



### Consolidated Statement of Financial Condition

(selected data in millions)

<b>Assets</b>	<u>2007</u>	<u>2006</u>
Cash and Investments	<b>\$245.6</b>	<b>\$244.7</b>
Loans to Members (net of allowance for loan losses)	<b>447.4</b>	<b>414.5</b>
Other Assets	<u>15.1</u>	<u>12.3</u>
Total Assets	<b>\$708.1</b>	<b>\$671.5</b>
<b>Liabilities and Members' Equity</b>		
Share Savings, Drafts and Certificates	<b>\$613.5</b>	<b>\$597.0</b>
Other Liabilities	<b>17.9</b>	<b>2.8</b>
Members' Equity	<u>76.7</u>	<u>71.7</u>
Total Liabilities and Members' Equity	<b>\$708.1</b>	<b>\$671.5</b>

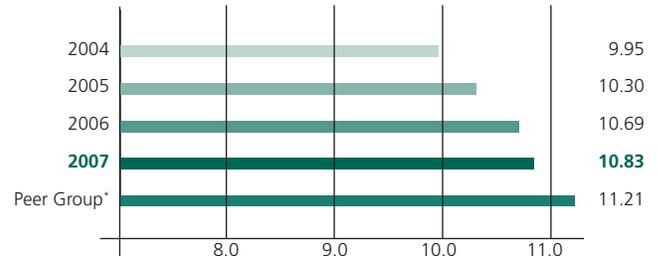
### Consolidated Statement of Income

(selected data in millions)

	<u>2007</u>	<u>2006</u>
Interest Income from Loans and Investments	<b>\$40.2</b>	<b>\$37.2</b>
Interest Expense for Member Accounts and Borrowed Funds	<b>(23.5)</b>	<b>(20.7)</b>
Loan Loss Provision	<u>(0.5)</u>	<u>(0.2)</u>
Net Interest Income	<b>16.2</b>	<b>16.3</b>
Other Income	<b>5.7</b>	<b>3.8</b>
Operating Expense	<b>(16.7)</b>	<b>(15.1)</b>
Non-Operating Expense	<u>(0.3)</u>	<u>(0.0)</u>
Net Income	<b>\$5.0</b>	<b>\$5.0</b>

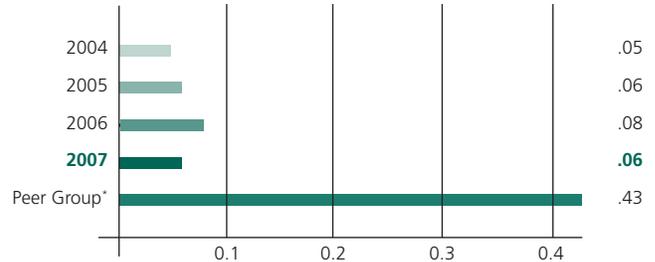
### Net Worth to Assets

This ratio indicates a strong ability to withstand future losses or economic downturn.



### Net Charged-Off Loans to Average Loans

ELFCU writes off relatively few loans, reflecting effective lending and collection practices while outperforming most other credit unions.



#### Board of Directors

Lisa Heid, Chair of the Board  
Cheryl Wilkins, Vice Chair  
Mark Saltgaver, Treasurer  
Jennifer Marsh, Secretary  
Adam Arffa  
Nathan Lewis  
Kimberly K. Peterson  
Leslie Prince Rudolph  
Sandy Sifferlen

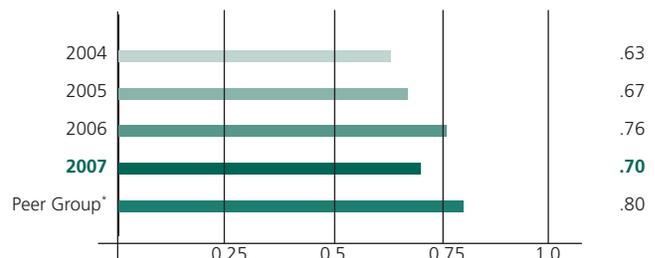
#### Supervisory Committee

Anne-Marie Christian, Chair  
Patrick Cassidy  
Scott McKenney  
Eric Zinn  
Donald A. Zakrowski

In management's opinion, the selected financial data presented herein is free of material error and accurately reflects the financial position and/or results of operations of Eli Lilly Federal Credit Union for the periods presented. Members may request a complete copy of our audited financial statements by calling 800.621.2105.

### Return on Average Assets

ELFCU consistently maintains a relatively low income-to-assets ratio, choosing to give its members current economic benefit rather than maximizing profits.



\*NCUA Peer Group – All credit unions greater than \$500 million in assets as of 9/30/07

## Report on 2007 Results

Eli Lilly Federal Credit Union (ELFCU) continued to impress members in 2007, our 77th year in business. The board of directors and management pursued a strategy to grow the business by connecting more with members and proactively serving their needs.

Total assets grew to \$708 million in 2007, an increase of 5.4%. Net income for the year was strong at \$5.0 million and our net worth to total assets ratio ended the year at 10.83%. Our Return on Assets of .70% was slightly lower in 2007 due to a concentrated effort to enhance the rates provided to our members, particularly on loans.

### Membership Growth

Thanks to aggressive recruitment efforts by staff, ELFCU welcomed 2,368 new members in 2007. Factoring in those who departed for various reasons, the final result was a net of 1,612 new members. Other initiatives that contributed to member growth were a renewed participation at new employee orientation and continued outreach at Lilly Sales School. Throughout the year, ELFCU also extended membership benefits to contract employees, the newest segment eligible for membership.

### Expanded Services

We continued to add to ELFCU's product offerings in 2007 by introducing:

- The ThinkBIG™ savings/checking product featuring a premium rate of 6.0% APY on the first \$500 in the account
- Overdraft Privilege, a service that enhances a member's traditional overdraft protection program
- MemberPERKS including Dell computer deals and PetFirst pet insurance

In another ELFCU first, we opened a new branch beyond the walls of Lilly in downtown Indianapolis. This facility features extended hours of 9:00 a.m. to 5:30 p.m., unique design elements, and easy parking and access for contractors and family members. ThinkBIG Week took place in August at the new branch with four grand opening events in four days.

One of our greatest successes of 2007 is the lending business we achieved. With loan originations totaling \$269.22 million, ELFCU exceeded its goal in this area by 3.9%. Specifically, despite challenges in the mortgage industry, ELFCU funded 507 mortgages totaling \$102.2 million through our award winning program. As further evidence of loan growth, outstanding balances grew by approximately \$33 million or 8.0%. Auto loans garnered special attention at the Spring Auto Sale presented by Members Auto Source. The one-day event featured special auto loan rates, which contributed to the record-breaking results of 148 vehicles sold.

LCU Financial Services, LLC\*, the wholly-owned subsidiary of ELFCU, finished 2007 as the 10th largest investment firm—out of 400 in the nation—working with CUNA Brokerage Services. This came after LCU's first year with CUNA.

Additionally, LCU developed Members Auto Source (MAS) partnerships with fifteen Indiana-based credit unions. Those contracts mean 161,000 potential new members that MAS can serve with its auto buying expertise.

### Technological Advances

With a streamlined enrollment process in place, ELFCU added 4,196 new eStatement users via eBranch. More members benefiting from our electronic conveniences allows for efficiencies in our service delivery.

The hub of our online activity, *elfcu.org* launched a new design to members. The site features a life cycle emphasis, showing members what products and services are appropriate at different ages and stages.

In a commitment to protect member privacy, ELFCU maximized its fraud prevention efforts through state-of-the-art technology and staffing. These proactive steps resulted in minimal debit card fraud losses, 25.8% below projections.

### Member Support

In the spirit of credit union service, everyone at ELFCU remained dedicated to improving the financial literacy of members. As one example, we educated 1,123 attendees about credit reports during a series of seminars about this topic. Additionally, ELFCU, Just for Kids!, our youth program continued to sponsor creative promotions to teach strong money habits at an early age.

As yet another competitive advantage, our credit union took pride in committing more Random Acts of ELFCU and granting some wishes made by members during a special eStatements promotion. Through these unique programs, ELFCU's good deeds included planting flowers for a member struggling with cancer and hiring a home cleaning service for a family with an ill child. During the year, our staff also hit the halls of Lilly to pass out a total of 800 Wooden Nickels, our tokens worth one free treat at the popular CoffeeZon locations.

In conclusion, we are pleased to provide this report of accomplishments from 2007. Thank you for your business last year. We encourage you to watch for more innovative ideas and developments throughout 2008.



Lisa Heid  
Chair of the Board



Lisa Schlehuber  
Chief Executive Officer



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800.621.2105 toll-free



We Do Business In  
Accordance with the Federal  
Fair Housing Law and the  
Equal Credit Opportunity Act



\*Representatives are registered, securities are sold, and investment advisory services offered through CUNA Brokerage Services, Inc. (CBSI), member FINRA/SIPC, a registered broker/dealer and investment advisor, 2000 Heritage Way, Waverly, Iowa 50677, toll-free (866) 512-6109. Nondeposit investment and insurance products are not federally insured, involve investment risk, may lose value and are not obligations of or guaranteed by the financial institution. CBSI is under contract with the financial institution, through the financial services program, to make securities available to members.