

Letter from the President

Although much has changed at ECCU over the last 55 years, one thing remains the same—our unwavering commitment to serving **Christ-centered individuals, families, ministries, and businesses as we help protect, grow, and share their financial resources.**

We understand the uncertainty we all are experiencing due to the COVID-19 global crisis and we are committed to working with and supporting our members as you navigate new and unforeseen financial challenges facing the world today. During a crisis, we can rely on the Holy Spirit's guidance, direction, and comfort to remain focused on God's plan and our calling on this earth. We at ECCU consider it a privilege to serve each of you—our members—as you live out your God-given purpose.

In 2019 and early 2020, we completed numerous initiatives that will provide you with added value. Here are some of the highlights:

Organizational Transformation

Over the past few years, we have transformed our organization—becoming a digital-first Credit Union that offers a premier online banking solution for consumers and ministries. We have reorganized our operations and increased expertise through training and new leadership. Our people, process, and technology improvements came together in 2019, which will allow us to serve you better in 2020 and beyond.

We went further in 2019 in supporting ministry effectiveness by being the first faith-based financial institution to focus and build products that serve the new church or "**Church Plants.**" These organizations fit the model the apostle Paul spoke about in the Book of Acts. We see supporting Church Plants and Sending Churches as critical to our mission.

In February 2020 we launched a new suite of rewards-based checking and savings accounts for our consumer members powered by our partner **KASASA®**. These accounts are always free and they reward members for using ECCU as their primary financial services provider.

Financial Performance

Our hard work over the past few years paid off in 2019 as we approached the end of the year prepared to recognize a profit of over \$3 million. However, demonstrating our commitment to being good stewards of the resources God has entrusted to us, our leadership team decided to use these potential 2019 profits to sell a large amount of higher risk loans. This decision resulted in a financial loss of \$6.7 million in 2019, which reduced our portfolio of higher risk loans by half.

This loss was taken intentionally to continue strengthening ECCU's loan portfolio, which like many financial institutions, was negatively impacted following the 2008 recession.

Key Metrics	2019
Revenue	\$23.7 million
Operating Expense	\$22.1 million
Net Loss	\$6.7 million
Net Worth	8.11%
Volunteer Hours	1,097
Corporate Tithing	\$82,950

ECCU is moving forward in new and innovative ways with a committed focus to serve our members—the individuals, missionaries, and ministries that make up the Body of Christ. The Church is adapting and evolving in these new times—and so are we.

Looking ahead, we are preparing ECCU to serve the **Christian business owner.** This new focus area for the Credit Union will allow us to bring the same competitive small business banking and cash management services that many banks offer, but through a Biblically principled approach. Today, because of our tenured support of ministries and churches, we already have most of the products and services needed to launch into this area.

We are excited about the future and remain committed to stewarding our members' resources well. Thank you for the privilege of your partnership as we impact the Kingdom together through the resources God has entrusted to us!

In Christ,



Abel Pomar
President, Chief Executive Officer

2019 Financial Statements

Statements of Financial Condition

as of December 31, 2019 and 2018

Assets	2019	2018
Cash and cash equivalents	\$ 114,305,426	\$ 13,944,611
Investment securities.....	96,350,376	106,717,404
Loans held for sale, at fair value.....	46,386,872	-
Loans to members, net	379,653,036	495,877,505
National Credit Union Share Insurance Fund (NCUSIF) deposit	4,914,412	5,395,457
FHLB stock	3,738,200	3,750,900
Other real estate owned	-	953,609
Premises, property and equipment (net)	44,849,716	46,161,343
Other assets	25,699,861	30,354,133
Total Assets.....	\$ 715,897,899	\$ 703,154,962

Liabilities and Members' Equity

LIABILITIES

Members' share accounts	\$ 620,194,349	\$ 631,096,228
Borrowed funds	34,426,823	5,437,384
Accrued expenses and other liabilities	3,600,561	2,645,293
Total Liabilities.....	658,221,733	639,178,905

MEMBERS' EQUITY

	57,676,166	63,976,057
Total Liabilities and Members' Equity	\$ 715,897,899	\$ 703,154,962

Statements of Operations

for the Twelve Months Ended December 31, 2019 and 2018

Interest Income	2019	2018
Loans to members	\$ 21,517,530	\$ 22,005,536
Investments	3,972,905	3,552,333
Total Interest Income	25,490,435	25,557,869

Interest Expense

Members' share accounts	6,609,761	6,031,403
Borrowed funds	848,496	39,869
Total Interest Expense	7,458,257	6,071,272

Net Interest Income before Provision for Loan Losses	18,032,178	19,486,597
Provision for loan losses	873,950	4,728,956

Net Interest Income after Provision for Loan Losses	17,158,228	14,757,641
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Non-Interest Income

Loan servicing fees	2,418,233	2,750,312
Other fees and charges	2,066,147	2,180,239
Other real estate owned income (net)	849,999	126,415
Other	(7,133,412)	2,193,043
Total Non-Interest Income	(1,799,033)	7,250,009

Non-Interest Expense

Salaries and benefits	11,754,065	14,076,185
Other operating expenses	10,314,273	10,032,871
Total Non-Interest Expense	22,068,338	24,109,056

Net Income (Loss)	\$ (6,709,143)	\$ (2,101,406)
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The information above has been derived from ECCU's audited financial statements.
To request the audited financial statements, call 800-634-3228.

USA: 800.634.3228

International: 714.671.5705

Email: solutions@eccu.org

The ECCU Supervisory Committee serves members by reviewing the credit union's financial operations. The Committee monitors ECCU policies and practices as needed to protect member accounts. To do this, the Committee engages appropriate experts to audit accounts, review internal controls, and monitor compliance with applicable laws and regulations. The Committee meets regularly to receive and evaluate the reports of these experts.

Based on the unmodified opinion of ECCU's auditors, Moss Adams LLP, the Supervisory Committee has determined that ECCU complies with all credit union requirements and has good internal controls. In addition, its 2019 financial statements fairly present, in all material respects, the credit union's financial position, results of operations, and cash flows.



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

