

Letter from the President

We will all remember 2020 as a year of human suffering, economic challenge, and great uncertainty. Yet the past year will also be remembered for innumerable demonstrations of God's love, faithfulness, and mercy, made available through the sacrifice of His son Jesus Christ. We were witnesses of God strengthening the mission and effectiveness of his Church under very challenging circumstances. Praise be to our Lord and Savior, Jesus Christ!

As we begin to turn our hearts and minds to a post-pandemic future, and a safe return to normal, we at ECCU remain committed to partnering with you, our members, to **protect, grow, and share** your financial resources, so that together we can positively impact the world for Christ. Looking back at 2020, we did this by:

- Successfully managing the financial and economic challenges posed by the COVID-19 pandemic and emerging a resilient and stronger financial institution
- Providing Paycheck Protection Program Loans to hundreds of ministry and small business members through a strategic partner
- Reducing high risk loans to the lowest levels since 2008 and delivering the strongest ECCU since the Great Recession
- Growing total members by over 5%
- Growing insured relationship deposits by over 13%

We achieved these results with an ongoing commitment to providing our members with the best in digital banking tools; ease and understanding with every interaction; and the best possible value in deposit and loan rates, all while sharing your Christian values and investing in ministries that spread the Gospel.

2020 Financial Performance

Due to the COVID-19 pandemic, the credit union set aside a \$3.5 million loan loss reserve. I am pleased to report that none of that reserve was utilized in 2020 to address actual loan losses. In fact, there were no material negative effects on our loan portfolio in 2020. Despite this favorable outcome, management decided to maintain the \$3.5 million loan loss reserve into the third quarter of 2021 when the reserve will be reassessed. This decision caused the credit union to recognize a \$2.7 million loss for 2020. The loss was taken intentionally and out of an abundance of caution. Presently, all indicators point to being able to recover all, if not most, of the \$3.5 million COVID-19 reserves by year end 2021.

Key Metrics	2020
Revenue	\$25.3 million
Operating Expense	\$21.3 million
COVID-19 Reserve	\$3.5 million
Loss	-\$2.7 million
Net Worth	8.36%
Volunteer Hours	433
Corporate Tithing	\$98,700

Moving forward, ECCU continues its commitment to innovate and improve how we serve our members. This will be evidenced in 2021 by enhancing the products offered to consumers and Christian business owners, and by delivering products and services to our ministry members when and where they need us.

On behalf of the entire ECCU Team, I want to thank you for the privilege to serve your financial needs, as together we positively impact the world for Christ!

In Christ,



Abel Pomar
President, Chief Executive Officer

Year-End Financial Statements

Statements of Financial Condition

as of December 31, 2020 and 2019

Assets	2020	2019
Cash and cash equivalents	\$ 100,179,024	\$ 114,668,497
Investment securities	116,359,697	96,350,376
Loans held for sale, at fair value	-	46,386,872
Loans to members, net	370,537,126	379,653,036
National Credit Union Share Insurance Fund (NCUSIF) deposit	4,755,675	4,914,412
FHLB stock	2,948,500	3,738,200
Premises, property and equipment (net)	43,804,349	44,849,716
Other assets	23,771,861	25,699,861
Total Assets	\$ 662,356,232	\$ 716,260,970
 Liabilities and Members' Equity		
LIABILITIES		
Members' share accounts	\$ 602,875,590	\$ 620,194,349
Borrowed funds	415,875	34,426,823
Accrued expenses and other liabilities	2,879,806	3,963,632
Total Liabilities	\$ 606,171,271	\$ 658,584,804
MEMBERS' EQUITY		
Total Liabilities and Members' Equity	\$ 662,356,232	\$ 716,260,970

Statements of Operations

for the Twelve Months Ended December 31, 2020 and 2019

Interest Income	2020	2019
Loans to members	\$ 17,571,081	\$ 21,517,530
Investments	1,962,790	3,972,905
Total Interest Income	\$ 19,533,871	\$ 25,490,435
Interest Expense		
Members' share accounts	5,011,548	6,609,761
Borrowed funds	943,287	848,496
Total Interest Expense	\$ 5,954,835	\$ 7,458,257
Net Interest Income before Provision for Loan Losses	\$ 13,579,036	\$ 18,032,178
Provision for loan losses	758,010	873,950
Net Interest Income after Provision for Loan Losses	\$ 12,821,026	\$ 17,158,228
Non-Interest Income		
Loan servicing fees	2,121,294	2,418,233
Other fees and charges	1,818,210	2,066,147
Other real estate owned income (net)	5,809	849,999
Other	1,841,005	(7,133,412)
Total Non-Interest Income	\$ 5,786,318	\$ (1,799,033)
Non-Interest Expense		
Salaries and benefits	11,105,231	11,754,065
Other operating expenses	10,155,168	10,314,273
Total Non-Interest Expense	\$ 21,260,399	\$ 22,068,338
Net Income (Loss)	\$ (2,653,055)	\$ (6,709,143)

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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 multiple independent 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 independent external auditors, Moss Adams LLP, the Supervisory Committee has determined that ECCU's 2020 financial statements fairly present, in all material respects, the credit union's financial position, results of operations, and cash flows.

The information above has been derived from ECCU's audited financial statements. To request the audited financial statements, call 800-634-3228.



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.

