

ANNUAL REPORT TO MEMBERS FOR THE YEAR 2010



OUR MISSION.



OUR VISION.



OUR VALUES.



Be somebody.

Message to Members

"We define success in terms of what we are able to do for our members and our community."

2010 marked another excellent year for Leominster Credit Union. The growth and soundness of the institution is illustrated by the financial results in this report, however the numbers only tell part of the story. At LCU, we believe the true measure of our success is more than just our financial accomplishments. We define success in terms of what we are able to do for our members and our community – achievements that are made possible by our close attention to the three principles under which we have operated for decades.

Our Mission: To fulfill our members' needs and enrich the communities in which we work and live.

Our Vision: To ensure that we perform beyond the expectations of our members.

Our Values: To commit ourselves to service excellence, leadership, community outreach and financial strength.

By continuing to hold fast to these principles in 2010, we were able to ensure that our members enjoyed the confidence and security of having a strong and dedicated credit union behind them. They were able to buy homes and cars, fund their children's educations and put money away for the future. Our branch and ATM network, as well as our online capabilities allowed them to manage their finances when and where they wanted – a convenience that is essential in today's busy world.

In 2010 our assets grew by \$56 million to \$595 million, placing us by asset size as one of the top ten largest community credit unions in the state. Deposits grew by \$23 million to more than \$453 million. While stock market uncertainties remain and members continue to seek a "flight to safety" for their savings, we believe that this growth is a testament to their trust and confidence in LCU.

For homes, autos and other life necessities, the ability to provide loans to our members is the means to helping them fulfill their dreams. At the close of 2010, our loan portfolio stood at \$341 million. We remain committed to the sound lending practices and careful underwriting principles that have allowed us to continue funding loans at a time when many institutions have had to cut back on lending activities.

Finally, our net income for the year was \$3.3 million. This represents the second highest annual earnings at LCU. These earnings allow us to continue to invest in the new products, convenient services, modern facilities and enhanced technologies that our members deserve.

We proudly opened our state-of-the-art Executive and Operations Building in downtown Leominster, and a new full-service branch on Shrewsbury Street in Worcester. We increased our level of commitment and involvement in our local communities, and introduced a financial literacy program that provides our neighbors with the knowledge and tools they need to make informed financial decisions and build a secure future for themselves and their families.

We would like to thank our members for their continued loyalty and for helping us achieve all that we did in 2010. We would also like to thank our Board of Directors and employees for their dedication and unwavering commitment to service excellence. As we look forward to the challenges ahead of us in 2011, you can be sure that we will face them with enthusiasm and resolve. We will stay true to our mission, vision and values, and our members' financial strength and well-being will remain our number one priority.



Gordon R. Edmonds
Gordon R. Edmonds
President & CEO

Giulio G. Greco
Giulio G. Greco
Chairman

Financials

"At LCU, financial results are more than just numbers on a spreadsheet. They represent our ability to help our members achieve their financial goals."

Leominster Credit Union Statements of Condition* December 31, 2010 & 2009

	December 31, 2010 <i>(unaudited)</i>	December 31, 2009 <i>(unaudited)</i>
ASSETS		
Total Cash and Investments	\$234,912,637	\$168,390,776
Loans:		
Installment	148,550,908	167,266,968
Real Estate	155,943,048	154,763,500
Home Equity	29,872,649	28,864,445
Member Business	7,072,843	3,535,662
Gross Loans	341,439,448	354,430,575
Allowance for Loan Losses	(1,818,022)	(1,504,690)
Net Loans	339,621,426	352,925,885
Premises & Equipment, net	13,625,355	10,988,610
Other Assets	7,231,369	6,829,314
Total Assets	<u>\$595,390,787</u>	<u>\$539,134,585</u>
LIABILITIES & SURPLUS		
Deposits:		
Share Savings	\$218,454,227	\$191,051,500
Share Certificates	234,895,893	239,256,068
Total Deposits	453,350,120	430,307,568
Borrowings	87,590,000	60,995,000
Other Liabilities	4,267,756	3,259,505
Total Liabilities	545,207,876	494,562,073
Total Surplus	50,182,911	44,572,512
Total Liabilities and Surplus	<u>\$595,390,787</u>	<u>\$539,134,585</u>

*The Statements of Financial Condition at December 31, 2010 and 2009 are unaudited. The Credit Union's financial statements were audited as of September 30, 2010 and 2009. Audited financial statements will be made available to members upon request.

Our People

"In 2010, Leominster Credit Union was named one of Massachusetts' 100 Top Places to Work in the Boston Globe's Annual Survey."

The number one goal of every employee at LCU is to be the best at what we do. We engage our skills, talent and enthusiasm every day to ensure that we exceed our members' expectation of excellent service. We support our employees' efforts by providing a collaborative work environment, offering extensive training programs and encouraging an entrepreneurial spirit. As a result, in 2010, Leominster Credit Union was named one of Massachusetts' Top 100 Places to Work in the Boston Globe's Annual Survey.

OFFICERS

Gordon R. Edmonds <i>President & CEO</i>	Gregory S. Bourekas <i>AVP, Indirect Lending</i>	June M. Navalany <i>AVP, Audit/Compliance/Privacy</i>	Michael A. Emma <i>Collections Manager</i>
Gary M. Abrams <i>EVP, COO, CFO</i>	Kim A. Cary <i>AVP, Branch Manager</i>	Roland J. Paquette <i>AVP, Facilities Manager</i>	George B. Fitzpatrick <i>Indirect Business Development Manager</i>
Barbara A. Mahoney <i>SVP, Human Resources</i>	Joseph R. Coller <i>AVP, IT Manager</i>	Mychelle M. Phillips <i>AVP, Operations Manager</i>	Brendan P. Gallagher <i>Branch Manager</i>
John J. O'Brien <i>SVP, Lending</i>	Sandra M. Collins <i>AVP, Regional Branch Manager</i>	Todd W. Sibley <i>AVP, Collections</i>	Randy J. Harris <i>Finance Officer</i>
Carol A. Southworth <i>SVP, Retail</i>	Heather E. Dumais <i>AVP, Business Lending</i>	Suzanne M. St. Cyr <i>AVP, Consumer Lending</i>	Joyce L. Hemenway <i>Branch Manager</i>
Janet L. Belsky <i>VP, Marketing</i>	Jennie E. Gray <i>AVP, Branch Manager</i>	Julie K. Bergstrand <i>Mortgage Department Manager</i>	Melissa L. Manseau <i>Indirect Funding Manager</i>
Peter V. Brytowski, Jr. <i>VP, Information Technology</i>	Lisa Gurevich <i>AVP, Branch Manager</i>	Maila L. Berry <i>IRA Consultant</i>	Maryann L. Tivnan <i>Business Development Officer</i>
D. Oscar R. O'Connor <i>VP, Real Estate Lending</i>	Cynthia G. Hamilton <i>AVP, Controller</i>	Yeydi Deya <i>Indirect Lending Manager</i>	Kristie L. Warner <i>Branch Manager</i>
Seth A. Wish <i>VP, Sales</i>	Maria L. Litalien <i>AVP, Loan Servicing Manager</i>	John J. Diggins <i>Contact Center Manager</i>	Ann S. Younie <i>Senior Technology Analyst</i>

BOARD OF DIRECTORS

Giulio G. Greco <i>Chairman</i>
Amedeo E. Bilotta <i>Vice Chairman</i>
Richard A. Sheppard <i>Treasurer</i>
Rosemary Bracani <i>Assistant Treasurer</i>
Anthony A. Gasbarro, <i>Clerk</i>
Andrew D. Cousins
Nancy L. Graves
Joyce A. LaFleur
Joseph V. Quintal
John W. Reedy
Michael J. Sauvageau

HONORARY DIRECTORS

Anthony J. Cali
Santino P. Fantozzi
Settimio R. Firmani
Henry P. Lisciotti, Jr.
Edward O. Mazzaferro
Joseph J. Serafini
Anna M. Tata
Joseph J. Tata

EMPLOYEES

Agnes Acquaye	Roberta Duke	Joanne Lattanzi	AnneMarie Russell
Ingrid Adade	Marianne Ellia	Karen Lier	Nancy Sala
Sandra Agustin	Diane Farnsworth	Patricia Lindquist	Justin Silva
CJ Ahearn	Cookie Fife	Cecelia Linn	William Spencer
Omar Ambrosio-Chilin	Nicole Florio	Sherry Macy	Tracy Springer
Brian Arsenaunt	Donna Gallant	Amy Marien	Jane Stamas
Deborah Bacon	Lindsey George	Jessica Mazza	Janet Sullivan
Doreen Barker	Bryon Goguen	Diane McNamara	Linda Taratuta
Linda Basinsky	Jennifer Going	Linda McQuade	Jason Temple
Craig Boulay	Nereida Gonzalez	Mariel Montanez	Rachel Terrell
Karen Brescia	Brian Grady	Nikki Mooar	Lisa Tirado
Dorene Brodd	Debra Greenfield	Lois Morabito	Sophia Tocci
Jeanne Bunch	Kristen Gustafson	Ryan Moran	Viviane Tonevski
Andrea Camas	Linda Hatch	Jessi Morano	Pamela Tortora
Stephen Carter	Stephanie Hernandez	Cynthia Morlock	Kelly Varnum
Jayne Chaffee	Ashley Hidenfelter	Barbara Nutting	AnneMarie Walker
Deborah Chase	Cynthia Holder	Yarelis Ortiz	Sarah Warner
Elizabeth Clemence	Kathleen Hurley	Mark Peterson	Christine Warpula
Ellenmarie Coughlin	Jessica Hutchins	Karen Pirani	Bonnie Waxman
Sarah Cournoyer	Linda Kirouac	Ruthann Pisciotto	Karen Wholey
Angela Custer	Erica Kleiner	Patricia Platt	Jennifer Wyman
Michael DelGiudice	Paula Konde	Huma Preston	Mao Yang
Mickey Desai	Lynne LaCoss	Joseph Reynolds	Pa Yang
Rebecca Desrosiers	Amy Lacouture	Danielle Rivera	Kathleen Zereski
Kelley DeWolf	Susan Landry	Maily Rivera	Veronica Zirulnik
Daniel Deya		Stephanie Rivera	

A New Executive Building in Downtown Leominster, and a new Branch Office in Worcester.

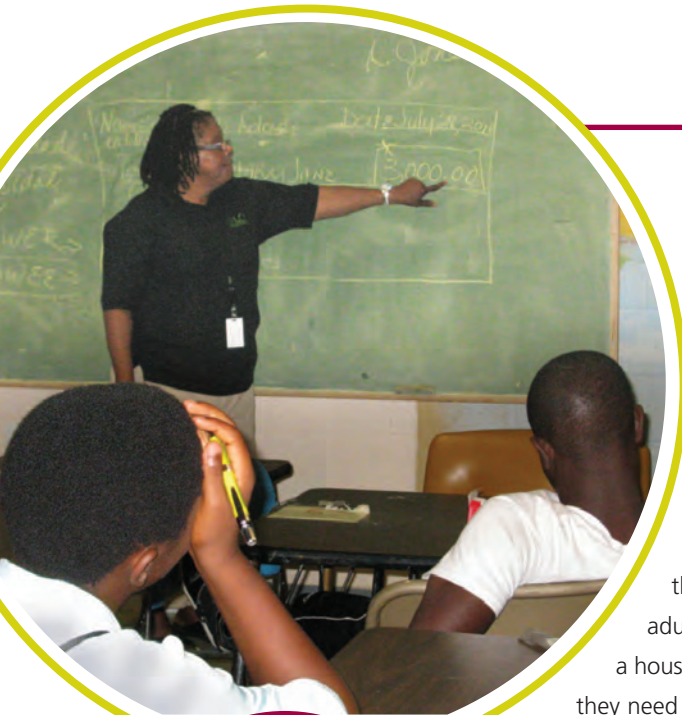
In a recent survey, members told us that convenience and excellent service are among the most important reasons for choosing Leominster Credit Union. In 2010, we realized two significant expansions that go to the heart of LCU's mission to exceed our members' expectations.

The completion of the new 30,000 square foot Executive and Operations building in downtown Leominster created a centralized, state-of-the-art facility that helps streamline the workflow between departments and allows our employees to respond more quickly and efficiently to members' needs.

2010 also marked the opening of our new office on Shrewsbury Street in Worcester. The new branch has already become a favorite of members in the area, and based on its location and LCU's solid reputation, it has also attracted new members looking for the best in both personal and business financial services.

Commitment
&
Convenience

*"LCU's mission
is to exceed our
members'
expectations."*



Making a Difference

As our Mission states, LCU is committed to enriching the communities where we live and work. Whether through contributions to large organizations or local school groups, providing scholarships so that deserving young people can set out on a path to become the leaders of tomorrow, or by simply rolling up our sleeves and standing beside our neighbors on grassroots volunteer projects, our goal is to give back to the people and communities who have helped us grow.

A major new undertaking in 2010 is our Financial Literacy Program. We believe that through knowledge, people are empowered to take control of their financial future. For students questioning how to pay for college, for young adults attempting to establish credit, and for just about everyone trying to stretch a household budget, our Financial Literacy program provides the tools and information they need to make informed decisions.

Financial Literacy programs have been presented to the following groups:

- African Community Education
- Boys and Girls Club
- Disabled Veterans
- First Concern
- Girls, Inc.
- Girl Scouts of America
- Montachusett Interfaith Council Homeless Shelter
- Schools
 - Abbey Kelly Foster High
 - Clinton High
 - North High
 - Wachusett Regional High
 - Robert F. Kennedy High
- Worcester Youth Center

*"We believe that
through knowledge,
people are empowered
to take control of their
financial future."*

800-649-4646 • leominstercu.com

Leominster • Clinton • Holden • North Leominster • Sterling • Worcester



Equal
Opportunity
Lender



Be somebody.