



PUTTING YOU FIRST
2010 ANNUAL REPORT

MECU *Putting you first™*

MECU.ORG

Helping You Get Ahead Financially

Although the economic recovery continues to present challenges for us all, MECU enjoyed another outstanding financial year in 2010.

Thanks to the support of members like you, the credit union has grown to \$730 million in assets, and our capital position is very strong. At year-end, our net worth was 8.94% of assets, an increase from the previous year and well above the 7% regulatory requirement for a well-capitalized credit union. MECU's return-on-assets and expense-to-assets ratios also compare favorably with other credit unions.

MECU's superior financial performance in 2010 also meant that members were able to receive more than \$7.2 million in dividends, including a one-time Special Patronage Dividend of more than \$1 million that was paid in December. This payment was based on members' use of credit union services and on percentages of the dividends earned and interest paid during the year. In keeping with our promise to put you first, returning money to our members through the Special Patronage Dividend was simply the right thing to do, as well as a way to reward those who have supported the credit union over the past year.

While the condition of the economy has made everyone more cautious about borrowing, MECU has continued to lend at competitive rates. Last year, we made \$97 million in new loans, helping members to buy and improve homes, consolidate debt, expand small businesses, and pay for other essential expenses like transportation and education. Loan delinquencies are just .79% and charge-offs are .48%; both of those rates are significantly lower than at most other financial institutions.

At MECU, we are investing considerable resources in new products, services and process improvements to enhance your experience with the credit union. In addition to our ongoing research into members' satisfaction and needs, a new Member Insight Team was formed to listen to your feedback, review operations and policies, and suggest ways to make things better. We already are acting on some of their recommendations. A new mobile banking service was introduced at year-end; we've just completed a major redevelopment of the MECU Web site; and other useful new services will be added during the coming year.

All in all, while the numbers for 2010 were very good, they're only part of the story. Our business really is about people – members like you who trust your hard-earned dollars to MECU. Moving forward, we always will remember that our first obligation is to do what's right to help our members get ahead financially. It's the reason our credit union was formed, and the reason behind all of our initiatives and achievements in 2010. Times and circumstances may change, but we promise to remain true to the guiding principle of putting you first.



Ann M. Simms
Chairman



John C. Fiore
President
Chief Executive Officer

Highlights

NUMBERS	2010	2009	% Increase (Or Decrease)
Members	38,870	38,994	-0.3%
Accounts	80,840	81,716	-1.1%
Checking Accounts	27,437	27,832	-1.4%
Debit Cards	24,369	23,873	2.1%
IRAs	2,217	2,244	-1.2%
Money Market Accounts	6,173	6,228	-0.9%
Certificates	5,541	5,474	1.2%
Loans	7,826	8,221	-4.8%
Credit Cards	15,137	18,515	-18.2%
Automated Telephone Banking Calls	176,919	152,247	16.2%
Bill Payment Enrollments	6,821	6,752	1.0%
eStatement Enrollments	16,883	14,399	17.3%
eDeposit Enrollments	1,891	1,463	729.3%

DOLLAR AMOUNTS	2010	2009	% Increase (Or Decrease)
Total Loans	\$ 447,705,409	\$ 450,774,320	-0.7%
Total Shares	\$ 652,350,541	\$ 621,587,497	4.9%
Total Reserves	\$ 68,349,707	\$ 62,626,022	9.1%
Total Assets	\$ 730,096,691	\$ 693,064,568	5.3%

Statement Of Income

	2010	2009
OPERATING INCOME		
Interest On Loans	\$ 21,514,558	\$ 24,114,804
Income From Investments	6,535,243	5,057,815
Other Income	4,328,346	6,507,333
Total Operating Income	\$ 32,378,147	\$ 35,679,952
OPERATING EXPENSES		
Employee Compensation And Benefits	\$ 8,467,102	\$ 7,894,687
Office Occupancy Expenses	653,799	663,608
Office Operating Expenses	1,825,313	1,703,315
Marketing Expenses	782,052	698,091
Education Expenses	310,744	307,758
Loan Servicing Expenses	2,427,914	2,324,884
Professional And Outside Services	317,057	323,487
Provision For Loan Losses	3,885,246	4,299,685
Miscellaneous Operating Expenses	2,267,658	(109,897)
Total Operating Expenses	\$ 20,936,885	\$ 18,105,618
Net Income Before Dividends	\$ 11,441,263	\$ 17,574,335
DIVIDEND EXPENSES	\$ 7,399,428	\$ 9,635,257
NET INCOME	\$ 4,041,836	\$ 7,939,079

Board Of Directors

Ann Simms
Chairman

Raymond Schulenberg
Vice Chairman

John Fiore
Treasurer

Larry Rosin
Secretary

Patrick Cunningham
Director

Carey Dassatti
Director

Ed DeGrosso
Director

Michael Murphy
Director

David Schulman
Director

Mark Valentine
Director

Susan Waldman
Director

Credit Union Management

John Fiore
President/CEO

Michael Murphy
Executive Vice President/COO

Larry Rosin
Executive Vice President/CFO

Sean Bowers
Vice President/Controller

Jennifer Pestikas
Vice President of Marketing
and Investment Services

Jean Theis
Vice President of Operations

Vicki Touchton
Vice President of Branch Operations

Robin Balfour
Training Manager

Tara Bird
Member Solutions Center Manager

Susan Craig
Finance Manager

Matt Hancock
Consumer and Business Lending Manager

Pete Kemmer
Loss Prevention Manager

John Kho
Marketing Manager

Cheryl Krekel
Information Systems Manager

Tonja Pilafas
Regional Branch Manager

Casey Quinn
Regional Branch Manager

Janice Shields
Regional Branch Manager

Christine Stotland
Bank Secrecy Act Officer

Dave Valentine
Lending Sales Manager

Stephanie Williams
Operations Manager

Sandy Zuniga
Accounting Manager

Branch Locations

Florida
8000 W Sunrise Boulevard
Fort Lauderdale, FL 33322

Georgia
1700 Belle Mead Court
Lawrenceville, GA 30043

Illinois
1501 Shure Drive
Arlington Heights, IL 60004

21440 W Lake Cook Road
Deer Park, IL 60010

600 N US Highway 45
Libertyville, IL 60048

1205 E Algonquin Road
Schaumburg, IL 60196

1301 E Algonquin Road
Schaumburg, IL 60196

1303 E Algonquin Road
Schaumburg, IL 60196

Massachusetts
900 Chelmsford Street
Lowell, MA 01851

Texas
3740 N Austin Street
Seguin, TX 78155



Putting you first™

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Motorola Employees Credit Union is chartered under the laws of Illinois and governed by a Board of Directors directly elected by its members. Motorola, Inc., is independent from and not responsible for obligations of the Motorola Employees Credit Union.

The financial statements contained within this annual report have not been audited by an external audit firm. However, audited financial statements as of June 30, 2010 are available upon request.

Savings are insured to \$250,000, and Individual Retirement Accounts are separately insured to \$250,000, by the National Credit Union Administration (NCUA), a U.S. government agency. An additional \$250,000 of coverage is provided by Excess Share Insurance (ESI).



Statement Of Financial Condition

	2010	2009
ASSETS		
Loans	\$ 447,705,409	\$ 450,774,320
Reserves For Loan Losses	(6,196,214)	(4,437,569)
Cash On Hand And In Banks	3,583,852	3,752,931
Members United Corporate FCU	24,940,569	40,545,932
U.S. Treasury Securities And Agencies	238,080,222	180,014,992
Deposit — NCUSIF	6,257,851	5,853,587
Other Investments	2,625,000	6,651,969
Fixed Assets, Less Depreciation	6,853,936	6,121,468
Pre-Paid Expenses	301,065	354,178
Accrued Interest Receivable	2,180,680	2,229,767
Other Assets	3,764,321	1,202,993
Total Assets	\$ 730,096,691	\$ 693,064,568
LIABILITIES		
Accounts Payable	\$ 3,867,125	\$ 2,649,379
Other Liabilities	5,529,318	6,201,670
Total Liabilities	\$ 9,396,443	\$ 8,851,049
RESERVES		
Regular Reserves	\$ 12,364,475	\$ 12,364,475
Undivided Earnings	55,985,232	50,261,547
Total Reserves	\$ 68,349,707	\$ 62,626,022
MEMBERS' EQUITY		
Total Member Shares (Regular)	\$ 98,961,945	\$ 93,335,396
All Other Share Types	553,388,596	528,252,101
Total Members' Equity	\$ 652,350,541	\$ 621,587,497
TOTAL LIABILITIES, RESERVES AND MEMBERS' EQUITY	\$ 730,096,691	\$ 693,064,568

Statement Of Reserves And Undivided Earnings

	Regular Reserves	Undivided Earnings	Total
Balance At December 31, 2008	\$ 12,364,475	\$ 41,862,963	\$ 54,227,589
Investment Valuation At December 31, 2008		(948,819)	(948,819)
Net Income For 2009		7,939,079	7,939,079
Transfer To Regular Reserve		-	-
Investment Valuation At December 31, 2009		\$ 1,408,324	\$ 1,408,324
Balance At December 31, 2009	\$ 12,364,475	\$ 50,261,547	\$ 62,626,022
Investment Valuation At December 31, 2009		\$ (1,408,324)	(1,408,324)
Net Income For 2010		4,041,836	4,041,836
Transfer To Regular Reserve		-	-
Investment Valuation At December 31, 2010		\$ 3,090,173	\$ 3,090,173
Balance At December 31, 2010	\$ 12,364,475	\$ 55,985,232	\$ 68,349,707