300,000 Members Strong

Board of Directors

Chairman’s Message

President’s Message

GECU Lending in 2011

Audit Committee Report

Return to Members

Distribution of Earnings

Statements of Financial Condition

Statements of Income

Board of Directors

And Expiration of Terms

Gregory J. Watters*
Chairman of the Board
March 2012

Frank Garcia*
Vice Chairman
March 2014

Jose I. Quiñonez, Jr.*
Secretary/Treasurer
March 2012

John Fernandez
March 2013

Guadalupe Giner*
March 2012

Elizabeth Hill*
March 2012

Ricardo Soto*
March 2014

Advisory Members

Amelia Chavez*
March 2012

Edward Medina*
March 2012

Teresa Quezada*
March 2012

Audit Committee

Ricardo Soto*
Chairman

Amelia Chavez
Frank Garcia

Management Team

Crystal Long*
President and CEO

Harriet May*
Senior Advisor

Fernando Ortega
Vice President
Information Technology

David Solis*
Vice President
Controller

Ceci Davila
Vice President
Operations

Hazel Kennedy-Ledesma*
Vice President
Remote Services, Deposits
and Business Operations

Musette Bracher
Vice President
Marketing

Art Perez*
Vice President
Lending

Martin Sena*
Vice President
Business Services

Joe Underwood*
Vice President
Human Resources

*Represents changes in senior management as of December 31, 2011.

*Represents changes in Board of Directors in 2011.
“ONE PERSON CARING ABOUT ANOTHER REPRESENTS LIFE’S GREATEST VALUE.”

— JIM ROHN
Gregory J. Watters — Chairman of the Board
Frank Garcia — Vice Chairman
Jose I. Quiñonez, Jr. — Secretary/Treasurer
Ricardo Soto
Guadalupe Giner
Elizabeth Hill
Teresa Quezada
John Fernandez
Amelia Chavez
Edward Medina — not pictured
When we welcomed our 300,000th member in March of last year, it brought 78 years of people helping people into focus for me. This significant milestone for GECU speaks volumes about the work we do to improve our members’ financial lives. What’s even more remarkable is that we achieved it during the worst recession in recent memory. But, that comes as no surprise. We have experience helping members through difficult times.

GECU was started in the Great Depression by a handful of civil servants to help their families and co-workers make ends meet in the form of small loans. What began as a small credit union with 11 members and $55 in share deposits is now El Paso’s largest, locally-owned financial institution with over 300,000 members, $1.66 billion in deposits and $1.82 billion in assets. One thing is certain, no matter how large we’ve become, we haven’t forgotten who we are and what we do. We are El Pasoans helping El Pasoans move through life’s financial milestones. GECU is El Paso. We’re proud of the impact we’ve had in our community and look forward to offering products and services to help you become financially independent.

Another milestone for GECU was the announcement of Crystal Long as GECU’s new President and CEO. She succeeds Harriet May who is retiring after an illustrious and distinguished 38-year career. Crystal has extensive credit union experience. Not only has she been at GECU for 32 years, she has also shared her knowledge and expertise with credit union professionals on the national, state and local level. Her strong belief in the credit union mission combined with her vision for the future will mean new opportunities for GECU and you, our member-owners.

After nearly 80 years, GECU is still here, financially sound and strong, working hard for you. We plan on being here for another 80. Thank you for your support of GECU and your belief in people helping people.

At GECU we’re with you!

Gregory J. Watters
Chairman of the Board
During 2011, GECU continued to focus on quality service, competitive products and convenient services to meet the needs of our growing membership, now at 300,000 members strong. What’s exciting – GECU’s member-owners represent a true cross-section of El Paso and, as such, have distinct and individual financial needs. You have choices and a one size fits all financial institution isn’t one of them. We hear you and we’re working hard to make GECU your first choice.

In 2011, your management team rolled up their sleeves and put a leaner, sleeker and more technologically advanced version of GECU into action. In August we opened our GECU Plus branch in far east El Paso on Montwood Drive. Instead of walking up to a teller window, GECU Plus offers Personal Teller Machines connecting members with GECU tellers working from our local teller center using live video. To provide even more convenience to our members, two drive-up GECU ATMs were installed on North Loop in Socorro and at GECU Plus on Montwood. We also continued to improve SmartBranch and gecu2go, our mobile phone account service, with new enhancements and online tools to make managing your finances easier, wherever you are. And, we aren’t finished. This is just the beginning with more to come in 2012.

Having members with challenged credit during a recession doesn’t mean we stopped lending. It meant finding new ways to make good loans. During 2011, GECU implemented the HYLS loan program. Unlike traditional lending programs, we have another tool to predict a member’s ability to repay a loan in the future, rather than just taking a snapshot of their current financial condition. GECU members who experienced financial difficulty during the last two or three years, have a second chance with HYLS. It’s a win-win situation. Income from loans is what allows us to continue to reinvest in GECU and El Paso. Loans from GECU allow our members to get on with their lives.

During 2011, we saw members of our management team and board of directors retire to spend more time with their families or move to other organizations as part of their career path or personal growth. We appreciate the contributions they’ve made to GECU throughout the years. At the end of 2011, we continued to operate with a strong volunteer board of directors drawn from our GECU membership. Additionally, we filled senior management positions with an experienced and knowledgeable team, many of whom started their careers in the credit union movement, understand the mission and are committed to GECU’s future.

There’s a lot of work ahead for GECU and you have the management and staff team to take those plans for the future and make them a reality for you, our member-owners. I welcome the opportunity to serve as president of your credit union and thank Harriet May for laying the foundation for GECU in the 21st Century. Her vision and leadership have taken GECU to where it is today, Greater El Paso’s Credit Union.

Thank you for your confidence in and support of GECU.
GECU’s lending accomplishments in 2011

- Business Services had an excellent year, increasing loans by 9.07% over 2010. The business loan portfolio was over $116.4 million at the end of 2011.

- Indirect lending remained steady with over $221.3 million in vehicle loans funded for the year.

- SmartCall, GECU’s call center, funded over $63.3 million in consumer loans.

- Mortgage lending funded more than $50.0 million in home equity loans and over $42.7 million in first lien mortgages.

- SmartBranch, GECU’s online banking channel, funded more than $17.0 million in consumer loans.

Consumer loans by type made in 2011

<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>255</td>
<td>$7,174,477</td>
</tr>
<tr>
<td>Used Vehicles (Lobby/SmartCall)</td>
<td>5,733</td>
<td>$79,865,858</td>
</tr>
<tr>
<td>New Vehicles (Dealerships)</td>
<td>5,384</td>
<td>$158,362,493</td>
</tr>
<tr>
<td>Used Vehicles (Dealerships)</td>
<td>3,293</td>
<td>$62,949,202</td>
</tr>
<tr>
<td>Other Installment Loans</td>
<td>19,994</td>
<td>$83,329,799</td>
</tr>
<tr>
<td>Mortgage Loans (1st Lien)</td>
<td>412</td>
<td>$42,707,574</td>
</tr>
<tr>
<td>Home Equity Loans</td>
<td>798</td>
<td>$50,039,928</td>
</tr>
<tr>
<td>Credit Card Advances</td>
<td>1,215,474</td>
<td>$91,541,251</td>
</tr>
</tbody>
</table>
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 law.

The Audit Committee is assisted by GECU’s 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 2011 Annual Report fairly present the financial condition of GECU for the year ended December 31, 2011.

We appreciate GECU’s board of directors, management and staff for their cooperation.
Return to Members

Total Return to Members
$22,268,867
100.0%

Distribution of Earnings

Total Distribution of Earnings
$120,166,351
100.0%
# Statements of Financial Condition

## December 31, 2011 and 2010

## Assets

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$292,149,441</td>
<td>$142,006,164</td>
</tr>
<tr>
<td>Investments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Available for sale</td>
<td>$35,165,250</td>
<td>$62,602,589</td>
</tr>
<tr>
<td>Held to maturity</td>
<td>$2,270,660</td>
<td>$4,928,765</td>
</tr>
<tr>
<td>Other investments</td>
<td>$7,329,082</td>
<td>$7,259,971</td>
</tr>
<tr>
<td>Loans held for sale</td>
<td>$2,921,820</td>
<td>$11,128,197</td>
</tr>
<tr>
<td>Loans receivable, net</td>
<td>$1,407,169,286</td>
<td>$1,393,212,683</td>
</tr>
<tr>
<td>Accrued interest receivable</td>
<td>$5,138,713</td>
<td>$5,732,924</td>
</tr>
<tr>
<td>Accounts receivable and other assets</td>
<td>$5,182,923</td>
<td>$6,072,667</td>
</tr>
<tr>
<td>Mortgage servicing rights</td>
<td>$794,081</td>
<td>$733,429</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>$51,583,649</td>
<td>$50,885,102</td>
</tr>
<tr>
<td>NCUSIF deposit</td>
<td>$15,388,468</td>
<td>$14,647,927</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$1,825,093,373</strong></td>
<td><strong>$1,699,210,418</strong></td>
</tr>
</tbody>
</table>

## Liabilities and Members’ Equity

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members’ share and savings accounts</td>
<td>$1,663,927,398</td>
<td>$1,554,874,582</td>
</tr>
<tr>
<td>Interest and dividends payable to members</td>
<td>$1,239,095</td>
<td>$1,240,057</td>
</tr>
<tr>
<td>Accrued expenses and other liabilities</td>
<td>$10,634,985</td>
<td>$8,628,591</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>1,675,801,478</strong></td>
<td><strong>1,564,743,230</strong></td>
</tr>
</tbody>
</table>

## Members’ Equity

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retained earnings, partially restricted</td>
<td>$149,291,895</td>
<td>$134,467,188</td>
</tr>
<tr>
<td><strong>Total members’ equity</strong></td>
<td><strong>149,291,895</strong></td>
<td><strong>134,467,188</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total liabilities and members’ equity</strong></td>
<td><strong>$1,825,093,373</strong></td>
<td><strong>$1,699,210,418</strong></td>
</tr>
</tbody>
</table>
## Statements of Income

### Years Ended December 31, 2011 and 2010

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans</td>
<td>$87,036,982</td>
<td>$90,259,271</td>
</tr>
<tr>
<td>Investments</td>
<td>$696,946</td>
<td>$761,421</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$87,733,928</td>
<td>$91,020,692</td>
</tr>
<tr>
<td><strong>Interest expense</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Members’ share and savings accounts</td>
<td>$22,009,528</td>
<td>$25,384,952</td>
</tr>
<tr>
<td>Borrowed funds</td>
<td>0</td>
<td>120</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$22,009,528</td>
<td>$25,385,072</td>
</tr>
<tr>
<td><strong>Net interest income</strong></td>
<td>$65,724,400</td>
<td>$65,635,620</td>
</tr>
<tr>
<td>Provision for loan losses</td>
<td>$9,808,098</td>
<td>$6,528,175</td>
</tr>
<tr>
<td><strong>Net interest income after provision for loan losses</strong></td>
<td>$55,916,302</td>
<td>$59,107,445</td>
</tr>
<tr>
<td><strong>Non-interest income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service fees</td>
<td>$24,215,822</td>
<td>$24,279,101</td>
</tr>
<tr>
<td>Loan fees</td>
<td>$2,913,352</td>
<td>$2,973,093</td>
</tr>
<tr>
<td>Net gain on sale of loans</td>
<td>$1,390,833</td>
<td>$957,337</td>
</tr>
<tr>
<td>Mortgage servicing</td>
<td>$362,744</td>
<td>$227,787</td>
</tr>
<tr>
<td>Equity earnings (loss) in investment</td>
<td>$(945,343)</td>
<td>$2,253,057</td>
</tr>
<tr>
<td>Gain on sale of repossessed assets</td>
<td>$848,960</td>
<td>$644,334</td>
</tr>
<tr>
<td>Other</td>
<td>$2,823,793</td>
<td>$2,042,743</td>
</tr>
<tr>
<td><strong>Total non-interest income</strong></td>
<td>$31,610,161</td>
<td>$33,377,452</td>
</tr>
<tr>
<td><strong>Non-interest expense</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensation and benefits</td>
<td>$33,062,192</td>
<td>$33,454,438</td>
</tr>
<tr>
<td>Office operations</td>
<td>$25,237,630</td>
<td>$24,156,347</td>
</tr>
<tr>
<td>Occupancy</td>
<td>$4,891,082</td>
<td>$4,534,745</td>
</tr>
<tr>
<td>Education, promotions and conferences</td>
<td>$3,726,535</td>
<td>$3,912,915</td>
</tr>
<tr>
<td>Other, net</td>
<td>$2,325,078</td>
<td>$1,866,283</td>
</tr>
<tr>
<td><strong>Total non-interest expense</strong></td>
<td>$69,242,517</td>
<td>$67,924,728</td>
</tr>
<tr>
<td>Income before extraordinary items</td>
<td>$18,283,946</td>
<td>$24,560,169</td>
</tr>
<tr>
<td>Extraordinary items</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NCUSIF Stabilization Fund</td>
<td>$(3,847,117)</td>
<td>$(3,771,410)</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>$14,436,829</td>
<td>$20,788,759</td>
</tr>
</tbody>
</table>
SHARE AND DEPOSIT ACCOUNTS
Share (savings) Accounts
Christmas Club Accounts
No Excuse Savers Club Accounts
Certificates of Deposit (CDs)
Money Market Accounts
Personal Checking Accounts
Business Checking Accounts
Individual Retirement Accounts (IRAs)
No Excuse IRA CDs

LOANS
Personal Loans
New and Used Auto Loans
Home Mortgage Loans
Home Equity Loans
Home Improvement Loans
MasterCard® Credit Cards
Lines of Credit
Business Loans

SPECIAL SERVICES
ATMs
Automatic Transfers
(between GECU accounts)
Business Cash Management System
Direct Deposit
Domestic Wire Transfers
GECU Plus Personal Teller Machines
new in August 2011
IRnet International Remittance Network
(for international wire transfers)
MasterMoney® Debit Cards
Night and Lobby Depositories
Overdraft Privilege
Safe Deposit Boxes
SmartBranch (online services)

LOCATIONS
Main Office
7227 Viscount Boulevard
Airway Drive-Thru
1245 Airway Boulevard
Horizon Office
14476 Horizon Boulevard
Northeast Office
5625 Transmountain Road
West Offices
5670 North Mesa Street
1500 North Resler Drive
East Offices
10435 Vista Del Sol Drive
11987 Rojas Drive
3037 Trawood Drive (Drive-thru facility)
GECU Plus
12400 Montwood Drive
new in August 2011
Lower Valley Offices
8936 Alameda Avenue
10610 North Loop Drive
Downtown Office
700 East San Antonio Street
1st Floor, Federal Building
Operations Center
1225 Airway Boulevard

MAILING ADDRESS
P.O. Box 20998
El Paso, TX 79998-0998

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 ADDRESSES
gecu-ep.org

It's easy to become a member. Call GECU – your Greater El Paso’s Credit Union at 778.9221 or 1.800.772.4328 for more information.

Federally insured by NCUA.