GECU has existed for one reason only – to serve its members. For 75 years we have kept the financial needs of our members at the forefront of everything we think, say and do. It’s a way of life, our mission of people helping people. What started out as a volunteer financial cooperative with $55 in share deposits is now El Paso’s largest, locally-owned financial institution with $1.17 billion in deposits and $1.35 billion in assets. A dramatic achievement demonstrating the power of the credit union movement: members depositing money, making it possible for other members to borrow.

The year 2007 was an exceptional one for your credit union, GECU. Our financial performance was sound, asset quality was good, earnings were strong and membership continued to grow. El Pasans joined our credit union in numbers that brought us to a record of almost 276,000 members at year’s end. Credit must be given to the talents and dedication of your management team and every one of our 600 employees who worked hard to improve your financial lives while maintaining the financial soundness of your credit union.

There is another reason for GECU’s success. You know that you can count on us. In 1932, members turned to their credit union for small loans to pay for the bare necessities. In 2007, you counted on us for excellent rates on deposits to build savings and retirement plans, loans to buy vehicles and purchase or remodel homes, low fees for services, and financial education. Your success, supported by these services, is our success. The success of our members and those of us who serve you truly represents the power of the credit union movement.

Looking back on our accomplishments throughout the year, I am proud to say the most important one is keeping to our steadfast mission of people helping people. Thank you for choosing GECU for your financial needs.

Manuel R. Ybarra
Chairman of the Board
Steel Capital's report

What a great year 2007 was for GECU. It marked our 75th birthday – quite an accomplishment for a credit union whose roots began at the height of the Great Depression. It was a simple idea. Motivated by the philosophy, “Not for profit, not for charity, but for service,” 11 volunteers pooled $5 each to help their co-workers, all struggling to make ends meet. Word went out, friends and colleagues joined the tiny financial cooperative. Conducting business after hours, credit union volunteers worked tirelessly making loans, accepting payments, making deposits. Their vision of people helping people was a reality. A reality that has helped generations of El Pasoans achieve their dreams of financial freedom, one that continues today.

We celebrated other significant accomplishments during 2007. GECU achieved record asset and deposit growth. Total assets grew by $172 million to $1.35 billion, while deposits grew to $1.17 billion, an increase of $106 million.

GECU’s Board of Directors set challenging goals and staff seized the opportunity, confidently meeting each to improve and create products and services to meet your needs. Highlights included:

- The “hassle free” No Excuse CD IRA, allowing members the convenience of making annual contributions to the same certificate of deposit year after year.
- The Airway drive-thru, at our soon-to-be-completed Operations Center, opened in July to reduce long lines at our Viscount facility.
- Upgrades to GECU’s website, making it more secure when members access their accounts, products and services.

Financial education remained a top priority at GECU. During the year, nearly 1,000 teens, young adults, individuals, couples and families attended financial presentations providing them with practical tools to help them lead informed and financially independent lives. Educational initiatives in 2007 included:

- Free monthly workshops on budgeting, credit responsibility and financial education were offered in GECU branch lobbies, high school classrooms and other locations throughout the city.
- The opening of GECU’s first on-site school branch in Canutillo High School, which provides hands-on financial education for students living in an underserved area of our city.

Another exciting milestone was Savings Challenge ’07, GECU’s financial make-over program. Six families (three Spanish-speaking, three English-speaking), committed to changing the way they handled their finances for the chance to win $10,000. GECU’s Savings Challenge was a phenominal success for participating families and thousands of El Pasosans who followed their progress throughout 2007 on television, radio and the internet, eager to learn more. Congratulations to Gloria Aguilar and Alex and Lillian Mares, our Savings Challenge grand prize winners and our runner-up families, Cecilia and Roberto Cordova, Candace and Sean Gehrike, Corina and Marco Cervantes and Olga and Adolfo Payán. Your hard work and dedication is an inspiration to all of us.

Yes, there was a lot to celebrate in 2007—what GECU celebrated the most was you, our member-owners. You drive GECU’s success; your success is our success. It’s that simple. Thank you for allowing us to serve you. Here’s to another 75 years of people helping people at GECU, your credit union.

Harriet May
President/CEO

Credit Committee
Fermin Acosta, Jr.
Chairman
Harriet May
Crystal Long
Steven G. Lutz

Aggressive goals, hard work and meeting the needs of a growing membership are what defined GECU’s loan growth in 2007. With membership climbing to nearly 276,000, more members improved their lives and benefited from the over $650 million in loans made in 2007. With an increase of $87.3 million (8.29%) in our loan portfolio, we reached the end of 2007 with a loan-to-deposit ratio of 98%. This means 98% of your deposits were invested in loans to other members. As you can see, growth in loan demand was strong and GECU met the challenge with outstanding results.

TAKE A LOOK AT SOME OF GECU’S ACCOMPLISHMENTS
IN THE LENDING AREAS DURING 2007:

- Indirect lending once again led the way with the $245 million in vehicle loans funded.
- SmartCall, GECU’s in-bound and out-bound call center, funded over $92 million in loans.
- An astounding $81 million in home equity loans and $41 million in first-lien mortgages marked another year of steady growth for our Mortgage Department.
- GECU’s Business Services Department’s portfolio was $30 million in business loans at the close of business December 31.
- SmartBranch, GECU’s online banking channel, also realized an increase in volume with over $10.8 million in consumer loans.

THE CHART BELOW CATEGORIZES CONSUMER LOANS MADE IN 2007:

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Number of Loans</th>
<th>Loan Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Vehicles (Lobby/SmartCall)</td>
<td>2,917</td>
<td>$48,180,623</td>
</tr>
<tr>
<td>Used Vehicles (Lobby/SmartCall)</td>
<td>2,654</td>
<td>$27,534,019</td>
</tr>
<tr>
<td>New Vehicles (Dealerships)</td>
<td>5,420</td>
<td>$154,658,287</td>
</tr>
<tr>
<td>Used Vehicles (Dealerships)</td>
<td>5,208</td>
<td>$90,831,057</td>
</tr>
<tr>
<td>Other Installment Loans</td>
<td>16,965</td>
<td>$83,937,324</td>
</tr>
<tr>
<td>Mortgage Loans (1st Lien)</td>
<td>1,785</td>
<td>$40,832,413</td>
</tr>
<tr>
<td>Home Equity Loans</td>
<td>883,876</td>
<td>$80,567,433</td>
</tr>
<tr>
<td>Credit Card Advances</td>
<td></td>
<td>$74,578,746</td>
</tr>
</tbody>
</table>

In 2007, bankruptcy filings increased by $2.7 million from last year – a disappointment after what we hoped would continue to be a downward trend after last year’s decreased filings of $6.3 million. While we continue to monitor the situation closely, member financial education and proactive counseling will be key to bankruptcy prevention at GECU.

As we celebrated 75 years of service in El Paso, GECU closed the books on another successful year. Thank you for your confidence in GECU, the credit union you own.
It’s tough saving money. From excessive credit card debt to buying a new home or saving for college, it can seem overwhelming. That’s what our six Savings Challenge ‘07 families thought when they first started. After eleven months of hard work, commitment and determination, each family left the Savings Challenge competition a little wealthier, a lot smarter and financially independent.

Payán Family
$2,500 winner

Gloria Aguilar
$10,000 grand prize winner

Cervantes Family
$2,500 winner

Cordova Family
$2,500 winner

Mares Family
$10,000 grand prize winner

Gehrke Family
$2,500 winner
The Audit Committee, comprised of three volunteer member-owners, oversees the Internal Audit Department which conducts comprehensive internal audits throughout the year ensuring:

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;
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 Lauterbach, Borschow & Company, P.C. 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 2007 Annual Report fairly present the financial condition of GECU for the year ended December 31, 2007.

Gregory J. Watters
Chairman

A full copy of GECU’s 2007 financial statements may be obtained by contacting the office of Harriet May, GECU President/CEO.

DISTRIBUTION OF earnings

1. Return to Members $32,776,968 29.69%
2. Employee Compensation & Benefits $25,067,894 22.71%
3. Operating Expenses $35,245,492 31.92%
4. Reserves $17,316,271 15.68%

Total Distribution of Earnings $110,406,625 100.00%

RETURN TO members

1. Life Savings $241,786 0.74%
2. Dividends - Shares $3,066,050 9.35%
3. Interest - MMA $1,081,174 3.30%
4. Interest - Checking $1,049,501 3.20%
5. Interest - IRA $5,522,524 16.85%
6. Interest - CD $21,815,933 66.56%

Total Return to Members $32,776,968 100.00%
<table>
<thead>
<tr>
<th>Financial Statement</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$61,079,954</td>
<td>$38,543,880</td>
</tr>
<tr>
<td><strong>Investments:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Securities available for sale</td>
<td>5,823,183</td>
<td>13,607,044</td>
</tr>
<tr>
<td>Securities held to maturity</td>
<td>59,948,301</td>
<td>10,800,448</td>
</tr>
<tr>
<td>Other investments</td>
<td>13,769,854</td>
<td>7,287,888</td>
</tr>
<tr>
<td>Loans held for sale</td>
<td>2,138,653</td>
<td>2,005,458</td>
</tr>
<tr>
<td>Loans receivable, net</td>
<td>1,144,107,650</td>
<td>1,056,537,228</td>
</tr>
<tr>
<td>Accrued interest receivable</td>
<td>5,481,188</td>
<td>4,624,117</td>
</tr>
<tr>
<td>Accounts receivable and other assets</td>
<td>5,054,213</td>
<td>4,820,373</td>
</tr>
<tr>
<td>Mortgage servicing rights</td>
<td>1,196,490</td>
<td>1,084,288</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>42,630,790</td>
<td>30,291,773</td>
</tr>
<tr>
<td>NCUSIF deposit</td>
<td>10,662,156</td>
<td>10,060,201</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$1,351,892,452</td>
<td>$1,179,662,698</td>
</tr>
</tbody>
</table>

| **LIABILITIES AND MEMBERS’ EQUITY** | | |
| Members’ share and savings accounts | $1,173,044,803 | $1,066,762,864 |
| Interest and dividends payable to members | 2,396,857 | 1,654,905 |
| FHLB advances | 50,948,008 | 2,267,112 |
| Accrued expenses and other liabilities | 5,052,623 | 5,304,569 |
| **Total liabilities** | $1,231,439,291 | $1,075,989,450 |

| **Members’ Equity** | | |
| Retained earnings, partially restricted | 120,453,161 | 103,673,248 |
| **Total members’ equity** | 120,453,161 | 103,673,248 |
| **Total liabilities and members’ equity** | $1,351,892,452 | $1,179,662,698 |
Locations:

Main Office
7227 Viscount Boulevard

Airway Drive-Thru
1245 Airway Boulevard

Northeast Office
5825 Transmountain Boulevard

West Offices
5670 North Mesa Street
1500 North Retailer Drive

East Offices
10435 Vista Del Sol Drive
11987 Rojas Drive
3037 Trawood Drive
(Drive-thru facility)

Lower Valley Office
8936 Alameda Avenue

Downtown Office
700 East San Antonio Street
1st Floor, Federal Building

Telephone Numbers:

All Offices
915.778.9221
1.800.772.GECU (4328)

SmartLine
915.778.0009
1.800.772.0009

SmartCall
915.778.9221
1.800.772.GECU (4328)

Web Address - www.gecu-ep.org

GeCU
Greater El Paso's Credit Union

Mailing Address
P.O. Box 20998
El Paso, TX 79998-0998