

2013 ANNUAL REPORT
EDITION



On Your Account

SPRING 2014

M E C U O F B A L T I M O R E , I N C .



Growing Through Partnerships with our
Communities



Message from the Chairman and CEO



This past year has been one of growth and commitment for MECU. Your Board of Directors, Supervisory Committee and Credit Committee experienced what it really means to be Baltimore's Credit Union through a number of events throughout the year. During the year, you, our members grew in numbers and so did the number of team members who serve you. We also experienced expansion in the outreach that we do as a team to help our community. Each of these areas of growth made us a more integral part of Baltimore and truly Baltimore's Credit Union.

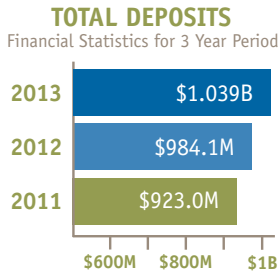
Probably one of the most noteworthy events for MECU this past year was the Purchase and Assumption of Advance Bank. In so many ways, MECU and Advance were alike:

- **Similar types of customers/members**
- **Similar commitment to the community**
- **Similar cultures of helping people**

Where MECU and Advance were different was in the regulatory bodies to which each reported. MECU is state chartered and insured by the National Credit Union Administration (NCUA) while Advance was federally chartered and insured by the Federal Deposit Insurance Corporation (FDIC). It is this difference that made the blending of our two organizations unique and historical. This was only the fifth time nationally that a credit union has purchased a bank, and the first time that a state-chartered credit union was the purchaser.

With this transaction MECU gained new members, not only in Baltimore City but also in other parts of the east coast. We also gained new products that we will soon be able to offer our members in the mortgage and business areas. And, we merged the Advance employees

2013 Highlights



into the MECU team. They bring in-depth knowledge and skills letting us better serve you, our members, and expand the financial opportunities we can offer you.

This spring will bring the retirement of Bert Hash, President and CEO of MECU for the past 17 years. He and I built a special relationship that let us develop ideas and implement new programs that benefitted the MECU members. That relationship expanded beyond the two of us to include the entire Board of Directors. It is very unusual in today's real world to find a CEO and Board that have such a responsive partnership. We also built a team that expanded beyond the Board to include senior management and all the MECU team members.

During his tenure, Bert, and the people that he brought together as a team, expanded the branch network from one branch that did not even dispense cash to 11 branches, with the inclusion of the Advance branches. There was only one computer at MECU when Bert joined and now we have Online and Mobile Banking.

Bert brought a culture of giving back to the community that was quickly embraced by all parts of the MECU team including Board members. The Board supported the concept of giving back to the community and joined in many of the events that the MECU team members developed to work hands-on with area non-profits. The entire MECU team has wholeheartedly committed themselves to making the Baltimore community a better place for all of us. We are going to miss Bert's leadership but look forward to seeing the endeavors he pursues in retirement.

This past year, MECU continued its long-term commitments to helping organizations in our community such as Our Daily Bread, Meals on Wheels,

the Associated Black Charities, the American Diabetes Association and Sandtown Habitat for Humanity. This coming year will be MECU's third year sponsoring the Baltimore Community Event Grants which provide funding to help over 70 community groups and neighborhoods in Baltimore put on fun events for young and old. These events strengthen our families, neighborhoods and the entire City. The events included block parties, health fairs, movie nights, baby fests and the All Ages Art Cart Derby.

Building that community strength helps us serve our members, just as we do with the financial tools and seminars we offer, such as the Young Adult Financial Workshops. Several hundred people participated in these workshops as well as our Credit and Housing workshops last year, strengthening their knowledge and financial security.

We are looking forward to serving you, our members, and our community in the coming year with the best financial products, with the education to help you manage your finances to reach your goals, and with the helping hand to strengthen the community we serve.

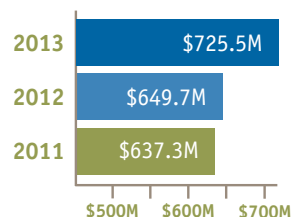
Thank you for being a member of MECU, Baltimore's Credit Union.

Herman Williams Jr.
Chairman of the Board

Bert J. Hash Jr.
President and CEO

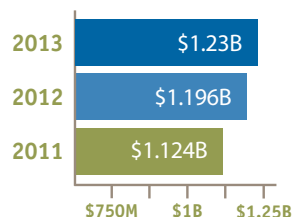
TOTAL LOANS

Financial Statistics for 3 Year Period



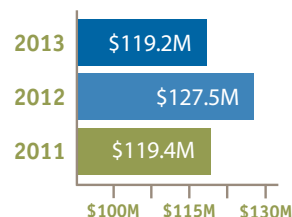
TOTAL ASSETS

Financial Statistics for 3 Year Period



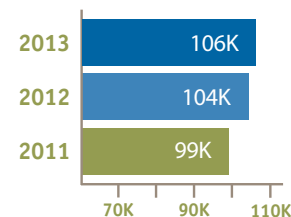
EQUITY

Financial Statistics for 3 Year Period



MEMBERS

Financial Statistics for 3 Year Period



AFTER A HISTORIC SALE, MECU WELCOMES NEW MEMBERS FROM ADVANCE BANK!

MECU made history on December 12, 2013. At the close of business that day, MECU finished the Purchase and Acquisition Agreement with Advance Bank. At that time all of their customers became members of MECU. This is the first time that a State Chartered Credit Union has purchased a bank and only the fifth time that a bank has been purchased by a credit union of any designation.

We welcome our new members from Advance Bank and look forward to serving their financial needs.

NEW BRANCHES, NEW BRANCH HOURS

MECU members now have two new branches to use for their business: the Seton Branch located at 4801 Seton Drive, Baltimore, MD 21215, and the Security Branch located at 6669 Security Boulevard, Suite 5, Baltimore, MD 21207. These former Advance Bank branches are ready to serve all MECU members' needs.

We have also updated the hours of all MECU branches, starting on May 1, 2014. Check the chart below for changes at your favorite branch. Also, try Online Banking at MECU.com! You can open accounts, transfer money and pay bills 24/7!

NEW BRANCH HOURS AS OF MAY 1, 2014

Branch	Mon-Wed	Thursday	Friday	Saturday
Elmer Bernhardt Headquarters Branch 7 East Redwood Street Baltimore, MD	8:30-4:30	9:00-4:30	8:30-5:30	not open
Harry Deitchman PJM Center Branch 312 N. Martin Luther King Jr. Blvd. Baltimore, MD	7:30-4:00	9:00-4:00	7:30-5:30	9:00-1:00
Herman Williams Jr. Fallstaff Center Branch 6814 Reisterstown Road Baltimore, MD <i>Herman Williams Jr. Fallstaff Center Branch Drive Thru</i>	9:00-4:00 8:30-5:30	9:00-4:00 9:00-5:30	9:00-5:30 8:30-5:30	9:00-1:00 9:00-1:00
John T. O'Mailey Hamilton Center Branch 2337 E. Northern Parkway Baltimore, MD <i>John T. O'Mailey Hamilton Center Branch Drive Thru</i>	9:00-4:00 8:30-5:30	9:00-4:00 9:00-5:30	9:00-5:30 8:30-5:30	9:00-1:00 9:00-1:00
Loch Ridge Center Branch (<i>Lobby & Drive Thru</i>) 8507 Loch Raven Boulevard Baltimore, MD	12:00-7:00	12:00-7:00	12:00-7:00	9:00-1:00
Charles L. Benton Jr. Westview Branch 5910 Baltimore National Pike, Catonsville <i>Charles L. Benton Jr. Westview Branch Drive Thru</i>	9:00-4:00 8:30-5:30	9:00-4:00 9:00-5:30	9:00-5:30 8:30-5:30	9:00-1:00 9:00-1:00
Dundalk Branch 7220 Holabird Avenue Dundalk, MD	9:00-4:00	9:00-4:00	9:00-5:30	9:00-1:00
Fayette Remote Teller System (<i>Not Full Service</i>) 401 E Fayette Street Baltimore, MD	8:00-4:00	9:00-4:00	8:00-4:00	not open
Commercentre Branch (<i>Lobby & Drive Thru</i>) 1777 Reisterstown Road Pikesville, MD	12:00-7:00	12:00-7:00	12:00-7:00	9:00-1:00
Seton Branch 4801 Seton Drive Baltimore, MD <i>Seton Branch Drive Thru</i>	9:00-4:00 8:30-5:30	9:00-4:00 9:00-5:30	9:00-5:30 8:30-5:30	9:00-1:00 9:00-1:00
Security Boulevard Branch 6669 Security Boulevard, Suite 5, Baltimore, MD <i>Security Drive Thru</i>	9:00-4:00 8:30-5:30	9:00-4:00 9:00-5:30	9:00-5:30 8:30-5:30	not open not open



FRAUD PREVENTION

There is a new credit card scam working its way across the country.

You get a call from “the Security and Fraud Department at VISA” (or MasterCard). The caller gives you a badge number and says your card has been flagged for an unusual purchase pattern and they give you the name of your bank. You are asked if you made a specific purchase. You say “no” and they then say “Before your next statement, the credit will be sent to (gives you your address). Is that correct?” You say “yes”.

The caller continues, “I will start a fraud investigation. If you have any questions, you should call the 1- 800 number listed on the back of your card and ask for Security. You will need to refer to this Control Number. The caller then gives you a 6 digit number.

The caller then says, “I need to verify you are in possession of your card. Turn your card over and look for some numbers. The last 3 are the Security Numbers that verify you are the possessor of the card.” These are the numbers you sometimes use to make Internet purchases. The caller will ask you to read the last 3 numbers to him. **DON'T DO IT!**

What the scammers want is the 3-digit security code on the back of the card. Don't give it to them. Instead, tell them you'll call VISA or MasterCard directly for verification of this conversation.

The real VISA will not ask for any information on your card. If you give the scammer your 3-digit security code, you'll see charges for purchases you didn't make.



CHECK OUT THE NEW VISA® ONLINE TOOLS

MECU VISA Credit Cardholders! Try the new online tools that let you manage your account better and faster. Here's what you can do now:

- **Make easy online bill payments** – even from non-MECU checking accounts. You can even schedule future automated recurring payments.
- **Go paperless** – Enroll in eStatements. It gives you additional security and easy access to past statements online.
- **Initiate transaction disputes** – It's secure and easy to submit required data for transaction disputes.
- **Activate your new card online**
- **Do account research**
- Easy to view transactions
- Search pending transactions
- Sort by category
- Sort by column headers
- Export to Excel or CSV file

Go to www.mecu.com/personal-services/credit-card/ to sign up for your MECU VISA today!

Is Your Car Loan With Another Lender?

MECU may be able to beat your current loan rate and save you money every month! To refinance call our 24/7 Loan Application Service at 1-800-373-2914 or apply online today at MECU.com/DriveForLess!

MECU'S IN BUSINESS TO HELP YOUR BUSINESS!

MECU is a trusted financial partner for many Baltimore-based businesses, with the products and services needed to help their businesses grow and thrive!

Whether you need a Credit Card, Equipment Loan, or Investment Mortgage Loan, we have a solution to fit your need. And, many of our loans offer cash back in the form of our loan interest rebate*.

Here are some of the products that can help your business:

Visa® Platinum Business Credit Card

- No Annual or Balance Transfer Fees
- Cards for Authorized Employees
- Rewards Points

Investment & Business Mortgages

- Purchase, Refinance, Cash Out
- 1-to-4 Unit Residential Properties
- Available on properties in MD, PA, VA, DC & DE

Additional Business Loan Options

- Business and Commercial Vehicle Loans
- Term and Equipment Loans

For more information or to apply for a Business Loan call 410-223-4035, visit MECU.com/business-services, or email the Business Services Team at BusinessServices@mecu.com.

*Not all loan types are eligible for a loan interest rebate. Certain conditions apply. Subject to annual Board approval.



ANNUAL MEETING HELD MARCH 18 — RESULTS OF ELECTION ANNOUNCED

The Annual Meeting of the Members of MECU of Baltimore, Inc. was held Tuesday, March 18, 2014 at the Corporate Offices in Baltimore. An asterisk (*) following a director's name below indicates his/her election/re-election to a 3-year term beginning in 2014. The 2013 MECU Annual Report is now available in our branches or you may request that one be mailed to you.

Board of Directors: Active Directors — Roman Clark*, Fire; G. Louise Green, Finance; Benjamin Meli, DPW; Deborah Moore-Carter, Labor Commission; Peggy A. Peacock*, HCD; Charmaine M. Thomas, Police. Retiree Directors - Ernest J. Glinka*; Gary W. McLhinney; Herman Williams Jr.; Director at Large - Kaliope Parthemos, Mayor's Office; Lorretta Johnson*, BTU; John T. Walker III, BCPS. Chairman Emeritus - Harry Deitchman.

The Board appointed the following members to serve a 1-year term on the following committees:

Credit Committee: Reba Anderson-Graham, DHCD; Neetu Dhawan-Gray, Associate Member; Marietta English, BTU; Stephanie Lansey, Police; Glenard Middleton, DPW; Harry X. Peaker, retired, BCFD

Supervisory Committee: Judge David Allen, Retired; Troy Brogden, Associate Member; Andrew Frank, Associate Member; A. Soula Lambropoulos, Associate Member; Jennell Rogers, Finance; Abraham Schwartz, ERS; J. Keith Scroggins, BCPS

MECU Now Has Mobile Deposit!

Deposit checks directly into your MECU account using the camera on your Apple or Android smart phone. It's easy!

- Log into your MECU Mobile Banking App
- Enter the amount
- Take photos of the front and back of your endorsed check
- Click "Make Mobile Deposit"

How easy is that? Download the free MECU Mobile Banking App today!

Learn more at www.MECU.com/mobiledeposit/

You must have MECU Online Banking to use MECU's mobile app. If you previously downloaded the mobile app you will need to upgrade to the new version.



TAKE ADVANTAGE OF TODAY'S LOW MORTGAGE RATES

The economy continues to improve and mortgage rates remain low! Now is a great time to buy a home or refinance your existing mortgage at MECU! We even have loan rate discounts* when you buy a home in Baltimore City or qualify as a first-time homebuyer.

You can pre-qualify online at MECU.com/Mortgage or call our 24/7 Loan Application Service at 1-800-373-2914. Our free and easy pre-qualification lets you know how much you can borrow and experienced loan officers will guide you through the loan process.

MECU is an Equal Housing Lender. * Discounts cannot be combined.



NEW BRANCH HOURS

Want to see MECU in the community?
Go to www.youtube.com/mecutv

Corporate Offices

7 East Redwood Street
Baltimore, MD 21202

Elmer Bernhardt

Redwood Street Branch

7 East Redwood Street
Baltimore, MD 21202
Mon/Tues/Wed 8:30-4:30;
Thu 9:00-4:30; Fri 8:30-5:30

Fayette Remote Teller System

401 East Fayette Street
Baltimore, MD 21202
Mon/Tues/Wed/Fri 8:00-4:00;
Thu 9:00-4:00

Herman Williams Jr.

Fallstaff Center Branch

6814 Reisterstown Road
Baltimore, MD 21215

John T. O'Mailey

Hamilton Center Branch

2337 East Northern Parkway
Baltimore, MD 21214

Charles L. Benton Jr.

Westview Center Branch

5910 Baltimore National Pike
Catonsville, MD 21228

Fallstaff/Hamilton/Westview Lobby:
Mon-Thu 9-4; Fri 9-5:30; Sat 9-1
Drive thru: Mon/Tues/Wed/Fri 8:30-5:30; Thurs 9-5:30; Sat 9-1

Harry Deitchman

PJM Business Center Branch

312 North Martin Luther King Jr.
Boulevard, Baltimore, MD 21201
Mon-Wed 7:30-4; Thu 9-4;
Fri 7:30-5:30; Sat 9-1

Loch Ridge Center Branch

8507 Loch Raven Boulevard
Baltimore, MD 21286
Lobby and Drive thru: Mon-Fri 12-7;
Sat 9-1

Dundalk Branch

7220 Holabird Avenue
Dundalk, MD 21222
Mon-Thu 9-4; Fri 9-5:30; Sat 9-1

Commercecentre Branch

1777 Reisterstown Road
Pikesville, Maryland 21208
Mon-Fri 12:00-7:00; Sat 9-1

Security Boulevard Branch

6669 Security Boulevard, Suite 5
Baltimore, MD 21207
Mon-Thu 9-4; Fri 9-5:30;
Drive thru: Mon-Wed 8:30-5:30;
Thurs 9-5:30; Fri 8:30-5:30

Seton Branch

4801 Seton Drive
Baltimore, Maryland 21215
Mon-Thu 9-4; Fri 9-5:30; Sat 9-1
Drive thru: Mon-Wed 8:30-5:30;
Thurs 9-5:30; Fri 8:30-5:30; Sat 9-1



Federally insured by NCUA



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BALTIMORE, MD

Deposit Checks 24/7

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