commitment in 2018 is to continue to grow responsibly while listening to the members' needs, explore innovative products and services and develop our family so we can confidently and wisely serve the members' needs. Jose closed by saying he was grateful for the opportunity to serve the members and for their choosing the credit union as their financial partner. He thanked the membership again and said we are all in this together and "We are.....SHELL!"

John E. Garrison Scholarship Recipients – The names of the 10 recipients of this year's scholarship were asked to stand if they were present. Seven of the recipients were in attendance.

Report of the Supervisory Committee – Darrick Duke gave the report of the Supervisory Committee. He welcomed the membership and said the role of the Supervisory Committee is to ensure the Board of Directors and Management of the credit union meet required financial reporting objectives and establish sound practices and procedures sufficient to safeguard the members' assets. With that responsibility in mind, the committee contracted CliftonLarsonAllen to perform quarterly compliance assessments and engaged Warren Averett, CPAs and Advisors to perform the annual financial audit. Excellent reports were presented, without any material discrepancies noted. Darrick thanked the membership for their continuing support and confidence.

A motion was made by Mark Reat, seconded by others to approve the reports of the Chairman, President, and Supervisory Committee. Motion carried unanimously.

Cash Awards to the Youngest and Oldest Members Present – The Board presented \$100 cash awards to the oldest member (101 years) and youngest baby (2 weeks) who were present.

Old Business – None.

New Business – Jennifer Wourms asked about our repossession procedures. A motion was made by Royce Parker, seconded by Donald Booth to address the repossessions procedures in the next Board meeting and to contact Ms. Wourms after the meeting. Motion carried unanimously.

Cash Prizes for Children age 15 and under – All children 15 years old and younger were given a \$5 bill.

Door Prize Drawings – The cash prizes were awarded plus the Grand Prize at the end of the meeting.

Adjournment – Chairman Carlson declared the Annual Membership Meeting adjourned at 8:00 p.m.



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