

Statement of Conditions • December 31, 2012

Assets

Loans.....	\$111,607,837
(Allowance for Loan Loss).....	-\$766,251
Cash.....	\$3,640,967
Investments.....	\$65,787,376
Fixed Assets.....	\$4,440,393
Prepaid / Receivables.....	\$3,605,017
NCUSIF.....	\$1,647,808
Total.....	\$189,963,147

Liabilities and Equity

Accounts Payable.....	\$1,808,275
Share Savings.....	\$44,385,867
Share Draft Checking.....	\$21,748,416
Money Market Accounts.....	\$35,453,716
Certificates.....	\$65,402,544
Other Savings.....	\$3,594,337
Reserves / Undivided Earnings.....	\$17,569,992
Total.....	\$189,963,147

Statement of Income

Interest on Loans.....	\$6,646,846
Investment Income.....	\$618,909
Other Operating Income.....	\$2,807,382
Total.....	\$10,073,137

Distribution of Income

Compensation.....	\$2,301,857
Employee Benefits.....	\$459,178
Office Occupancy.....	\$389,633
Operational Expense.....	\$1,452,609
Education & Promotion.....	\$182,677
Loan Servicing.....	\$638,632
Provision for Loan Loss.....	\$450,000
NCUA Assessment / Insurance.....	\$194,682
Professional Services.....	\$191,966
Other Expenses.....	\$184,517
Total Expenses.....	\$6,445,751
Dividends Paid.....	\$1,411,377
Increase To Equity.....	\$2,216,009
Total Distribution of Income.....	\$10,073,137

Financial Notes

Contingency Commitments for Unused Credit Limits.....	\$30,605,297
Business Loans / Participation.....	\$15,593,988
Fair Value of Securities Held to Maturity.....	\$8,609,035

Key Operating Highlights:

	2012	2011	Change	GPO Growth	Peer Group Growth
Assets:	\$189,963,147	\$172,989,945	\$16,973,202	9.81%	5.46%
Shares:	\$170,584,880	\$156,389,940	\$14,194,940	9.08%	5.45%
Loans:	\$111,607,837	\$102,971,137	\$8,636,700	8.39%	3.52%
Members:	24,127	23,169	958	4.13%	1.82%
Reserves:	\$17,569,992	\$15,353,984	\$2,216,008	14.43%	5.12%

Supervisory Committee Report

The Supervisory Committee is appointed by the Board of Directors to represent GPO members. As your representative, the committee attends Board meetings, meets with our regulatory examiner, conducts and /or causes internal audits, reviews internal controls and hires and independent firm to conduct an external audit of your credit union.

The Supervisory Committee, in conjunction with our internal auditor, completed a comprehensive scope and review of your credit unions' operation. No major area of concerns was found.

In addition, our 2012 independent CPA audit was performed. The findings of the auditors indicate that the credit union's financial statements are presented fairly and in all material respects, the financial position of the credit union and its operations are in conformity and are within accepted accounting principles.

We appreciate the opportunity to be of service to GPO members and commend management, staff and the Board of Directors for a job well done.

Respectfully Submitted,

James Humphrey • Mitchell Amado • Allan Cornell

Our Focus is YOU!

2012 Annual Report



Our focus is you!

GPO
FEDERAL CREDIT UNION



www.gpofcu.com

Board of Directors Report

Dear Members –

As the nation's economy continues its slow path to recovery, at GPO Federal Credit Union, we recognize that our nearly 25,000 members still feel the pressures of balancing their household budgets.

As a financial cooperative owned by our membership, our strategy is to **always focus on our member-owners...** doing business at a high level of **integrity**, offering **superior service**, and always providing **value for our members**. We live by our mission statement, **"Our Focus is You."**

During this period of historically low interest rates, we have put forth our best efforts to **satisfy the needs of our savers and borrowers:**

- ★ GPO has continuously paid the **highest rates on regular savings and term-share certificates** in our three-county membership area. In addition GPO offers **regular certificate specials**.
- ★ On the lending side, since 2008, GPO has **refinanced 3,435 loans from other financial institutions, saving our members nearly \$5 million in interest payments!** That's an average savings of \$1,450 per loan. We understand that savings this big can really make an impact on our members' lives! In addition, our mortgage and home equity loans offer **exceptional value with both rates and program structure**.

GPO's business model builds on being member-focused, provides superior service, and offers products and services that have the right features at the best price. Even with the economic downturn, **your credit union has performed well -- and met the financial needs of its members.**

2012 Key Operating Highlights

- ★ **Assets growth of \$16,973,202**
9.81% growth compared to our peer's growth of 5.46%
- ★ **Savings growth of \$14,194,940**
9.08% growth compared to our peer's growth of 5.45%
- ★ **Loan growth of \$8,636,700**
8.39% growth compared to our peer's growth of 3.52%
- ★ **Net new membership growth of 958**
4.13% growth compared to our peer's growth of 1.82%
- ★ **Reserves growth of \$2,216,008**
14.43% growth compared to our peer's growth of 5.12%

Discovering The Credit Union Difference

More individuals, families and businesses are discovering the benefits of GPO Federal Credit Union - and its **member-owned, federally insured, not-for-profit financial cooperative** structure. **Our focus is you, our member, and we live by our mission every day.** We give back to our member-owners in the form of **better rates, fewer fees, and affordable financial services** to help you live a better financial life.

Our long-term members, and many new members, are taking advantage of the financial services that we provide. Whether it be a savings account for a new baby, financing a first car, value checking accounts that pay you back, lower-cost student loans, buying or remodeling a home, or wealth management... **your credit union is here for you.** We help you reach your financial goals, and offer you financial education along the way.

As a GPO Federal Credit Union member-owner, we succeed when you succeed in reaching your goals.

Committed to the Communities We Serve

GPO is headquartered in, and has branches in, the communities that we all call home. **It's important for us to give back to our hometowns.**

In 2012, **your credit union participated in, or sponsored, more than 75 community events** in our three-county area, including the American Heart Association's Kids Walk, Stririn Stars and Stripes Walk to support their Military Rehabilitation Program, local food banks, BOCES Regional Program of Excellence, and employing college students through the local College Corps Program. **GPO received recognition from Oneida County as "an employer of distinction,"** which we are very proud of.

In addition to our corporate sponsorships, **your credit union staff-members volunteered hundreds of hours to many organizations in our community...** some organizations that we sponsor as a credit union, but also a number of organizations that hold a special place in our hearts, like walking dogs at local humane societies, participating in bake sales, car washes, pancake breakfasts, and being actively involved in volunteer fire departments and ladies auxiliaries.

Last year, **our members donated approximately \$3,000** in unused debit card reward points to the American Heart Association, American Red Cross, and local food banks. Thank you for your generosity!

We also thank YOU for your loyalty and for choosing GPO as YOUR CREDIT UNION!

Leo Callari, *Chairman, Board of Directors*
John A. Prumo, *President and CEO*
Nicholas Mayhew, *Vice Chairman*
Frank Mazza, *Secretary*

Patrick Buckley, *Director*
Patsy Canarelli, *Director*
Paul Gallagher, *Director*
James Humphrey, *Director*
Dewy Rowlands, *Director*