

BOARD OF DIRECTORS & SUPERVISORY COMMITTEE

BOARD OF DIRECTORS

Keith Moddelmog, Chairman
Neil Mills-Mazer, Vice Chairman
Charles Morris, Secretary/Treasurer
Brenda Anderson
Duane Anderson
Sue Gildehous Clark
Robert Jeffery

SUPERVISORY COMMITTEE

Diane Leinweber, Chairperson
Terri Eagon
Michael Brown

VOLUNTEER INTERNS

Miles Friedman
Mary Jane Blackwell

EAGLE CU DIRECTORY

Member Service Center (949) 588-9400
(800) EAGLE CU (324-5328)
Corporate Office (949) 588-9400
23021 Lake Center Drive
Lake Forest, CA 92630
Mailing Address P. O. Box 5196
Lake Forest, CA 92609-8696

BRANCH LOCATIONS

Lake Forest 23021 Lake Center Drive
Garden Grove 12934 Harbor Boulevard
Placentia 781 Kimberly Avenue
Rancho Santa Margarita 29941 Aventura
Laguna Niguel* 24000 Avila Road
Santa Ana* 3101 W. Sunflower Avenue
City of Industry* 15421 Gale Avenue

*Cash available via ATM only at these locations

CONVENIENCES

Audio Express (949) 454-7700
CO-OP ATM Locations (888) SITE-COOP (748-3266)
CU Direct Lending Locations (888) CU DIRECT (283-4732)
CU Service Center Locations (888) CU SWIRL (287-9475)

WWW.EAGLECU.ORG



2007 ANNUAL REPORT



Where community counts . . .
one member at a time.

MESSAGE FROM THE CHAIRMAN

EAGLE COMMUNITY CREDIT UNION WAS FOUNDED IN 1937 by a handful of enterprising postal workers who pioneered a movement to provide fellow employees access to competitive financial products and services. As we enter our 71st year, our tagline, "Where community counts... one member at a time," reflects our commitment to deliver a complete portfolio of outstanding financial services and create a secure and prosperous future for all Eagle CU members.

As the financial statements included in this annual report clearly demonstrate, 2007 was a very difficult year. Although there are many contributing factors, the dominant influence was the ancillary impact of the deteriorating sub-prime lending market. Eagle CU did not and does not participate in sub-prime mortgages and suffered no direct losses. However, numerous members have been impacted by a slowing economy. As a result, the credit union experienced significant increases in loan delinquencies and net charge-offs.

The Board of Directors felt the need for a change in leadership and, after a lengthy search process, selected Bill Birnie as our new President and Chief Executive Officer. Bill is a retired Marine Sergeant Major, has served as a Supervisory Committee Chair and a Board member, is a "Highest Honors" graduate of the Western CUNA Management School, and was a senior executive at Pacific Marine Federal Credit Union. We are very excited about the enthusiasm, commitment, experience and leadership Bill brings to Eagle CU.

With new leadership in place, let us focus on the year ahead. The operative word for 2008 is CHANGE. Armed with the Visions articulated in our strategic plan—Financially Sound, Service Culture, Premier Workplace and Focus on our Roots (postal and federal employees)—the management team has begun to analyze every facet of our operations, as well as every product and service we offer. Some of the more dramatic initiatives created through this analysis include: offer Visa credit cards; convert our website, home banking and bill pay to a more robust platform; develop an automobile refinance program; develop a declining rate loan product for members with less than stellar credit; develop a new checking account; and implement numerous FEE REDUCTIONS. This is just the beginning! Indeed, it will be a very busy year for the staff and an exciting year for the membership as we launch new products and demonstrate our commitment to the provision of exceptional service.

We eagerly embrace the hard work ahead and offer our heartfelt appreciation for your loyal membership.

KEITH MODDELMOG
Chairman, Board of Directors

STATEMENT OF OPERATIONS

(Years ended December 31)

	2007 (Audited)	2006 (Audited)
INTEREST INCOME		
Interest on Loans	\$ 10,539,127	\$ 10,505,020
Interest on Investments	1,174,662	1,374,663
TOTAL INTEREST INCOME	\$ 11,713,789	\$ 11,879,683
INTEREST EXPENSE		
Dividends on Members' Shares	\$ 5,043,281	\$ 4,293,646
Borrowed Funds	378,959	465,422
NET INTEREST INCOME	\$ 6,291,549	\$ 7,120,615
Provision for Loan Loss	1,470,209	1,327,181
Net Interest Income After Provision for Loan Loss	\$ 4,821,340	\$ 5,793,434
Other Operating Income	2,609,679	2,464,537
Other Operating Expense	8,280,954	8,900,178
Non-Operating Adjustment	0	1,486,709
NET INCOME	\$ (849,935)	\$ 844,502

STATEMENT OF FINANCIAL CONDITION

(Years ended December 31)

	2007 (Audited)	2006 (Audited)
ASSETS		
Loans to Members (Net)	\$ 166,159,816	\$ 172,583,301
Cash & Investments	29,114,860	29,174,818
Fixed Assets (Net)	3,627,438	3,840,768
Other Assets	4,202,017	3,311,951
TOTAL ASSETS	\$ 203,104,131	\$ 208,910,838
LIABILITIES AND EQUITY		
Liabilities	\$ 5,888,891	\$ 10,417,503
Shares	175,583,420	176,095,212
Reserves	1,013,033	1,013,033
Undivided Earnings	20,594,899	21,444,834
Unrealized Gains/Losses on Investment Securities—AFS	23,888	(59,744)
TOTAL LIABILITIES & EQUITY	\$ 203,104,131	\$ 208,910,838

SUPERVISORY COMMITTEE REPORT

EAGLE COMMUNITY CREDIT UNION'S (EAGLE CU) SUPERVISORY COMMITTEE is responsible for monitoring the overall performance and operations of the credit union to ensure operational accuracy and regulatory compliance.

Comprised of member volunteers who act independently from the Board of Directors, the Supervisory Committee represents all Eagle CU members and is responsible for (1) evaluating the financial performance of the credit union by conducting a comprehensive annual audit, (2) continually assessing and evaluating the policies and procedures established by the Board of Directors, and (3) ensuring adherence to those policies, as well as all federal and state laws governing credit unions.

In addition to being regularly examined by governing state and federal regulatory agencies, Eagle CU conducts an annual audit. In 2007, the Supervisory Committee engaged the services of Richards & Associates, an independent CPA firm, to perform its comprehensive audit. In accordance with Generally Accepted Accounting Principles (GAAP) and procedures, a review of internal control systems, a verification of selected members' accounts and a thorough inspection of Eagle CU's financial records were completed.

The Supervisory Committee would like to thank the Board of Directors, management and staff for their support and cooperation over the past year.

DIANE LEINWEBER
Chairperson, Supervisory Committee

INDEPENDENT AUDITORS' REPORT

WE HAVE AUDITED IN ACCORDANCE with Generally Accepted Auditing Standards (GAAS), the balance sheet of Eagle Community Credit Union as of December 31, 2007, and the related statements of income, retained earnings and cash flows for the year then ended (not presented herein); and in our report dated March 6, 2008, we expressed an unqualified opinion on those financial statements.

In our opinion, the information set forth in the accompanying condensed financial statements is fairly stated, in all material respects, in relation to the financial statements from which it has been derived.

RICHARDS & ASSOCIATES,
Certified Public Accountants, Yorba Linda, CA