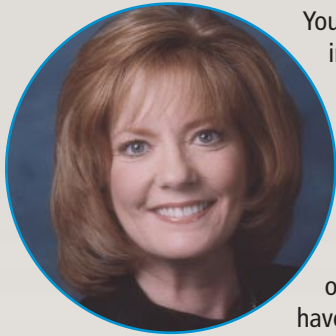


## Board Chairman's Report



Your MWRD Employees' Credit Union is putting all the pieces in place — to offer you an institution that meets all of your financial needs, challenges you to improve your future, and provides you the means to do so.

Last year at this meeting, we designated 2007 as *"A Time for Change."* We gathered suggestions from our members about how we could revise our operations and accessibility, empowering each of our members to enjoy true financial success.

This year, we are pleased to announce several initiatives that grew out of those plans. With our goal of being our members' primary financial institution of choice firmly in mind, we have put the following pieces in place:

An essential piece of the puzzle for many of our members was the purchase of **state-of-the-art cash dispensing machines** for each office. Now, instead of issuing a check when a member wants a withdrawal, which necessitated outside accounts for cash access, our staff can disburse the cash our members need.

Another piece of the puzzle was the **conversion to real-time processing**, which benefits members because their financial account information is current whenever they check it, via phone, online or at a surcharge-free Allpoint Network ATM. It also allows us to monitor, analyze and act on financial data faster and more efficiently.

A third piece of the puzzle addressed **increased security for transactions**. We now have our own DSL line with our own virtual private network, which not only makes us more independent, but less vulnerable to the ever-increasing threat of computer hackers and cyber thieves. In addition, our web security has been enhanced by new online banking log-in procedures, which further protect our members from identity fraud.

Framing the puzzle involved **updated credit union offices** so that members have easier access to our member service reps, loan officers and management staff in a more inviting, professional space.

I would like to thank all of the dedicated people who serve with me on the MWRD Employees Credit Union Board, as well as our Credit Union staff, whose tireless efforts make all of our lives richer.

The financial landscape is ever-changing. On behalf of the Board members and staff, we encourage all of you to include MWRD Employees Credit Union in the plans for your financial endeavors, and we would like to thank you, our members. You are truly the most important pieces of the puzzle — vital to creating the colorful picture that is the future of your Credit Union.

Patricia Young  
Chairman  
Board of Directors

## Mission Statement

To be our members' primary financial institution of choice by providing competitive financial services and meeting their changing needs while maintaining our financial stability.

## Credit Union Staff

Linda S. Geers, President/General Manager  
Judith L. Kinney, Financial Analyst

## Lending Department

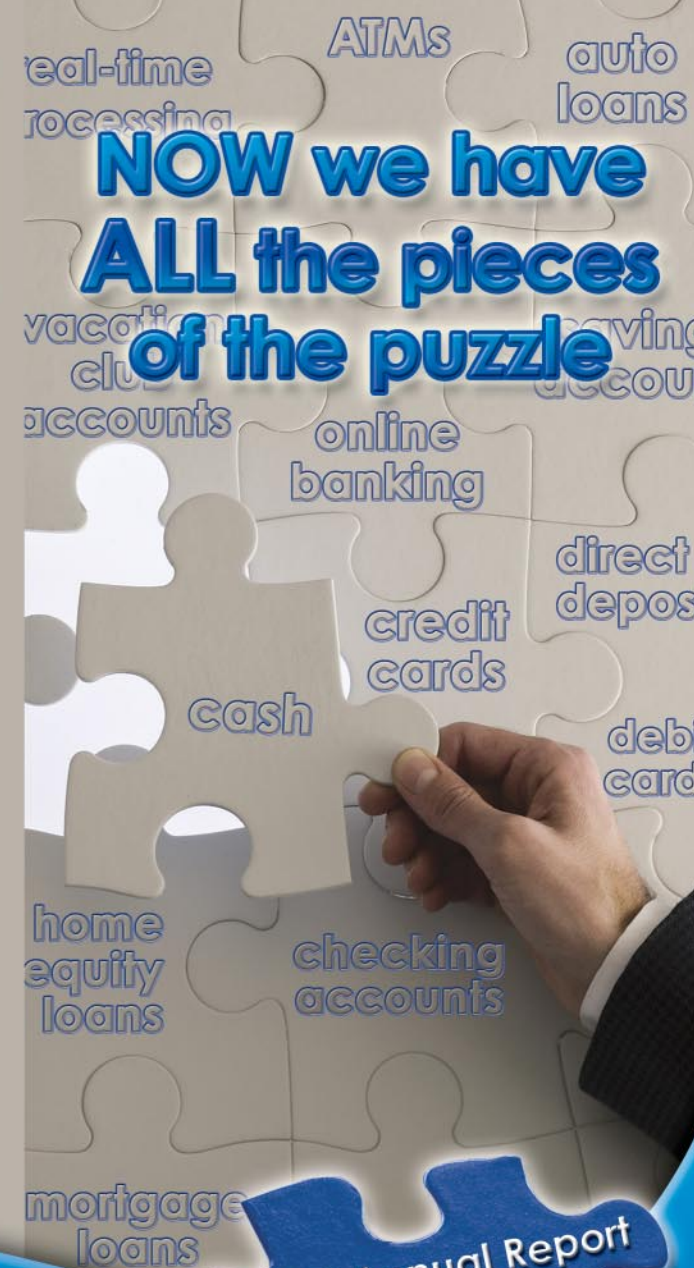
Glenda J. Lahori, Manager/Lending Department  
Jewell Hobbs, Loan Processor

## Member Service Department

John Van Keulen, Senior Member Service Representative  
Joanne Bischoff, Member Service Representative

## 2007 Board of Directors

Patricia Young, Chairman  
Anthony Balich      Frank J. McHugh  
Mitchell Gorz      Patrick Pucher  
Brian Deitz      Beverly Sanders  
Henry Marks      Nathaniel Thomas, Jr.  
Glenn Miller      Jacqueline Torres



2007 Annual Report

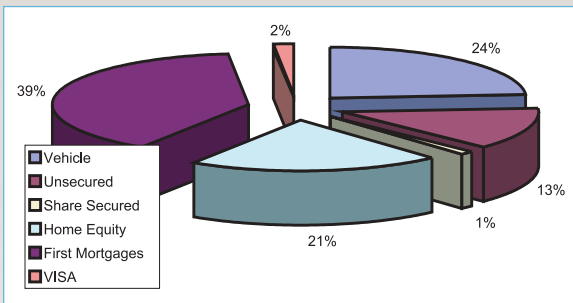


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# Credit Committee Report

## LOAN PORTFOLIO BREAKDOWN BY TYPE



The national economy of 2007, while challenging, gave us an opportunity to do what MWRD ECU was originally chartered to do – put the pieces in place to make a real difference in members’ lives. For example, we took a proactive look at members with Adjustable Rate Mortgages that were spiraling upward, and contacted each of them to see how we could help. This type of personal service has a significant impact on our members’ view of the Credit Union, and we strive to provide it in all aspects of our lending operations.

### The Credit Committee:

- reviews loan applications for approval, in compliance with the Illinois Department of Financial and Professional Regulations, the National Credit Union Association, federal and state legislation, and Credit Union policies
- recommends changes in lending and collection policies to the Board of Directors
- appoints loan officer(s) to expedite prompt loan processing
- works with the Board of Directors to develop and improve loan programs to meet members’ needs, and
- monitors loan losses, aggressively pursuing monies owed.

On December 31, 2007 the Credit Union’s loans totaled \$16,752,901, with approximately:

- 39% in Real Estate Loans
- 24% in Vehicle Loans
- 21% in Home Equity Loans
- 1% in Share Secured Loans
- 13% in Unsecured Loans (Signature Loans)
- 1.5% in Visa Loans

Whenever you need financing of any kind, be sure to check our current rates online or with a quick call to our office. We work hard to keep your Credit Union loan rates among the most competitive available. Remember, even small percentage differences between our rates and other financial institutions’ add up to a significant amount of money that you keep in your pocket over the life of a loan.

We are pleased with MWRD ECU’s low delinquency rate. We believe it is due in part to members realizing that paying back their loans is important, not just to their own credit rating, but because the money they borrow actually belongs to their fellow members. In addition, the Credit Committee works diligently with members who experience financial difficulties, looking at every loan in relation to the member’s personal circumstances.

As always, we would like to thank all the members that obtained loans through MWRD Employees’ Credit Union in 2007. We were pleased to offer new options such as fixed rate home equity loans, motorcycle loans, and GAP insurance. The interest you pay on these loans is the credit union’s main source of income. Combined with income from investments, it pays for credit union operating costs and all dividends on savings — completing the financial puzzle to improve the lives of all our members.

# Supervisory Committee Report

The Supervisory Committee is primarily responsible for overseeing the financial management of the Credit Union. The Committee meets regularly to review monthly financial statements and reports, to analyze financial trends, to monitor the Credit Union’s overall performance, and to act as the human resource department for the credit union.

A major task of the Supervisory Committee is to see that thorough internal audits of the credit union are performed. The Committee has engaged Seldon Fox, Ltd, Certified Public Accountants, to conduct annual and quarterly audits. This work by Seldon Fox is designed to ensure that:

1. Financial reports accurately reflect the operations of the Credit Union and are prepared in a timely fashion.
2. The Credit Union’s internal controls are reviewed and effectively maintained, and the Credit Union, its members, management and employees are adequately protected.
3. Elected officials and employees perform their responsibilities in a proper manner.

In addition to internal audits, the State of Illinois Department of Financial & Professional Regulations performs periodic examinations. Our most recent state examination was completed in December of 2007.

During the past year, the Committee continued to work with the Board in reviewing and updating credit union policies and in providing cost effective pricing of new products and services. Also in 2007, the Supervisory Committee worked with credit union management and staff to put the last piece of the puzzle in place. As we continue to improve credit union services, your input is valuable to us. You may submit any concerns regarding our operations, management or performance, directly to this committee. We can be reached either through the credit union web site or in writing.

Nathaniel Thomas Jr., Chairman  
Jackie Torres  
Brian Deitz

# Treasurer’s Report

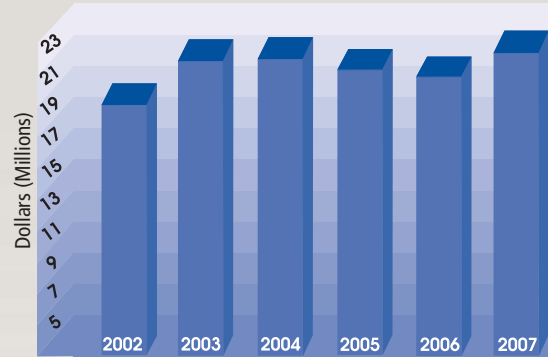
It is the responsibility of the Treasurer of the MWRD Employees’ Credit Union to ensure that the Board of Directors is presented with a true and accurate picture of the Credit Union’s financial position. The Treasurer oversees the accounting functions to maintain an adherence to generally accepted accounting principles; and the Treasurer reviews and presents to the Board of Directors a variety of financial reports including a statement of condition, an income and expense report, and an investment report.

In 2007, our assets grew from \$20,026,070 to \$21,516,676. This increase is due to a commitment to offer our members competitive rates. Our Credit Union has increased both the number of products offered and the quality of services provided, while maintaining a firm capital position.

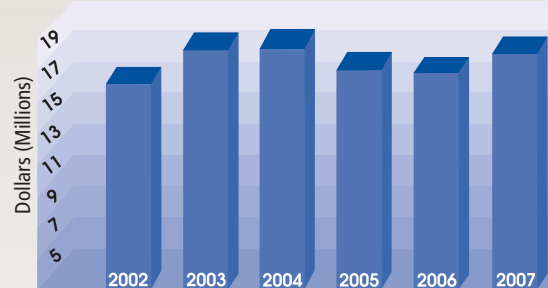
The MWRD Employees’ Credit Union’s solid financial position is due to the dedicated support of our members, and our Board of Directors’ and staff’s commitment to continue to improve products and services. This year we have added several new pieces to our financial puzzle — cash transactions and real-time processing.

I invite you to review the 2007 financial and statistical data that follow.

## ASSET GROWTH



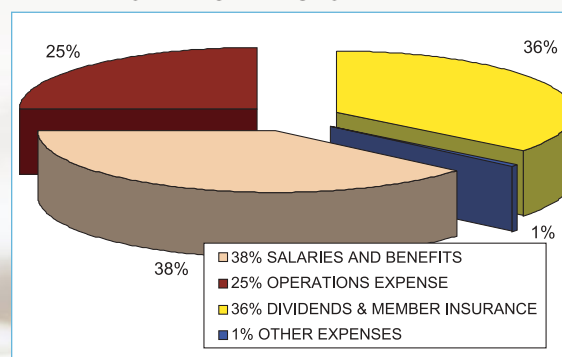
## MEMBER SHARES



## MEMBER LOANS



## EXPENSE PERCENTAGES BY TYPE



# Statement of Financial Condition

ASSETS (We Own)	12/31/06	12/31/07
Loans to Members	17,259,031	16,752,901
Less Allowance for Loan Losses	(91,872)	(95,658)
Net Loans	17,167,159	16,657,243
Cash and Cash Equivalents	1,528,031	2,638,261
Investments	975,445	1,800,000
NCUSIF Deposit	161,015	157,600
Other Assets	194,420	263,572
<b>Total Assets</b>	<b>20,026,070</b>	<b>21,516,676</b>

LIABILITIES SAVINGS & EQUITY (We Owe)	12/31/06	12/31/07
Shares of Members	16,052,099	17,353,502
Regular Reserves	785,971	785,971
Undivided Earnings	3,158,456	3,358,526
Other Liabilities and Equity	29,544	18,677
<b>Total Liabilities and Equity</b>	<b>20,026,070</b>	<b>21,516,676</b>

# Statement of Income & Expenses

OPERATING INCOME (We Received)	12/31/06	12/31/07
Interest on Loans	1,063,391	1,135,839
Income from Investments	91,971	135,307
Other Income	40,192	42,064
<b>Total Income</b>	<b>1,195,554</b>	<b>1,313,210</b>

EXPENSES (We Distributed)	12/31/06	12/31/07
Dividends on Member Shares	270,037	352,611
Compensation and Benefits	412,408	431,948
Office Operations	168,564	158,830
Loan Servicing	57,669	58,104
Member Insurance	42,514	43,344
Other	71,452	68,303
<b>Total Expenses</b>	<b>1,022,644</b>	<b>1,113,140</b>

NET INCOME	12/31/06	12/31/07
	172,910	200,070

## PERCENTAGES OF INCOME BY SOURCE

