

BOARD OF DIRECTORS

David W. Whittle, *Chairman*
Term Expires 2012

Curtis C. Collins, *Vice Chairman*
Term Expires 2013

James H. Ragan, *Treasurer*
Term Expires 2013

Peggy A. Zahler, *Secretary*
Term Expires 2012

Deborah A. Conder, *Director*
Term Expires 2014

Harry Guss, *Director*
Term Expires 2013

John J. Thiel, *Director*
Term Expires 2014

Grady Perdue, *Director*
Term Expires 2012

Randy Stone, *Director*
Term Expires 2014

SUPERVISORY COMMITTEE

Jose Olivarez, *Chairman*

JSC FCU MANAGEMENT

Michael G. Brown, *President*

Paul Maslonka, *Chief Operations Officer*

JSC FCU CONTACT INFORMATION

Mailing Address:
P.O. Box 58346
Houston, Texas 77258

Main Office Address:
1330 Gemini
Houston, Texas 77058

Phone Numbers:
281.488.7070
800.940.0708

Website:
www.jsfcu.org

JSC FCU BRANCH LOCATIONS

Bay Colony Branch
2461 FM 646 West
Dickinson, Texas 77539

Clear Lake/Main Office
1330 Gemini
Houston, Texas 77058

Deer Park Branch
120 East 8th Street
Deer Park, Texas 77536

Ellington Branch
404 FM 1959
Houston, Texas 77034

Friendswood Branch
1320 S. Friendswood
Friendswood, Texas 77546

Galveston Branch
2121 Market Street
Galveston, Texas 77550

La Porte Branch
607 West Fairmont Parkway
La Porte, Texas 77571

League City Branch
501 FM 270
League City, Texas 77573

League City West Branch
3612 W. Main Street, Suite 400
League City, Texas 77573

Mainland Branch
2300 Gulf Freeway
Texas City, Texas 77591

Monument Branch
2200 East 13th Street
Deer Park, Texas 77536

Park Place Branch
8424 Park Place
Houston, Texas 77017

Pearland Branch
9101 Broadway
Pearland, Texas 77584

Seabrook Branch
2900 NASA Parkway, Suite 310
Seabrook, Texas 77586

Tuscan Lakes Branch
1280 East League City Parkway
League City, Texas 77573

2011 ANNUAL REPORT



MISSION: Possible
Redefining Banking Since 1961

Letter from the Chairman

JSC Federal Credit Union Consolidated Statements of Financial Condition

To Members and Friends:

It is my privilege to present the 2011 Annual Report for JSC Federal Credit Union (JSC FCU). The Credit Union has had another year of exceptional accomplishments. JSC FCU experienced incredible growth in 2011, adding more than 2,400 new members and growing in assets by \$96,703,067. In addition to these results, JSC FCU added 155 new partner affiliations to its field of membership, which brings the total to over 1,400 ways a person can qualify to be a Credit Union member. These affiliations continue to be an essential source of Credit Union membership opportunities in the communities we serve.

With technology ever evolving, JSC FCU continues to take steps toward improving the ways in which we communicate and interact with members. The Credit Union also continues to develop and implement emerging online and mobile tools that can help members manage their JSC FCU accounts easily, quickly and securely.

2011 was filled with the introduction of several new online technology tools. The Credit Union introduced eNews in June 2011, which is a bi-monthly electronic email blast that highlights current and upcoming products, services and events. The eNews email blast allows relevant Credit Union information to arrive right in the member's email inbox. In August 2011, a new online tool called Online Payment Center was made live, which allows any member to make an online payment to their JSC FCU loan from another financial institution or from a credit card. In September 2011, the JSC FCU Mobile App was launched and was an instant hit with members. The Mobile App is a custom designed mobile application that easily and securely allows any member with a compatible smart phone to access online banking, find branches and ATMs, and even look-up loan rates all on the go. Late in 2011, Online Account Opening was introduced. This exciting new tool gives new members the opportunity to join JSC FCU and open their new accounts all online, easily and securely, in just a few minutes. Plus, current JSC FCU members can open a number of additional accounts online via this tool as well.

In an ongoing partnership with the Clear Creek Independent School District (CCISD), JSC FCU continues to operate the first ever CCISD in-school branch at Clear Springs High School. This branch successfully demonstrates JSC FCU's objective to provide financial education to students and allows the Credit Union to achieve its stated goal of promoting financial literacy and stability within the communities it serves. In September 2011, the second JSC FCU in-school branch opened in Clear Falls High School. This new branch is located in the brand new CCISD Education Village, which is a unique school concept that houses three levels of school including elementary, intermediate and high school, all on one state-of-the-art campus. This new branch offers the same advantages of financial literacy to the students of not only Clear Falls High School, but to the entire campus of schools, giving CCISD another resource for its students, faculty and staff.

Financial education for all ages is a predominantly large part of JSC FCU's commitment to serving our members. A central element of this commitment is the Credit Union's home-grown MoneyFIT (Financial Independence Tools) program which includes quarterly Financial Education Seminars, monthly Classroom Financial Workshops, Online Education Modules and a debt analysis tool called Debt in Focus. Only in its second year in 2011, the MoneyFIT program was extremely successful and popular with members, giving them the power to understand and take control of their finances. The MoneyFIT program will continue to be a major element of JSC FCU's commitment to promoting financial education in 2012 and will include additional seminar and workshop topics such as Auto Buying and Social Media. JSC FCU believes that this program, along with our full line of financial products and services, will continue to allow members to succeed in all of their financial goals.

JSC FCU continues to be an excellent corporate citizen within the communities it serves. The Credit Union donated monies and personal time to numerous charitable and community development organizations in 2011. The Credit Union also continues to offer financial and volunteer support for multiple outreach organizations whose efforts directly benefit the members of our community with modest means. In terms of direct involvement, the Credit Union offers financial education opportunities to members and nonmembers alike by sponsoring free seminars on such topics as Home Buying, Identity Theft and Understanding Credit, free access to our MoneyFIT program, as well as partnering with organizations like the YMCA, the Senior Adult Program at College of the Mainland, and elementary schools that host events designed to enhance financial literacy, wellness and education to all ages.

On December 27, 2011, JSC FCU celebrated its 50th Anniversary. While an important milestone in any company, JSC FCU is especially proud to still have the same core values and commitment to our members that we started with in 1961. As the Credit Union looks toward the next fifty years, our tradition of member service will continue to be the most important value that we strive for each and every day.

In closing, I am pleased to report to our membership that your Credit Union is financially safe and sound, well capitalized, and prospering. In its 50th year of business, your Credit Union continues to be a vital asset to its members and to the greater communities it serves and supports. We realize that you have many options when choosing a provider for financial needs, and we appreciate your choice of JSC Federal Credit Union as your financial service provider.

Sincerely,

David W. Whittle

Chairman, JSC Federal Credit Union Board of Directors

As of December 31, 2011

Assets	2011	2010	2009
Total Loans	349,099,916	354,041,500	382,243,727
Less: Allowance for Loan Loss	(1,806,671)	(1,831,988)	(1,726,050)
Net Loans	347,293,245	352,209,512	380,517,677
Cash & Investments	1,174,211,227	1,072,294,075	934,969,410

Other Assets			
Fixed Assets	18,518,067	18,008,503	17,614,570
NCUA Share Insurance Deposit	12,957,547	12,618,850	11,008,183
Other Assets	14,295,957	15,442,454	15,923,837

Total Assets	\$1,567,276,043	\$1,470,573,394	\$1,360,033,677
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Liabilities, Shares & Equity

Total Liabilities	6,679,653	5,123,061	6,457,121
Total Shares & Deposit	1,404,382,929	1,319,115,121	1,215,887,770
Total Equity	156,213,461	146,335,212	137,688,786

Total Liabilities, Shares & Equity	\$1,567,276,043	\$1,470,573,394	\$1,360,033,677
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Consolidated Statement of Income

Operating Income

Total Interest on Loans to Members	20,065,012	22,310,595	23,987,144
Income from Investments	15,342,070	18,226,870	23,270,512
Fee and Other Operating Income	12,902,547	12,040,396	11,073,821

Total Gross Income	48,309,629	52,577,861	58,331,477
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Total Operating Expense	\$26,795,042	\$26,876,805	\$25,079,913
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Income (Loss) From Operations	21,514,587	25,701,056	33,251,564
Less: Provision for Loan Losses	(1,583,843)	(1,735,935)	(1,913,663)
Non Operating Gain (Loss)	(143)	(294,424)	8,911,305

Total Cost of Funds	(10,052,353)	(15,024,271)	(20,912,193)
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Adjusted Net Income (Loss)	\$9,878,248	\$8,646,426	\$19,337,013
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