



2018 ANNUAL REPORT

Celebrating 75 Years of Service to our Membership!

Seventy-five years ago our Credit Union was founded on the principle of "people helping people." That original core belief still holds true today. During our history there have been significant technological advancements that empower people to easily access their deposits on a wherever whenever basis. Despite these ease of access innovations, improving our Members' overall banking experience remains our primary objective. This will help ensure that our Credit Union excels in today's highly competitive marketplace while greatly enhancing the financial lives of our Members.

E-Central has always maintained a stable foundation that allows us to flourish during periods of economic prosperity while still enduring periods of economic decline. Last year marked another year of new milestones in financial stability and growth. In 2018, Net Capital Reserves improved from \$29.9 million to \$30.7 million and our Credit Union's Capital Ratio improved from 18.92% to 19.18%, which is nearly three times the seven percent benchmark for being considered well capitalized by federal regulators. For the year, E-Central remained profitable posting a .49% Return on Assets and generating \$779,756 in earnings.

Loans continue to be the engine that drives our growth and financial stability. For the year, Outstanding Loans were prudently increased by \$3.4 million, which led to an increase in loan interest income of \$503,688. To continue our positive progression in the coming years, we expanded our suite of lending products by adding Student Loans, Home Equity Conversion Mortgages and a number of commercial real estate products to help meet the growing demand for affordable and creative lending options. The recent dramatic increase in Member adoption rates of our digital channels, remote services and enhanced convenience services has led more of our Members to view E-Central as their preferred financial institution and helped solidify our position at the pinnacle of Pasadena's financial institutions.

2018 was indeed successful from a financial performance and strength perspective. Nevertheless, what distinguishes our Credit Union from the competition is our ability to process Member transactions efficiently and accurately in a safe and friendly environment but always remaining cognizant of our Members' needs and aspirations. This ensures that each Member receives the level of service that is embodied in our Expect More philosophy. At E-Central we always strive to exceed Member expectations in service delivery thereby facilitating a lifelong relationship with our Members who continue to bestow their trust and confidence upon us as reflected by our Member Satisfaction score of 92%.

Our philosophy of giving back to our Members, Select Employee Groups and the local community is an essential part of our Expect More ideology.

Through service, financial education, charitable giving and volunteerism, both our team and our community benefit and grow stronger. In October of 2018, we were honored to host a community reception for Gerald Freeny, the first African-American Tournament of Roses President in the Tournament of Roses' 123 year history. The event attracted more than 300 community leaders and local, state and federal elected officials, including Congresswomen Maxine Waters and Judy Chu, State Senator Steve Bradford and Assemblyman Chris Holden.

As we celebrate our Diamond Anniversary we are confident that E-Central will continue to thrive as we focus on new ways to improve every aspect of our Credit Union. We will continue to discover new ways to connect with new and existing Members to ensure they can Expect More from E-Central. We understand that you have many options when selecting your financial institution, and we greatly appreciate your membership. On behalf of E-Central, we thank you for your loyalty and continued trust. With your support and the continued dedication of our Board of Directors, Supervisory Committee, Staff and Management, we look forward to continuing to serve you in the years ahead and helping you with all of your financial needs.

Mark A. Garmus

Mark A. Garmus
Chairman of the Board

Mike Theodore
President/CEO

Supervisory Committee Report

Your Supervisory Committee is a group of volunteer Credit Union Members who safeguard the interest and assets of all Members. This committee acts independently of the Board of Directors and the Management Team to ensure the accuracy of records, the protection of Members' deposits, and the proper administration of policies and procedures.

In conducting its duties, the Supervisory Committee retained the services of Turner, Warren, Hwang & Conrad, Accountancy Corporation, to perform the annual audit of financial statements. I am pleased to announce that E-Central was found to meet or exceed regulatory requirements in all operational categories.

Jon Oliver
Chairman of the Supervisory Committee



Business Lending Fuels Loan Growth

Our expansion into Member Business Lending continues to deliver exceptional value and benefits to our Members, Select Employee Groups and local businesses seeking commercial or SBA loans. In 2018, our Credit Union was awarded Preferred Lender Program status by the Small Business Administration, which is the highest level of approval and status that a lender can hold in the SBA loan program.

Since we introduced Member Business Loans several years ago, it has become the fastest growing segment in our loan portfolio. Last year, Member Business Loans grew by 18% and now account for 29% of our Total Loans. We take pride in helping small business owners and real estate investors attain affordable financing to help their businesses grow and prosper. In addition, helping Members become homeowners has been another area of focus for E-Central and we are proud to have originated over \$24 million in First Trust Deeds. Our overall Loan Delinquency of .84% is very manageable, but more reflective of a strong performing loan portfolio is our loan loss ratio, which is extremely low at .18%.

STATEMENT OF FINANCIAL CONDITION

	2018	2017
Cash	\$ 255,427	\$ 427,234
Investments	41,725,541	43,295,690
Loans to Members (Net)	109,728,713	106,199,573
Building & Equipment (Net)	4,777,057	4,897,353
Other Assets	3,324,687	3,127,760
Total Assets	\$ 159,811,425	\$ 157,947,610

LIABILITIES & MEMBERS' EQUITY

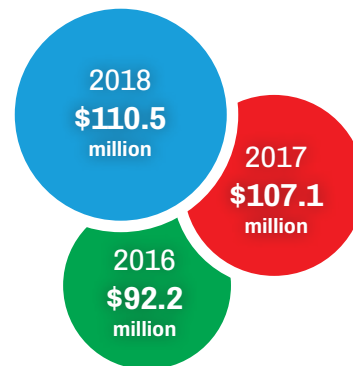
Other Liabilities	\$ 1,110,952	\$ 1,194,500
Members' Shares	128,041,265	126,873,615
Regular Reserve	4,604,869	4,604,869
Undivided Earnings	26,054,338	25,274,626
Total Members' Equity	30,659,208	29,879,495
Total Liabilities & Members' Equity	\$ 159,811,425	\$ 157,947,610

STATEMENT OF INCOME & EXPENSE

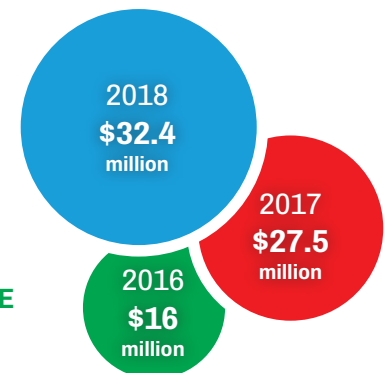
Interest Income	\$ 6,220,687	\$ 5,607,478
Less, Dividends Paid on Shares	444,540	432,639
Net Interest Income	5,776,147	5,174,839
Provision for Loan Losses	48,294	(303,709)
Other Income	2,601,110	2,701,591
Income from Operations	8,328,963	8,180,139
Operating Expenses	7,549,207	7,031,171
Total Expenses	7,549,207	7,031,171
Net Income	\$ 779,756	\$ 1,148,968

*These financials are unaudited. Our fiscal year ends March 31, 2019.

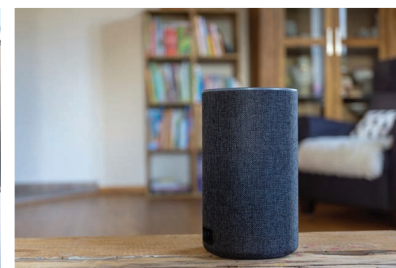
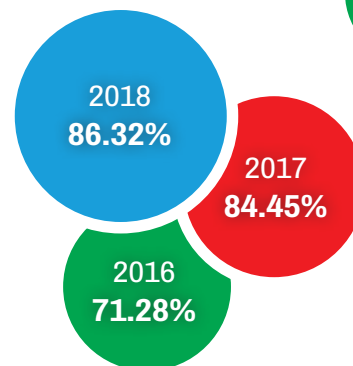
TOTAL LOANS



MEMBER BUSINESS LOANS



LOAN-TO-SHARE



BOARD OF DIRECTORS

Mark A. Garmus, Chairman
Dominick Edwards, Vice Chairman
Dennis Magaldi, Secretary/Treasurer
John Drew, Director
Glenda Giles-Luick, Director
Stephen Henson, Director
Richard Honore, Director
James P. Cafferty, Director Emeritus

SUPERVISORY COMMITTEE

Jon Oliver, Chairman
Jim Greenbaum, Member
Corbet Wilcox, Member

MANAGEMENT TEAM

Michael Theodore, President/CEO
Laurent Sy, Senior Vice President of Lending/CCO
John Drake, Vice President/CFO
Evan Hitchcock, Vice President of Operations
Daniel Lentini, Vice President of Information Technology
Betina Marcelo, Vice President of Consumer Lending
Sue Brown, Executive Assistant to the President/CEO
Rose Duran, Operations Manager
Kenneth Kasamatsu, Advisor to the President/CEO
Doug Stubenbordt, IT Manager
Armine Trashian, Controller

CORPORATE

Pasadena Branch
990 S. Fair Oaks Ave.
Pasadena, CA 91105
626.799.6000
www.ecentralcu.org