Crossing the Threshold to $1 Billion

2012 Elfcu Annual Report
We’ve wrapped up an exceptional year. In 2012 at Elfcu (pronounced elf-kyoo), we experienced our strongest year of net income and our second highest lending volume on record. Elfcu Wealth Management also attained its highest level of assets under management; not to mention, we became a $1 billion credit union. We continue to grow while operating only seven physical branches.

In recent years, we’ve succeeded despite a challenging economy thanks in large part to a decision to partner with companies beyond Eli Lilly and Company. Following this plan to add new employer groups to our membership, we welcomed several highly regarded organizations this year including ExactTarget and the Archdiocese of Indianapolis.

As we change, we remain loyal to our roots. Since the New Year, we have refreshed our look and feel based on member feedback. We are proud to update our style to reflect red as a tribute to Lilly, our original sponsor and valued partner since 1930. At the same time, we’re asking members to call us Elfcu now, which has traditionally been our nickname. You can see the changes in place on our newly designed website at elfcu.org.

Moving into 2013, we promise to help you achieve financial wellness by engaging you with the credit union tools that best support your plan. Look to us to guide and nurture you toward your goals. Our purpose and success is based on making our members financially well.

Thanks for choosing Elfcu,

Mark Saltsgaver
Chair of the Board

Lisa A. Schlehuber
Chief Executive Officer
Membership
Membership remains the foundation of our growth allowing for economies of scale.

3,346 Total Gross New Members
42,546 Total Core Net Membership
An increase of 658 members or 1.57% growth*
39 Total employer groups including Eli Lilly & Company
13 new employer groups added to membership eligibility

Loans
Members looked to Elfcu to refinance $175,350,211 in mortgages and $19,987,973 in auto loans, allowing them to enjoy a lower payment and/or shorter term on their major purchases. It was Elfcu’s second largest lending year in our history.

$439.3 million Total Lending Originations
With $215.4 million in first mortgage loans and $48.1 in auto loans

$624.1 million Overall Loan Balances
For an increase of $30.9 million or 5.21% growth

Deposits
Traditionally, we have strong savers at Elfcu. This year was no exception as we achieved our target rate of growth for deposits.

$874.9 million Overall Deposit Balances
For an increase of $33.6 million or 3.99% growth

Assets
Elfcu experienced highs in asset growth, net income margins, and capital ratio thanks in large part to lows in loan delinquencies, fraud losses, expenses, and mortgage rates.

$1 billion+ in Assets
0.88% Return on Average Assets

$8.9 million in Net Income
10.21% in Net Worth to Assets Ratio
A net worth ratio beyond 7.0% is considered “well capitalized” by the National Credit Union Administration, the credit union’s FDIC equivalent.

*Per NCUA’s 5300 Call Report Quarterly Data, total net membership is 59,928 which includes non-core members who are indirect borrows through our student loans program.

 OBJECTIVE
MANAGED GROWTH
Seek profitable opportunities and partnerships

2012 Highlights

2012 Board of Directors
Mark Saltsgaver, Chair of the Board
Nathan Lewis, Vice Chair
Jennifer Marsh, Secretary
Don Zakrowski, Treasurer
Adam S. Arifa
Kathleen DeLaney
Brice Dunshee
Dan Hammerschmitt
Kay Jackson
Michael F. Johnson

2012 Supervisory Committee
John Huesing, Chair
Patrick Cassidy
Benjamin Denlinger
Andrew Laux
Scott McKenney
Kelly Wiggins-Payne

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.

*Per NCUA’s 5300 Call Report Quarterly Data, total net membership is 59,928 which includes non-core members who are indirect borrowers through our student loans program.
Elfcu Wealth Management

We continue to partner with LPL Financial, the nation’s largest independent broker/dealer serving close to 700 community banks and credit unions, to support our members’ investment and retirement planning goals. Buoyed by strong performance in global equity markets and new client acquisition, Elfcu Wealth Management achieved record results in several key performance indicators.

$339.8 million
Total Program Assets
Grew by 15.8%

Growth in Client Assets Under Management for a Fee to nearly $200 million

Increase in Individual Advisor Production

Growth in Total Program Revenue

Elfcu Wealth Management’s rank among LPL affiliated credit unions nationwide

Credit Cards

In May 2012, we introduced “Something Big” when we began offering competitive Visa credit card services directly again to our members. As an innovative and unique member giveback, we allocate a member’s credit card payments to pay down their highest interest rate balances first.

680 New Credit Cardholders since program launch, for an increase of 10%

Corporate Responsibility

Our members are civic-minded, so in turn Elfcu focuses on the community with contributions of money and time.

$32,140.82
Donated to the Riley Children’s Foundation primarily as a result of our “Cars for Kids” special cause marketing relationship supported with a Miracle Match from CO-OP Network

$52,844.00
Donated to United Way of Central Indiana by employees and Elfcu

Local Organizations Supported with cash and in-kind donations from employees during holiday season: Julian Center, Brown County Humane Society, and the Southside Animal Shelter

Elfcu Volunteers Worked a Day at Camp Riley 237.25 total paid volunteer hours donated to local organizations

2012 Highlights

OBJECTIVE ENGAGEMENT

Drive higher member loyalty

2012 Highlights
2012 Highlights

OBJECTIVE

INNOVATION
Leverage talent and technology

Financial Wellness Programming
Eflcu announced Pete the Planner as its preferred financial wellness education expert. Thanks to this exclusive relationship, Pete brought us 60 Days to Change, an intensive curriculum designed to help people become better spenders, savers, and budgeters. Participants in 60 Days to Change: 4 winners of $1,000 each. 12% increase in Facebook likers and 18% increase in Twitter followers during program.

GreenPath Debt Solutions: a non-profit credit counseling agency and a new business partner of Eflcu that offers our members free access to money management and financial education services. GreenPath has been helping people achieve their financial goals since 1961.

Eflcu also became the premier financial wellness partner of the Indiana Wellness Council, a wholly-owned subsidiary of the Indiana Chamber of Commerce.

Modern Access Points
A physical branch has become “a nice to have” for our members versus “a need to have” as we’ve introduced new electronic conveniences.

PopMoney
Our new partner providing person-to-person payments through eBranch.

elfcuMOBILE
Mobile banking program introduced to include an app for Android and iPhone, a browser-based option and text banking. Smartphone users can make deposits by sending through a photo of a check.

2,403 elfcuMOBILE users added
4,006 Checks Deposited via Mobile Totaling $1,867,337

Recognition
2011/2012 Elite Partner’s Club Overall Highest Achieving Credit Union by CU Members for outperforming all other credit unions of our size associated with the servicing company. Also, Kristy Mars, Mortgage Loan Originator, was named a Five Star Professional for the third year in a row by Indianapolis Monthly readers, an honor only 3% of regional mortgage professionals achieve.

Best Places to Work in Indiana for the third year in a row.

CUNA Diamond Award for outstanding credit union marketing

Five Star Wealth Manager: Bruce Evans

LPL Masters Qualifiers/Top-Tier Producers:
Jim Wolf, CFP®, Bruce Evans; Terry Cox, CRPC®, Raymond Mark, CFP®, Matt Snively

LPL Top 25 Advisors – Individual Advisory Production:
Jim Wolf, CFP® #3; Raymond Mark, CFP® #8; Terry Cox, CRPC® #24

Bank Investment Consultant Magazine
Top 50 Financial Advisors: Raymond Mark, CFP®, Honorable Mention
Top 20 Program Managers: Matt Snively, #11

Indianapolis Business Journal
Largest Indianapolis Area Investment Brokerage Firms Debut Listing

“I can’t believe that there are only a few days left…Kind of sad about it really. The 60 days went so fast! But have changed my family’s life!” ~ Member Sarah Anderson

658
Elfcu’s 2013 Objectives

Be the financial wellness experts.

Live the Elfcu purpose.
“Building lifelong relationships to support our members’ financial success.”

Grow the business.

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Peer Group</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>9.93%</td>
<td>9.71%</td>
<td>9.82%</td>
<td>10.31%</td>
</tr>
</tbody>
</table>

A credit union must have a Net Worth to Assets ratio of at least 7.00% to be considered “Well Capitalized” by the National Credit Union Administration (NCUA).

Net Charged-Off Loans to Average Loans
Elfcu experienced increased unsecured loan losses in 2012 from credit card and student loans.

<table>
<thead>
<tr>
<th>Year</th>
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<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>0.09%</td>
<td>0.84%</td>
<td>0.86%</td>
<td>1.04%</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
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<th>Peer Group</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1.24%</td>
<td>0.26%</td>
<td>0.44%</td>
<td>0.88%</td>
</tr>
</tbody>
</table>

Consolidated Statement of Financial Condition
(selected data in millions)

<table>
<thead>
<tr>
<th>Assets</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Investments</td>
<td>$361.9</td>
<td>$368.2</td>
</tr>
<tr>
<td>Loans to Members</td>
<td>$617.8</td>
<td>$686.4</td>
</tr>
<tr>
<td>(net of allowance for loan losses)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Assets</td>
<td>50.0</td>
<td>33.5</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$1,099.7</td>
<td>$1,088.2</td>
</tr>
</tbody>
</table>

Consolidated Statement of Income
(selected data in millions)

| Interest Income from Loans and Investments | $33.2 | $33.3 |
| Interest Expense for Member Accounts and Borrowed Funds | $7.3 | $8.6 |
| Loan Loss Provision | $5.8 | $6.6 |
| Net Interest Income | $22.2 | $18.1 |
| Other Income | $10.6 | $8.4 |
| Operating Expense | $(26.1) | $(21.6) |
| Non-Operating Expense | $0.2 | $(0.6) |
| Net Income | $9.7 | $4.3 |

Notes to Financial Statements
(A) In 2011, the credit union recognized $1 million in non-operating expense related to the purchase of our credit card loan portfolio.