

2 0 1 4 A N N U A L R E P O R T



E - C E N T R A L C R E D I T U N I O N

Chairman's and President's Message

As is true with your home, your financial institution is only as solid as its foundation. Indeed, it was E-Central's sound and secure financial foundation which enabled your Credit Union to survive the recent turbulent economy. Nevertheless, in 2014 we continued to fortify and strengthen E-Central's foundation through the refocusing of our resources on our core business performance. We expanded and enhanced the extensive products and services afforded our most valuable asset, our Membership, consistent with our policy of "Helping our Credit Union by helping our Members", while still strengthening the Credit Union's Balance Sheet and further refining our risk management policies and procedures. Now that the Great Recession appears headed for the history books, we are pleased to report our 2014 financial results and share with you our recent accomplishments and some of the organizational improvements that we will be deploying in 2015.

For the year, we posted Net Earnings of \$2.2 million and increased our Net Capital Reserves to \$26.7 million. E-Central's Return on Assets (ROA), was an impressive 1.36% and our Net Capital Ratio increased to a remarkable 16.82%. Rather than investing in market driven low rate savings products, many Members continued to choose to either pay down existing loan debt or seek third-party non-federally insured products. As a result, Shares decreased by 3% and Assets declined accordingly by 1.5%. Total Outstanding Loans increased by 2%, Loan Delinquencies grew by .53% and our Loan Losses were a very low .26%. The growth in our Loan portfolio reflects the improving economy and the increased demand for our well-designed lending products that are favorably priced with flexible terms and conditions.

From a financial performance perspective, 2014 was clearly a very good year for your Credit Union. Beyond the numbers, it also remains extremely important for us to diligently review, analyze and strategically address the feedback we receive from our Membership to further improve our organization. We are pleased to report that E-Central received an overall Member satisfaction score of 95% for the year. We are genuinely proud of this

accomplishment and we will continue to work diligently to maintain and improve upon this excellent approval rating.

E-Central operates in a challenging and constantly changing financial services marketplace. To help us thrive in this highly evolving and demanding environment, we concluded 2014 by executing an agreement with FISERV, a U.S. based global organization that provides best-in-class financial technology services. This will significantly upgrade our mobile and online banking, payment options, risk management, data analytics and core account processing systems. We are scheduled to go live with a suite of these new products on June 1, 2015 and we believe that these enhancements will further improve the Member experience as well as provide E-Central with a clear and distinct advantage over our competition.

In order to further extend our reach and provide our Members with more convenient physical locations, we will be launching the CO-OP Shared Branching Services package in late 2015. This important alliance will provide Members with the ability to make over-the-counter deposits, withdrawals, transfers, account inquiries and other transactions at more than 5,000 nationwide branch locations.

We continue to assiduously manage and prudently protect E-Central's resources while making important investments in our future so that we may better serve our Membership. We remain steadfast in our mission and we will continue to seek ways to improve your financial lives, to exceed your expectations whenever possible and to always be there for you whenever called upon.

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, Management and Staff, we look forward to continuing to serve you and we wish you much success in your current and future endeavors.

Mark A. Garmus

Mark A. Garmus
Chairman of the Board

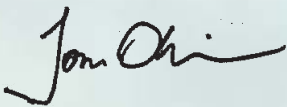
Mike Theodore

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

STATEMENT OF FINANCIAL CONDITION

	2014	2013
Cash	\$ 369,770	\$ 452,456
Investments	58,434,290	62,917,399
Loans to Members (Net)	91,507,409	88,568,796
Building & Equipment (Net)	5,055,387	4,981,212
Other Assets	3,471,458	4,291,443
Total Assets	<u>\$ 158,838,314</u>	<u>\$ 161,211,306</u>

LIABILITIES & MEMBERS' EQUITY

Other Liabilities	\$ 620,944	\$ 751,234
Members' Shares	131,502,582	135,926,819
Regular Reserve	4,604,869	4,604,869
Undivided Earnings	22,109,919	19,928,384
Total Members' Equity	<u>26,714,788</u>	<u>24,533,253</u>
Total Liabilities & Members' Equity	<u>\$ 158,838,314</u>	<u>\$ 161,211,306</u>

STATEMENT OF INCOME & EXPENSE

Interest Income	\$ 5,774,452	\$ 5,410,263
Less, Dividends Paid on Shares	557,732	612,004
Net Interest Income	<u>5,216,720</u>	<u>4,798,259</u>
Provision for Loan Losses	(755,068)	(2,185,542)
Other Income	2,667,909	2,895,859
Income from Operations	<u>8,639,697</u>	<u>9,879,660</u>
Operating Expenses	6,468,466	5,887,210
NCUA Stabilization Expense	0	110,504
Total Expenses	<u>6,468,466</u>	<u>5,997,714</u>
Net Income	<u>\$ 2,171,231</u>	<u>\$ 3,881,946</u>

BOARD OF DIRECTORS

Mark A. Garmus, Chairman
Dominick Edwards, Vice Chairman
James P. Cafferty, Secretary/Treasurer
John Drew, Director
Glenda Giles-Luick, Director
Stephen Henson, Director
Richard Honore, Director
Donald Gobble, Director Emeritus
William D. Stewart, Director Emeritus

SUPERVISORY COMMITTEE

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

MEMBER RELATIONS SUB COMMITTEE

Dennis Magaldi, Business Partner Advocate

MANAGEMENT TEAM

Michael Theodore, President/CEO
Rick Wise, Vice President/CFO
Laurent Sy, Senior Vice President of Lending
Evan Hitchcock, Vice President of Operations
Sue Brown, Executive Assistant
Rose Duran, Operations Manager
Betina Marcelo, Credit Portfolio Manager
Santiago Santana, Consumer Loan and Collections Manager
Doug Stubenbordt, IT Manager
Armine Trashian, Controller

CORPORATE

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