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Kalamazoo, MI 49009
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Gull Road Office
5991 Gull Road
Kalamazoo, MI 49048
269.383.2844

Plainwell Office
390 Oaks Crossing
P.O. Box 331
Plainwell, MI 49080
269.685.9587

Portage Office
2050 West Centre Avenue
Portage, MI 49024
269.321.8695

Three Rivers Office
811 West Michigan Avenue
Three Rivers, MI 49093
269.278.7076

Paw Paw Office
315 East St. Joseph Street
Paw Paw, MI 49079
269.657.2190

Lawrence Office
701 South Paw Paw Street
Lawrence, MI 49064
269-674-3228



www.eccu1.org



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We are **YOUR** financial cooperative!

Far beyond the basics, we can serve all of your financial needs today. Like a range of checking and online banking products, mobile banking, credit cards, and loans for any need, including home equity loans, mortgages, and commercial loans. We also offer investments and financial coaching. We can do it all for you, at a fair price, and always designed around your needs. We also provide a level of dedicated, personal service not commonly found.

**We're YOUR financial cooperative.
Always have been, always will be.**

Right. At home.



**2014
ANNUAL
REPORT**

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Right. At home.

Eight Decades of serving YOU!

It's with a certain amount of amazement that we reflect on 80 years of serving you. It all started from a classroom at the original Kalamazoo Central HS in 1935, located on Westnedge Avenue, now Chenery Auditorium. This original location is where we first set out helping one another. We pooled our savings so we could earn more, and for those who needed it, made loans at low rates. Pure and simple: it's what a financial cooperative is.

And we're still one today.

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Report from Leadership

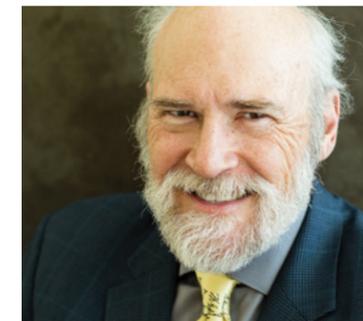
In 2015, ECCU celebrates its 80th anniversary – a milestone for any organization, but a remarkable one in a time when many other financial institutions are being bought, sold or merged. We are grateful to you, our member-owners, for your support and participation in the credit union, for that is the fundamental reason ECCU has grown and prospered. As a financial cooperative, we have embodied the principles of mutual self-help since the nine educators met in a classroom at the old Kalamazoo Central High School in 1935 to leverage their resources. By investing \$5 each, our founders created a safe harbor where members could pool their savings, make loans to each other and stay afloat in the treacherous waters of the Great Depression.

That \$45 has proved to be a fruitful investment. In 2014, assets surpassed the \$400 million threshold, reaching \$409,914,998, and loans grew to nearly \$300 million, an increase of more than \$12 million from 2013. With some 23,000 loans outstanding, you are securing the funds you need for housing, transportation, vacations, and even life's curve balls – the leaky roof, the medical emergency, the air conditioner that stops on the hottest day of the year. Deposits also rose in 2014 – from \$300,231,843 to \$312,078,925, reflecting your trust and loyalty. We remain well-capitalized, with a net worth ratio of 9.46.

As the credit union has grown, so, too, have your wants and needs. That means our menu of services has broadened from the basic offerings of share savings and loans. We are now able to provide nearly every financial service you need to make your dream a reality – from money market accounts to mortgages to motorcycle loans, from commercial services to IRAs to investment services. We also have successfully expanded our field of membership, allowing anyone to join who lives, works or worships in any of the 21 Michigan counties we serve. That means we can extend the benefits of belonging to your friends and neighbors, who having heard of our service excellence wanted to join, but we had to turn away.

Just as the number of services and our field of membership have expanded, so is the way you can perform your personal financial transactions – in person, by phone, or online. And in July, we will convert our core processing system to provide state-of-the-art banking technology offering you much greater functionality and convenience from advanced online banking, mobile banking via any device, to remote deposits and much more. These, and other enhancements, are keeping with our goal of making the credit union as convenient as possible, and as technology advances, so shall we.

In 2015, ECCU will transition to new management and new technologies, but the underlying principles will remain the same – the same cooperative principles our founders aspired to 80 years ago that have brought us great success. Equipped with strong leadership and world-class technology, we look forward to serving our members in the next 80 years.



David Aubry
Chairman of the
Board of Directors



Charles Cornelius
Former President and
Chief Executive Officer



Julie Blitchok
President and
Chief Executive Officer

Financial Statements

Assets	2011	2012	2013	2014
Loans	\$249,251,998	\$275,203,351	\$287,487,226	\$299,803,389
Allowance for Loan Loss	\$1,016,395	\$1,150,108	\$1,137,167	\$1,406,935
Cash in Bank	\$9,796,792	\$10,790,872	\$12,502,704	\$15,035,332
Investments	\$79,186,835	\$68,814,072	\$70,750,779	\$64,661,201
Other Assets	\$19,562,429	\$28,028,764	\$30,365,803	\$31,822,010
Total	\$356,781,659	\$381,686,950	\$399,969,345	\$409,914,997

Liabilities and Equity

Accounts Payable	\$145,147	\$177,181	\$149,555	\$73,768
Notes Payable	\$26,948,359	\$27,938,082	\$38,620,334	\$37,493,275
Other Liabilities	\$5,810,662	\$6,496,681	\$5,716,062	\$6,167,426
Shares	\$61,113,462	\$67,580,788	\$77,619,702	\$86,811,404
Deposit Accounts	\$182,464,130	\$201,850,484	\$212,786,978	\$212,644,572
Certificates of Deposit	\$46,879,659	\$41,745,645	\$28,464,590	\$27,347,793
Required Reserves	\$5,204,759	\$5,204,759	\$5,204,759	\$5,204,759
Undivided Earnings	\$28,215,481	\$30,693,330	\$31,407,365	\$34,172,000
Total	\$356,781,659	\$381,686,950	\$399,969,345	\$409,914,997

Income

Interest on Loans	\$13,536,564	\$13,106,050	\$12,896,936	\$12,946,101
Income from Investments	\$1,493,842	\$1,274,147	\$1,103,161	\$1,536,217
Other Income	\$5,530,882	\$6,286,844	\$6,366,499	\$6,982,290
Total	\$20,561,288	\$20,667,041	\$20,366,596	\$21,464,608

Expenses	2011	2012	2013	2014
Employee Comp & benefits	\$8,436,486	\$8,547,363	\$8,833,511	\$9,406,562
Cost of Space	\$1,083,254	\$1,023,016	\$1,107,149	\$1,240,169
Office Operations	\$2,590,763	\$3,181,708	\$3,221,232	\$3,433,072
Association dues	\$19,116	\$25,307	\$24,693	\$26,321
Member insurance	\$10,114	\$10,384	\$10,814	\$11,002
NCUA Premium/Assessment	\$568,976	\$285,859	\$249,653	\$-
Interest expense	\$3,074,015	\$2,469,976	\$1,890,585	\$1,561,838
Other expenses	\$2,888,613	\$3,829,013	\$3,726,626	\$4,357,761
Total	\$18,671,337	\$19,372,626	\$19,064,262	\$20,036,725
Non-operating gain (loss)	\$557,137	\$872,409	\$384,403	\$658,827
Net Income from Operations	\$2,447,088	\$2,166,824	\$1,686,737	\$2,086,709

Distribution of Net Income

Required Reserve	\$-	\$-	\$-	\$-
Undivided Earnings	\$2,447,088	\$2,166,824	\$1,686,737	\$2,086,709
Total	\$2,447,088	\$2,166,824	\$1,686,737	\$2,086,709

ASSET GROWTH	4.56%	6.98%	4.79%	2.49%
LOAN GROWTH	1.50%	10.41%	4.46%	4.28%
SHARE GROWTH	5.87%	7.13%	2.47%	2.49%
NET WORTH	9.21%	9.18%	9.18%	9.47%
ROA	0.70%	0.59%	0.43%	0.52%

Audit Affirms Operational Safety & Soundness

The Audit Review Committee is charged with monitoring the credit union's operations to ensure ECCU is conducting business in a safe and secure manner. The committee retained CPA-certified Doeren Mayhew to conduct a comprehensive annual audit to evaluate ECCU's business and stewardship practices. The audit found everything in order. In the opinion of the Audit Review Committee, ECCU is operating in a safe and secure manner with its members' best interests in mind. We believe the financial statements presented in this report fairly represent the condition of your credit union at year end 2014.

Kimberley Rohr
Chairperson

Committee
Josie Howard-Wyne
Sue Boyer
Joni LaPointe



Convenience, Access to Credit Highlight 2014

Providing loans at a fair price and educating members about the wise use of credit have helped distinguish ECCU from other financial institutions for 80 years. Greater convenience and even wider access to credit were the hallmarks of 2014.

We implemented our "KWIK" loans – loans by phone and the eDocuSign program, giving members the freedom to not only apply for a loan electronically, but close it as well, all from the comfort of a keyboard.

Our new 7-year mortgage at 1.99% APR proved popular with members, enabling them to pay off a home loan quickly at a historically low interest rate. We also restructured our Home Equity Line of Credit program to be more competitive, including lowering rates and creating the ability to do 100% Loan-to-Value. Open to the public, two First-Time Home Buyer seminars were held and attracted members and non-members.

Auto loans grew by 12.85% over 2013, for a total of \$28 million, and loans were up \$12 million.

Even with the introduction of our First Time Auto Buyer loan enabling younger members to borrow without a cosigner and our Fresh Start Auto Loan helping members with less-than-perfect credit borrow at a reasonable rate, our delinquency rose only slightly to .50%, and remains lower than our peers. Charge-offs were .32%, also lower than peer rates.

Karen DeMars
Chairperson

Committee
Jeff DeShane
September Kirvan



2014 Highlights

Developed a new blog as resource for education and information: blog.eccu1.org

Installed a new, deposit taking, ATM on WMU campus

Partnered with Greenpath Financial Wellness to offer free financial coaching

Continued growth from consumer lending department:

- Grew consumer loans \$12 million over 2013 year end numbers
- Generated \$28 million in auto loans, a 12.85% increase over last year
- Hosted two First Time Home Buyer seminars, open to the public, to guide new home owners through the process

Enhanced our loan servicing with the following tools:

- Introduced eDocuSign program which gives us the ability to close consumer loans electronically making it much more convenient for members
- Added a KWIK loan line for quick, over the phone loan applications and approvals
- Launched Skype video calls at remote branches for easy face-to-face interaction with our loan team

Chose a new core computer provider, FISERV

Expanded the Commercial Services department

- Received approval to be an SBA Express Lender
- Originated \$5.3 million in commercial loans, which is 132% over goal
- Updated the commercial service process and documents to make the department more efficient

Created an eBook on Credit Score to help members understand and improve their credit score

Expanded our partnership with Western Michigan University to offer the first Educational Forum series



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Right. At home.



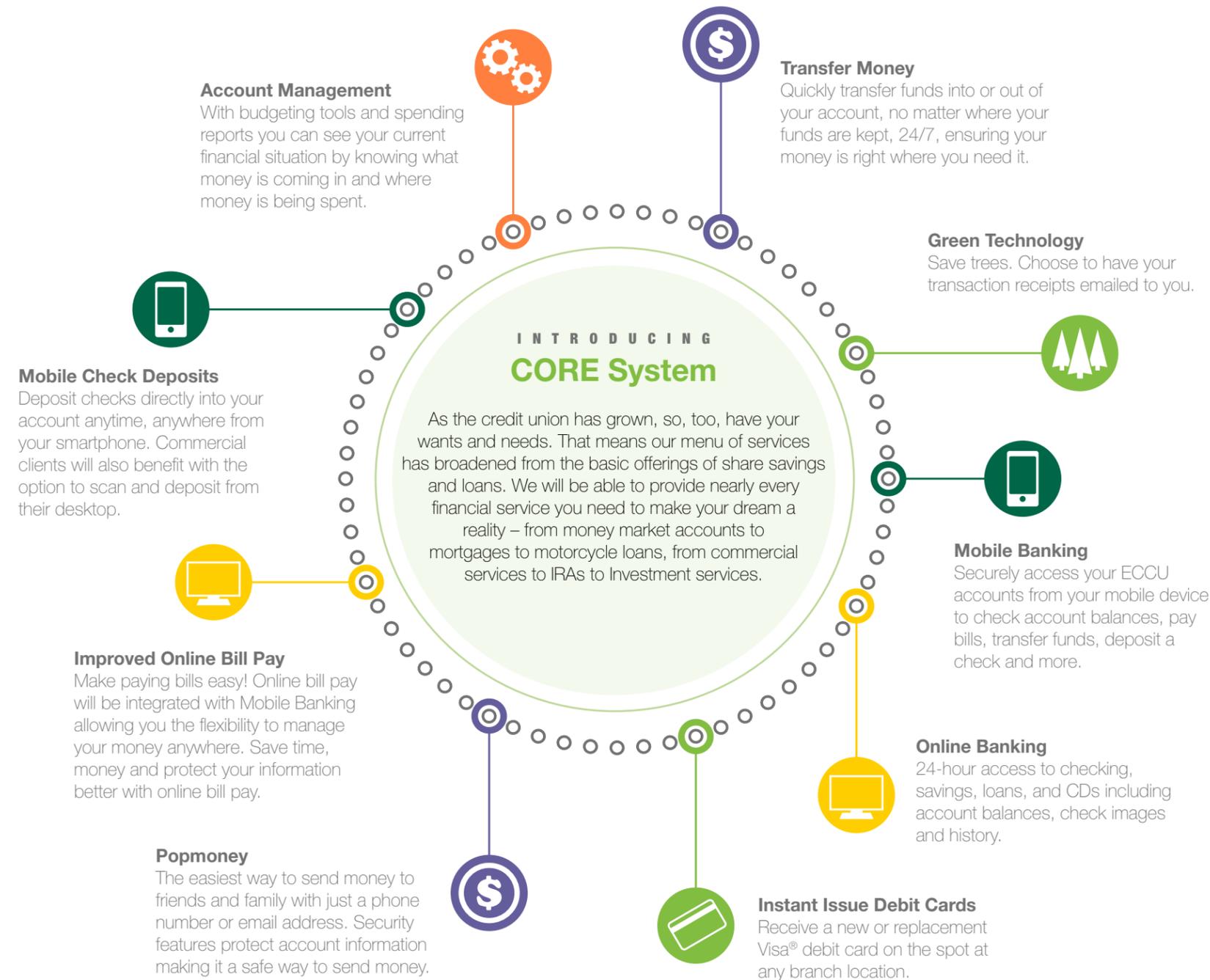
Welcome Julie Blitchok!

Welcome aboard to Julie Blitchok, who took the helm of the credit union on March 2, 2015. Julie is the fourth chief executive in the credit union's 80-year history. "I was drawn to ECCU because of its reputation for providing value to its members," Julie says. "I strongly believe credit unions are a great financial choice for consumers, and the more I learned about ECCU, the more excited I became about the opportunity. ECCU's Core Values really resonated with me. They are so simple, yet so meaningful. They are wonderful values for guiding the staff and the organization as a whole: Work together. Do the right thing. Have fun."

"I was drawn to ECCU because of its reputation for providing value to its members."

With the expansion of ECCU's field of membership to a community charter, Julie looks forward to extending the benefits of belonging to even more consumers in the future. "We will continue to stay connected to our roots, to our educators and health care employees – that won't go away," Julie says. "But the credit union is positioned to grow and to serve even more members." Keeping pace with technology and members' preferences for service delivery options will be challenges for the credit union, Julie notes. "By listening to members, we can continue as a strong, healthy credit union and offer them services that are relevant to their lives."

Julie Blitchok



AT OUR CORE

ECCU says Farewell to Chuck Cornelius

When Chuck Cornelius began his career with the credit union as a loan officer in 1979, the credit union had \$15 million in assets and one branch serving 15,000 members. The 928 credit unions in Michigan had a total of \$3.8 billion in assets. As Chuck retires and bids adieu to ECCU, 37,167 members can access their accounts virtually anywhere: at seven ECCU offices, over 35,000 network ATMs as well as from HomeBanking and a mobile app. At \$409 million in assets, ECCU is one of the remaining 285 Michigan credit unions with a total of \$48 billion in assets.

***“Members have always come first...
...ECCU is dedicated to their well-being.”***

In his 36-year-tenure with the credit union, Chuck has seen not only growth in assets and number of members, but also the range of services and service delivery. “As the credit union has grown, so has our members’ wish lists. We’ve gone from offering the basics – share savings and loans – to fulfilling a widening array of members’ financial needs,” he says. And because today there’s a wide spectrum of needs, ECCU has responded with a blend of service delivery systems. “From passbooks to mobile apps, we’ve worked hard to deliver services in a way to meet everyone’s needs,” Chuck notes.

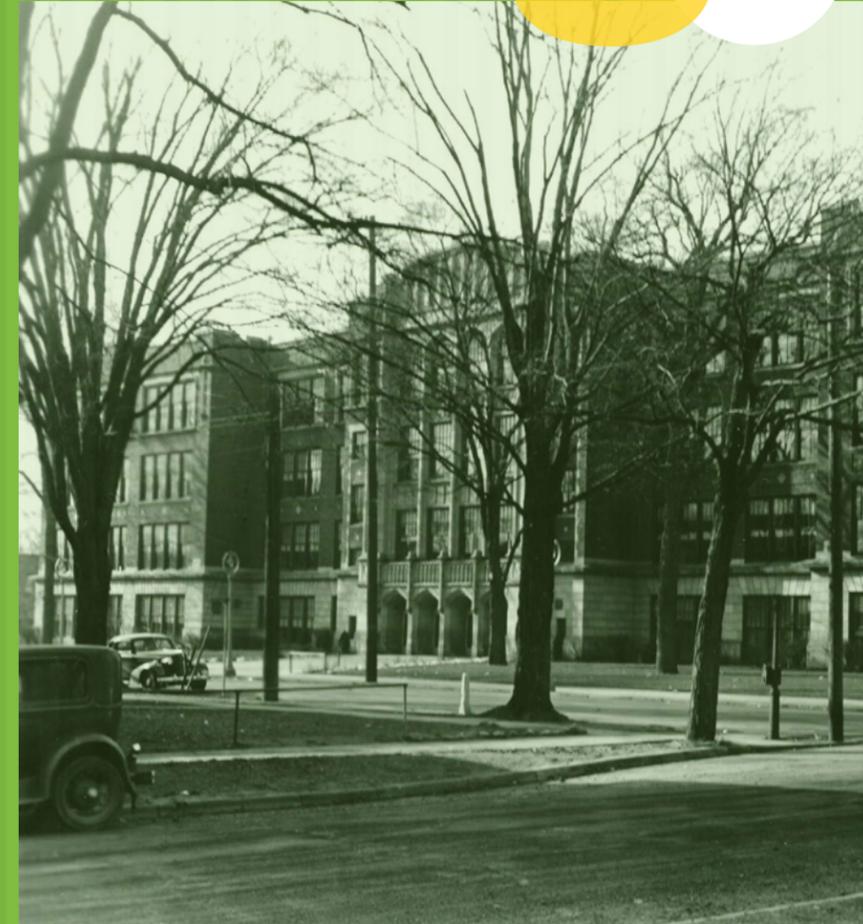
As ECCU celebrates its 80th anniversary, Chuck believes ECCU is well-positioned to continue to thrive. “An improved core information processing system will provide the opportunity to offer new products and services and to keep up with demands,” he says. “The management, staff and board have seen tremendous change and have embraced that change, working together, gaining confidence, becoming more nimble. I’m certain ECCU will continue to move forward successfully. I’ve been honored and privileged to be part of the ECCU family. I’d like to thank everyone for the many wonderful memories and the opportunity to serve,” he says.

***“I’ve been honored to be a part of ECCU...
...thank you for the many wonderful memories.”***

Charles Cornelius



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The credit union started in 1935 by nine founding members in a classroom in the old Kalamazoo Central High School.

Re-telling a credit union classic.

Our roots go back 80 years to August 1935. Nine founding members (John Clements, Henry Van Westrienen, Clarence Webb, Robert Dewey, Earl Auxter, Archie Nevis, Grace Lewis, Clarence Peters, and Homer Davis) decided they and their fellow employees could use a better place to bank.

Somewhere affordable, conscientious, and trustworthy. Somewhere they could save and borrow at reasonable rates. Working out of a shoe box no less, these original member/owners founded what you now know as Educational Community Credit Union (ECCU). It was through their vision and hard work that ECCU was born to meet the basic financial needs of its members.

Of course, much has changed over the years; not our intent, purpose or passion for serving you, but the breadth and depth of services we offer and the number of lives we touch.

**You, the member, will ALWAYS
be our number one priority!**