

The Ohio Educational Credit Union (OECU) takes pride in the value it provides its members through the quality financial services it makes available, all for the purpose of helping our members build their financial future. OECU members represent many diverse professions with education being the most significant. The Credit Union works closely with schools to assist their employees and provide financial education tools for the students. This same value is provided to other professions, including those in health/dependent care facilities, manufacturing, and service organizations.

The Credit Union has a rich history based on the Credit Union's philosophy of "People helping People." From its original chartering in 1933 the Credit Union has adhered to this philosophy and supported the seven cooperative principles that exist in the credit union industry. These principles are an integral part of OECU. We maintain these principles in all aspects of our business initiatives.

Voluntary Membership—The Credit Union is a voluntary, cooperative organization, offering services to people willing to accept the responsibilities and benefits of membership. The board of directors consists of unpaid volunteers elected by the membership.

Democratic Member Control—The Credit Union is a democratic organization owned and controlled by the members, one member one vote, with equal opportunity for participation.

Members' Economic Participation—Members are the owners. As such they contribute to, and democratically control, the capital of the Credit Union. This benefits members in proportion to their transactions with the Credit Union rather than on their capital invested.

Autonomy and Independence—The Credit Union is an autonomous, self-help organization controlled by its membership.

Education, Training and Information—The Credit Union provides education and training for members so they can benefit from, and contribute effectively to, the development of the Credit Union.

Cooperation Among Cooperatives—The Credit Union serves its members most effectively and strengthens the credit union cooperative movement by working together with other credit unions directly and through local, state, regional, and national structures.

Concern for Community—The Credit Union focuses on more than just its members' needs, it also works for the sustainable development of communities, including people of modest means, through policies developed and accepted by the members.

The Credit Union is placing renewed emphasis on providing value to the membership in several new ways. Consistent with the cooperative principles, OECU has been a long-time partner with over 1,000 other credit unions throughout thirty-nine states to provide members access to over 3,900 ATMs that do not assess surcharges to our members.

The Credit Union has placed a greater emphasis on financial education by providing members with workshops to learn the skills needed to manage their money. Financial education is also being directed toward youth to assist in teaching them good financial management skills.

A third area of renewed emphasis is on people of modest means. The Credit Union is providing the My Community Mortgage program, which is designed to assist the member who has modest financial means with the opportunity to become a homeowner.

OECU will continue to look for new ways to provide value to the membership. And while we do this, look again at the many services currently available to you as a member, and take advantage of the value you can receive by using your Credit Union.

The Board of Directors and staff are committed to fulfilling the mission of providing a full range of superior financial services, education and exceptional value to help our members build their financial future.

Respectfully submitted,

Duane Horning
President of the Board of Directors

The Ohio Educational Credit Union is ready to assist its members by providing quality financial services for all stages of their lives. With OECU, the members enjoy single-source convenience and the security of dealing with a reliable, established organization of financial specialists to assist them in building their financial futures.

Deposit Products:

Regular Savings Accounts
Share Draft (Checking) Accounts
Money Market Accounts
Term Certificates
Individual Retirement Accounts (IRA)
Special Savings Accounts
 Holiday Savings
 Vacation Savings
 Summer Reserve Pay

Loan Products:

New and Used Auto Loans
Vehicle Leases
Boat and Recreational Vehicle Loans
First and Second Mortgage Loans
Home Equity Lines of Credit
Guaranteed Student Loans
Credit Cards
Quick-Cash Personal Loans
 Line-of-Credit
 Home Improvement
 Wellness
 Bill Payer

Convenience Services:

ATM Cards and Debit Cards
Alliance One and Key Bank non-surcharge
 ATM networks with over 7,000 combined
 non-surcharge ATMs
Internet Banking at www.e22ndstreet.com
Direct Deposits
Payroll Deductions
Auto Loans Available at Select Dealerships
"Toni" The Touch-Tone Teller
24-hour Loan Service Center

Added Services:

Financial Planning
Insurance Products
Student Education Assistance Programs
Notary Services
U.S. Savings Bonds
Travelers Checks
Domestic and International Wire Transfers

Mr. Duane Horning, Board President

Former CEO, Allen Memorial Hospital
and formerly with Lakewood Hospital

Mr. Richard M. Gore, Vice President

Former Director of Distance Learning Services,
WVIZ
Former Director, Division of Career
and Technical Education,
Cleveland Municipal School District

Mr. Robert J. Gale, Treasurer

2006 President, Cleveland Chapter of the
Ohio Credit Union League
Former teacher, Holy Name High School

Mr. Tony H. Smith, Sr., Secretary

Vice President of Operations,
Ohio Aerospace Institute

Mr. Jackson M. Boyd

Executive Secretary,
Eastern Ohio Education Association
Former mathematics/computer teacher
Zanesville City Schools

Ms. Carol A. Creel

Director of Special Projects,
Cleveland Municipal School District

Mr. Fred Dolan

President, Heartland Communications

Mr. Anastasius Fourmas

Former Assistant Principal,
Whitney M. Young Junior High School,
Cleveland Municipal School District

Mr. Edward Kral

Former Director of Personnel,
Cleveland Municipal School District

Mr. James Larson-Shidler

Deputy Chief Financial Officer,
Cleveland Municipal School District

Mr. Patrick J. Polen

Business Systems Manager,
Fabri-Form Company
Former Information Engineer,
AK Steel Zanesville Operations

Ms. Mary Lou V. Stricklin

President/Chief Executive Officer,
VNA Healthcare Partner of Ohio

Mr. Craig Strong

Director of Public Information/EEO,
Cuyahoga County Engineer's Office
Former Occupational Work Experience Teacher,
Cleveland Municipal School District

The Credit Union is proud of the seventy-four years it has provided quality financial services to the membership. The strength of the Credit Union is found in the strong financial performance and the value it provides the members.

The assets at year-end were \$107.5 million with net loans to members of \$71.1 million. Loans to members represent 66% of all assets. This is down from 73% at the end of 2005. Loans to members saw a reduction during 2006. Automobile and home equity loan products experienced reductions in outstanding balances during the year. The number of new auto loans issued were reduced from prior year levels, with existing loans pre-paying more quickly, as members reduced their overall debt. The second factor was home equity loans, which saw members re-finance their variable rate home equity loans into new fixed rate first mortgage loans. The Credit Union continues to maintain a well-diversified and financially sound mix of loan products. The loan portfolio balances consist of 37% closed-end mortgages, 30% collateralized loans such as new and used autos, 24% home equity loans, and 8% signature products. Approximately 92% of the loan portfolio is in collateralized loans.

Member deposits represented \$95.7 million at year-end 2006, which is less than one percent change from the prior year. The mix of member deposits did change during 2006, with growth in the term certificate products and a decline in regular savings. At year-end 2006 regular savings made up 43% of all deposits and term certificates made up 32%. The next largest category is checking accounts, which represented 15% of all deposits.

Member deposits that are not immediately used to fund loan demand are prudently invested. The investment portfolio represents 22% of all assets and consists of interest-bearing time deposits with financial institutions, securities available for sale and capital participation certificates.

The members' equity continues to remain strong with a capital ratio of 9.91%. The total members' equity increased by \$395,499 and ended the year 2006 at \$10.6 million.

The membership continues to use the many financial services provided by the Credit Union to build their financial future. The Credit Union is proud of the diversified products and services that are available to the membership and the quality personal service provided. These quality services are designed to provide exceptional value to all of the members.

The continued support from the Credit Union membership has resulted in the success of the Credit Union. We hope that you, as one of the owners of the Credit Union, will take advantage of the value provided to you as a member.

Respectfully submitted,

Robert J. Gale, Treasurer

Jerome R. Valco, Chief Executive Officer