



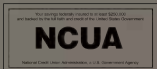
Growing
Together.

A BETTER WAY OF BANKING™





T GROWING G E T H E R



NCUA (National Credit Union Administration), a U.S. Government Agency – Member accounts are federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government.



EECU • 2013 Annual Report

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REPORT OF THE CHAIRMAN & PRESIDENT



George Thompson Jr.

George Thompson, Jr.
Chairman



Lonnie Nicholson

Lonnie Nicholson
President and
Chief Executive Officer

Over the 80 years EECU has been in business, we've had the pleasure of helping thousands of people reach their financial goals. Our success has come from a passion for providing financial products and services of real value and a commitment to making our member experiences enjoyable and worthwhile. Our focus on service excellence, convenience and fiscal responsibility has allowed us to enjoy continued growth and financial strength through some challenging economic times these past few years. Through it all, we remain committed to helping our members with financial solutions that improve their lives. We call it "A Better Way of Banking™."

We're pleased to report your credit union achieved significant growth in 2013. Membership increased to more than 177,000 while assets surpassed \$1.5 billion, an increase of 5.8% and 7.5%, respectively. Our loan portfolio exceeded \$1.1 billion, a healthy increase of 10% over the prior year. So what did this growth mean to our membership? We were able to help 285 families purchase new homes, 119 families save money by refinancing their mortgages, 15,642 people purchase vehicles and 2,876 people secure low-rate credit cards. And through our new auto leasing program we were able to help 194 people lease their vehicles. In addition, EECU subsidiary North Texas Insurance Services (NTIS) continued to grow in popularity during the past year. Issuing nearly 300 new property and casualty insurance policies, NTIS helped save EECU members money while extending our array of competitive services.

While much of our financial growth was a result of deepening relationships with our existing members, some resulted from adding nearly 10,000 new members to our family. Among the new members who joined EECU, roughly 5,000 came to us through a consolidation with Fort Worth Telco Credit Union in June. Others joined as a result of our extending services to area businesses, their employees and employees' family members to include major employers such as Bell Helicopter.

We continued to embrace innovation as a means to improve our members' experiences with us. As an early adopter of technology, once we are convinced a solution is reliable, safe and beneficial to our members, we provide it. In 2013, we expanded our line of mobile applications to support tablets, including iPad, Android and Kindle Fire devices. We also enhanced the Popmoney® payment service in Online Banking to allow members to send payment requests to people anywhere in the world through text message or email. Additionally, we made it even easier to apply online for a new account or loan, and in most cases, members never have to step into a branch. Important documents that used to require a fax machine or mail can now be signed and returned digitally without printing them out or putting pen to paper. These enhancements have allowed us to serve our members better no matter where they live or work.

The credit union maintained a strong focus on economic support in the communities and among the people we serve. This year, we continued our tradition of helping students realize their dreams of earning college degrees by awarding \$30,000 in scholarships to deserving high school students within our membership. In addition, we launched an internship program, which focuses on developing educational opportunities related to personal finance for college students. Since EECU began offering scholarship programs in 1988, we have awarded more than \$390,000 to help students reach their academic goals.

Today, our mission remains as resolute as it was some 80 years ago—to help people reach their financial goals. We are extremely grateful to all our members who helped make this past year a success by allowing us the opportunity to serve their financial needs. On behalf of the board, management and staff at EECU, we thank you for your continued support and look forward to a successful 2014.





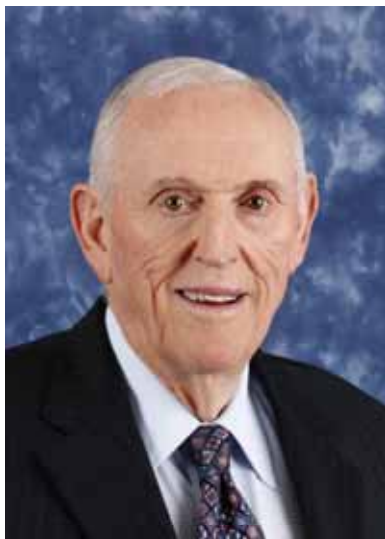
Frank Molinar

Frank Molinar
Treasurer

U.S. economic conditions continued to strengthen modestly during 2013.

Gross domestic production was a meager 1.8%, falling below the rate of 2.8% experienced in 2012. Economists predict improvement in 2014 with the GDP expected to reach 2.6% by late 2014 or early 2015. Although the U.S. unemployment rate dropped to its lowest level since 2008, the decline to 6.7% in December was primarily attributed to contraction in the labor force participation rate, now at its lowest level since 1978. While increased hiring and manufacturing activity are forecasted for 2014, the pace of economic development and recovery remain below historical measures. As a result, short-term interest rates are not expected to increase before 2015, provided inflation pressures remain constrained, the unemployment rate declines further and economic growth becomes more sustainable. The housing market continued to improve in 2013 with more expansion expected in 2014. Home sales increased during 2013 as inventories of both existing and new homes tightened. Retail sales increased a modest 4.5% this year, driven in part by strong automobile sales of 15.6 million units—up 5% over the previous year. The consumer confidence index improved in December following declines from the government shutdown in October, largely driven by expansion of the manufacturing and housing sectors of the U.S. economy. Consumer sentiment as measured by the index was dramatically improved from its low point in 2009.

Through the economic downturn and slow recovery, EECU has continued to offer members a safe haven for deposits and competitive rates on their savings balances, albeit at historically low rates of return. Record-low interest rates continue to compress the credit union's loan and investment yields, as well as the rates of return on member shares and deposits yet provided a tremendous opportunity for members borrowing funds. This period of extremely low interest rates is expected to last into 2015.



Johnny Largent

Johnny Largent
Chairman of the
Credit Committee

The credit union experienced growth in member savings balances of \$78 million or 6.08%, compared to growth in 2012 of \$117 million or 8.73%. As a result, the credit union's assets grew to \$1.570 billion. With continuation of the unprecedented low interest rate environment, management continued its strategy of restricting share and deposit growth and deploying funds into the investment and loan portfolios. Total loans outstanding reached \$1.1 billion, increasing 10% from the prior year, or \$101 million. The credit union produced a record level of new loans of \$648 million, up 14.6% over the record level of \$565 million experienced in 2012.

The credit union's operating performance improved modestly from \$15.9 million in 2012 to \$16.2 million in 2013, as the record-low interest rate environment created challenges in growing revenue. Despite this, management made significant strides in improving capital strength, as the credit union's regulatory net worth ratio grew from 10.25% to 10.73% during 2013. Similarly, the overall rate of loan delinquency declined from .39% to .36%, remaining well below industry comparisons. Members' equity capital increased \$19 million from \$144 million to \$163 million, providing enhanced value for the credit union's membership and augmenting capital strength with growth in the net capital ratio from 9.82% to 10.41%.

Prospects for a significantly stronger U.S. economy, increased job growth, higher interest rates, and sustainable gains in consumer confidence remains uncertain in 2014. With that in mind, EECU will continue to adhere to its conservative business practices while providing value and safety to its members. We would like to take this opportunity to express our sincere gratitude for your continued support and confidence in EECU.



Your audit committee meets on a regular basis

to oversee the credit union's audit function. Its mission is to ensure accurate and fair presentation of the credit union's financial condition, and to assist management in evaluating the effectiveness and efficiency of risk management practices, resource management, internal controls, regulatory compliance and overall governance. Through comprehensive standards, measurements and oversight, we work diligently to ensure the continuation of EECU's fiscal health and sound operations. To accomplish its oversight and fiduciary responsibilities, the audit committee is assisted by the auditing services of Orth, Chakler, Murnane and Company, CPAs, and the independent accounting firm of Doeren Mayhew. Internal auditing utilizes a risk-based approach to provide an independent, objective review of operations through a variety of comprehensive auditing engagements throughout the year.

Doeren Mayhew conducts an annual, independent audit of the credit union's financial statements. The audit committee meets on a routine basis to establish auditing plans, review audit results and ensure timely correction of deficiencies by operating management. Regulatory examinations are performed on an annual basis by the Texas Credit Union Department and the National Credit Union Administration. These examinations focus on EECU's financial condition, safety and soundness, credit administration practices, operating results, and management oversight. The audit committee is pleased to report EECU remains operationally and financially safe and sound.



Frank Molinar
Treasurer

ASSETS	2013	\$1,570,451,738	\$1,468,179,670	2012
LOANS	2013	\$1,106,563,023	\$1,005,312,516	2012
DEPOSITS	2013	\$1,362,469,229	\$1,284,533,490	2012
MEMBERS' EQUITY	2013	\$163,520,786	\$144,171,161	2012
DIVIDENDS	2013	\$9,658,812	\$10,799,652	2012
NET INCOME	2013	\$16,189,670	\$15,947,142	2012
MEMBERSHIP	2013	177,611	167,849	2012



EECU BOARD OF DIRECTORS



George Thompson Jr.
Chairman



Dr. Joe Bean
Secretary



Ben Davis



Karel Rucker



Dr. Rich Dear
Vice Chairman



Nikita Russell



Johnny Largent



Mauro Serrano



Frank Molinar
Treasurer

In 2013, there was a change in EECU's senior management team. Tim Burch was hired to serve as chief information officer following John Bock's retirement.



CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

December 31, 2013 and 2012

2013

2012

ASSETS

Cash and cash equivalents	\$ 238,884,495	\$ 284,647,473
Non-negotiable certificates of deposit	1,389,877	-
Investment securities		
Available-for-sale	133,087,141	115,185,926
FHLB stock	1,617,600	1,610,200
Loans held-for-sale	22,945,108	3,364,256
Loans to members, net of allowance for loan losses	1,106,563,023	1,005,312,516
Accrued interest receivable	3,554,388	3,567,283
Property and equipment	29,326,012	27,866,949
Share insurance deposit	12,702,358	11,915,035
Investments in CUSOs	527,597	527,597
Defined benefit pension plan	12,754,002	10,567,546
Other assets	7,100,137	3,614,889
Total assets	\$1,570,451,738	\$1,468,179,670

LIABILITIES AND MEMBERS' EQUITY

Liabilities

Members' shares and savings accounts	\$1,362,469,229	\$1,284,533,490
Borrowed funds	25,020,500	25,020,500
Accounts payable and other accrued liabilities	19,441,223	14,454,519
Total liabilities	1,406,930,952	1,324,008,509

Commitments and Contingent Liabilities

- -

Members' Equity — substantially restricted

163,520,786 144,171,161

Total liabilities and members' equity **\$1,570,451,738** **\$1,468,179,670**

CONSOLIDATED STATEMENTS OF EARNINGS

December 31, 2013 and 2012

2013

2012

Interest Income

Loans receivable	\$ 47,177,180	\$ 47,734,986
Investment securities	2,385,598	1,539,650
Total interest income	49,562,778	49,274,636

Interest Expense

Interest and dividends on members' savings accounts	9,658,812	10,799,652
Interest on borrowed funds	1,043,726	1,046,585
Total interest expense	10,702,538	11,846,237

Net interest income 38,860,240 37,428,399

Provision For Loan Losses

5,768,647 4,729,238

Net interest income after provision for loan losses 33,091,593 32,699,161

Non-Interest Income

Fees and charges 24,910,742 21,472,464

Non-Interest Expenses

Compensation and benefits	20,948,388	18,989,479
Office operations	10,355,024	9,683,461
Occupancy	2,719,760	2,727,557
Operating expenses	6,761,730	5,681,176
TCCUSF and NCUSIF premium assessments	1,027,763	1,142,810

Total non-interest expenses 41,812,665 38,224,483

Net Earnings

\$ 16,189,670 **\$ 15,947,142**

The consolidated financial information presented on these pages is a condensed representation of the EECU December 31, 2013, financial statements without cash flows, changes in equity, and comprehensive footnotes, prepared by our independent, certified public accounting firm Doeren Mayhew in the audited consolidated financial statements, which are available for review in the executive offices of EECU, Fort Worth, Texas.

The Best is Yet to Come.

It was a banner year for EECU in 2013 with growth in membership and across all product lines, and we're already working hard to top last year's results.

We know that with growth comes the responsibility to evaluate and reevaluate our products and services to ensure that we are meeting members' changing needs. With that in mind, new feedback avenues such as social media and online surveys were implemented to connect with members, resulting in a wealth of information regarding member experiences with their credit union. We will apply what is learned to help continue improving our products and services and will communicate changes with members through regular emails, website content, letters and social media conversations. If you haven't already subscribed to these communications channels, be sure and do so in order to continue receiving the latest updates from your credit union.

Along that vein, we have already begun working on exciting changes to some of our products to better suit members' needs. In 2014, we will enhance our credit card program to provide greater choice. We recognize some members value a low rate while others want more Rewards! points on purchases. Our new product line will offer members flexibility. In addition, we are expanding our reach to help support the business communities in our field of membership. This spring, we will launch newly revamped business deposit services to suit a wider array of transactional needs, and introduce business service professionals to help meet the borrowing needs of member business owners.

In order to better serve existing members and to expand service to even more people in the Dallas-Fort Worth Metroplex, we are pursuing branch locations in key growth markets such as the Alliance Corridor in north Fort Worth and Hudson Oaks on the east side of Weatherford. We will keep members advised of progress and future availability of service. Additionally, we have purchased a building near downtown Fort Worth which will be renovated to create an operations center to support growth of administrative functions. Located near the Trinity River Uptown development of Fort Worth, this will allow us to expand our footprint in the city and be a part of some very exciting changes to come.

As in 2013, we have much to look forward to in the future. We have set ambitious goals intended to improve our members' experiences through enhanced products and services, and more convenient access using the latest technology. We thank you for choosing EECU. We appreciate the opportunity to serve you and to earn your trust.



Loans

Auto and Auto Leasing
Recreational Vehicle
Mortgage (Purchase Money)
Home Equity and HELOCs
Home Improvement
MasterCard® Credit Card with Rewards!™
Signature (Personal)

Checking

Real Worth Checking
Real Worth with Interest Checking
Young Adults Checking
65 and Better Checking
Visa® Debit Card with Purchase Rewards

Convenience

55,000 free ATMs Worldwide*
Direct Deposit/Payroll Deduction
FinanceWorks™
eAlerts
Mobile Banking
Mobile Deposit
Online Account Opening and Loan Approval
Online Banking
Online Statements
Personal Insurance Services
Telephone Banking

Deposits

Savings Accounts
Certificates of Deposit
Money Market Accounts
IRAs

Investment Services

Annuities
Mutual Funds
Stocks
Bonds

Business Services

Business Checking
Business Debit Card
Business Loans
Business Savings Accounts
Business Insurance
eDeposit for Business
Merchant Card Services
Payroll Tax Deposit Services

*Fee-free ATMs are available worldwide through the Allpoint® Network, including Target® and 7-Eleven® locations.



CONVENIENT LOCATIONS

FORT WORTH

1617 W. 7th St.
Fort Worth, TX 76102
Drive-thru ATM on-site

ARLINGTON

2212 Southgate St.
Arlington, TX 76013
Drive-thru ATM on-site

BURLESON

750 N.E. Alsbury Blvd.
Burleson, TX 76028
Drive-thru ATM on-site

CLIFFORD

9350 Clifford St.
Fort Worth, TX 76108
Drive-thru ATM on-site

HULEN

6049-A S. Hulen St.
Fort Worth, TX 76132
Drive-thru ATM on-site

HURST

1600 Campus Dr.
Hurst, TX 76054
Drive-thru ATM on-site

LITTLE ROAD

1253 N. Little School Rd.
Arlington, TX 76017
Drive-thru ATM on-site

MANSFIELD

1720 U.S. Highway 287 N.
Mansfield, TX 76063
Drive-thru ATM on-site

NORTHSIDE

301 N.W. 28th St., Suite 121
Fort Worth, TX 76164
Drive-thru ATM on-site

SAGINAW

717 West Bailey Boswell Rd.
Saginaw, TX 76179
Drive-thru ATM on-site

SOUTHLAKE

1460 W. Southlake Blvd.
Southlake, TX 76092
Drive-thru ATM on-site

WATAUGA

7436 Denton Highway
Watauga, TX 76148
Drive-thru ATM on-site

WEATHERFORD

108 E. Park Ave.
Weatherford, TX 76086
Walk-up ATM on-site

eecu.org | p: 817.882.0800 | f: 817.882.0099

Toll-free long distance: 800.333.9934

Business Services: 817.882.0239

Investment Services: 817.882.0138

Telephone Banking: 817.882.0767



Federally insured
by NCUA

