



EDCO Federal Credit Union
73rd Annual Meeting
February 6, 2010
Making A Difference Together



Treasurer's Report

"Making a difference together" is our theme this afternoon. Our future depends on members using our services and recommending Edco to others. Today we are celebrating 73 years of serving our members. We would like to thank you for helping us to achieve this accomplishment.

2009 proved to be a record setting year for our credit union, just not the type of records we are proud of. As the economy remains in poor condition with high unemployment our delinquency and charge offs rose as well. We had the highest number of bankruptcy filings, and the largest amount of loan losses in the history of Edco. Fortunately, Edco maintains high reserves that will carry us through these tough times. We realize that 2010 will still be a year filled with challenges. Lorain county still has a high unemployment rate and many of our members are still searching for employment.

On a positive note Edco did have a growth of 8½% in assets, 14½% in shares, but a loss for the year which was from charge offs and a decrease in earnings. Our new loan volume decreased by 41% with our total loan portfolio decreasing 6%. This was expected with the unstable economy and the tightening of our underwriting guidelines. We have established every effort to collect charge offs and to work with our members that are willing to make acceptable arrangements.

August 2009 we converted to our new data processing system. We are excited about this new system. It allows added security by maintaining images of our members, signatures to compare and is helping us to reduce our paper consumption. As everyone adjusts to the new system it will allow Edco to offer additional services in the future. We would like to thank our members for their patience during conversion and the learning process.

We offer competitive rates on both shares and loans. Valuable information can be found on our website. Website traffic continues to increase with many of our members gaining access daily to use our two online financial services, Powerline and PowerPay. Powerline allows you access to your accounts 24 hours a day, seven days a week. You can check account balances, review statement history, transfer funds among accounts, review cleared checks, view checks you have written, even make loan payments instantly. PowerPay is an online bill paying service that allows you to pay bills online. No checks to write or stamps to purchase. Visit our website at www.edcocu.org for more information.

I would like to thank everyone that works hard to make sure that Edco remains a stable financial institution. My thanks to Edco employees: Margie Rennie, Pat Tucker, Kim Sterna, Cindy Camps, Stacey Bock, Carol Brewer, Jackie Mantin and Angel Wright for their dedication and hard work. With your continued support I am sure we can face the challenges in 2010 look forward to another year of serving our members and sharing in their success.

Respectfully Submitted,

Patricia J. Orosz

Treasurer/CEO