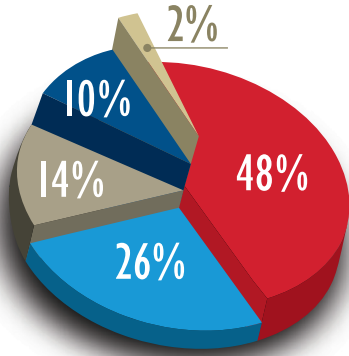




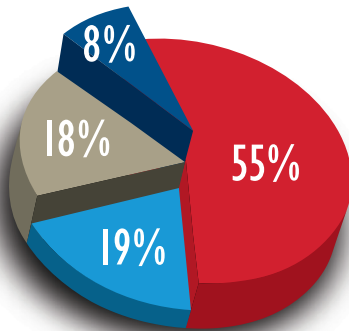
2014 ANNUAL REPORT

Financial Results



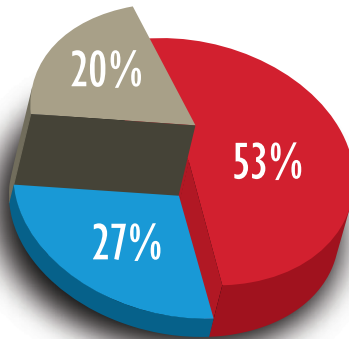
DEPOSIT ACCOUNTS

Shares	\$222,065,492
Certificates	\$119,339,769
Share Draft	\$68,857,355
IRA Certificates	\$45,743,857
IRA Shares	\$8,125,763



OPERATING INCOME

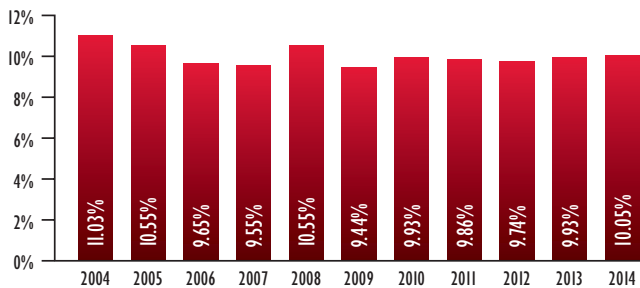
Loans	\$10,223,123
Investments	\$3,582,194
Other Income	\$3,309,185
Miscellaneous	\$1,453,359



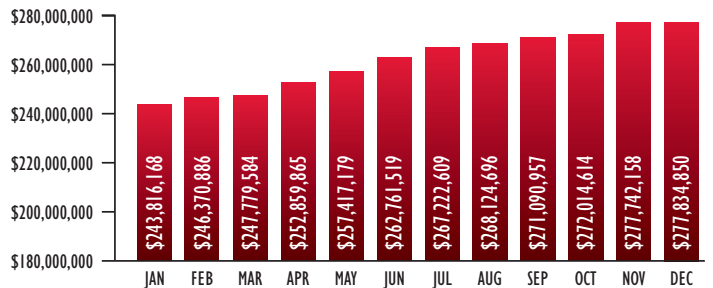
DIVIDENDS PAID

Certificates	\$1,365,641
IRA Certificates	\$684,798
Shares	\$522,944

NET WORTH RATIO



TOTAL LOANS



Chairman and President's Report

GETTING TO YES!

Once again our projections from last year proved accurate. Our positive momentum has actually gained speed; ending 2014 with a 10.05% net worth and \$516 million in total assets, an increase of \$20.5 million over 2013.

Two thousand fourteen began with a rebranded marketing strategy. With our newly minted Passion Statement, all of our communications, internally and externally, were a clear reflection of that statement. Presented with a continuity that confirmed our commitment to the highest possible level of service; we did not stop there. Our teams worked hard to further our new strategy. Vigilant examination of what our members truly want from us yielded a new approach that is now the cornerstone of everything that we do and the words that define us. ***“Our Passion is Yes. Now, what is YOUR question”*** is becoming our trademark. More than a slogan “Yes” is our method of operation. Totally positive and member focused, we believe that we are transforming our culture and this will help us to continue to grow. To aid in that growth, we have also supplied all sales staff with basic and advanced sales training.

The highlights of this year were remarkable and a real tribute to our employees. Our credit union was awarded the Small Business Administration's 2014 “Emerging Lender of the Year” for New Hampshire. Among the many other significant accomplishments were the hiring of many outstanding new team members. The addition of a new and free service called, “GreenPath Financial Counseling” that helps members' financial well being was very well received. Also adding to our many free services was the introduction of “Instant Issue Debit Cards” that are available in all of our branches. Our branch managers are now equipped to take mortgage applications adding even more convenience for our members. We held our first “Women, Wheels & Wine” event and our first “Women in Business” seminar – both great successes. We continue to find that holding seminars is a very effective way of generating new business evidenced by our sixth “Small Business Seminar” to produce new business loans. There was an abundance of wide eyes and smiles at our third annual “We Love Santa” event. Members of all ages were delighted with the festivities that has now become another of our proud traditions. We also found that members, and prospective members, take great pleasure at the sight of our CEO pumping Free Gas. So, look for more of the same in 2015.

Our free Car Buying Service continues to grow in popularity. One of our colleagues conducted phone research with a random selection of members that have used the service. The survey results were very good. We are in a perfect position to expand this service because we are one of only two financial institutions in our market to offer this popular service; our Auto Advisor is doing a great job with our members.

We continue along our path of philanthropy donating over \$100,000.00 to charities and causes that serve people in the Merrimack Valley. Peter Matthews and the Merrimack Valley Credit Union, were awarded the Emmaus House's “Community Hero Award” for 2014.

This year, we held our first “Passion Recognition Dinner”. We would like to congratulate Lisa Lewis who was selected as our first annual PASSION Employee Winner.

Operationally, we installed a new system (NAS) that enables branches to expedite loan closings. We also upgraded our Online Banking system to “Jwaala” that will make it easier for those members who enjoy banking online. To provide a more secure method of authentication we implemented “Precise ID” in the call center.



Merrimack Valley Credit Union also completed a merger with Lawrence Postal Credit Union. In the due diligence process of any merger, a full disclosure of both institution's products and services are made available to each party. When all of our products and services were in full view, it was very revealing. Our credit union has a remarkable array of offerings for our members, most of which are free! When you combine that level of full service with the extraordinary people that we have working in our franchise, the obvious conclusion is that we offer outstanding VALUE to our members. Everyone associated with this credit union should be very proud – we certainly are.

It was a very busy year and very rewarding. We have accomplished many things, all with an eye toward making our member experience better. Our members are the reason we get up in the morning and pursue our passion to say "Yes" to any of their financial needs. So once again, we thank all of our members for their support.

Passionately yours,

Alexander R. Oski

Alexander R. Oski
Chairman

Peter J. Matthews, Jr.

Peter J. Matthews, Jr.
President/CEO

Supervisory Committee Report

The Supervisory Committee is tasked with maintaining oversight of the Credit Union's financial and operational activities. Its basic regulatory requirements are to obtain an annual opinion audit and perform a verification of members' accounts at least every two years. In addition, the Supervisory Committee oversees and coordinates the Internal Auditing activity within the Credit Union.

On an ongoing basis, various financial, lending and operational audits are conducted by Internal Audit to ensure the Credit Union is properly accounting for operations and is operating in compliance with internal policies and various Federal Regulations. As the Board and Management continue to develop new policies and introduce new products, it is the Supervisory Committee's responsibility to ensure proper internal controls are established and the Credit Union's safety and soundness are not compromised.

Internal Audits conducted in 2014 evaluated the organization for satisfactory documentation of and conformance with internal Credit Union policies and procedures, National Credit Union Administration and other Federal Regulations. These audits were performed across a wide range of operational activities, which are critical to financial stability and protection of members' interests. Audits conducted and the associated

corrective actions implemented by Management met these objectives.

The Supervisory Committee has engaged the CPA firm of Clifton Larson Allen, LLP for the December 31, 2014 annual opinion audit and verification of members accounts. Clifton Larson Allen has issued an unqualified opinion that the financial statements present fairly, in all material respects, the financial position of Merrimack Valley Federal Credit Union as of December 31, 2014 in conformity with accounting principles generally accepted in the United States of America.

Finally, we were saddened to learn of the passing of former Supervisory Committee Chairman and longtime Credit Union volunteer Mr. George D. Forte, on August 31, 2014. George was a volunteer for the Credit Union for over forty years, serving on both the Credit and Supervisory Committees. George served the Credit Union passionately, with spirit and enthusiasm. His tenure with the Credit Union culminated with his appointment as the Chairman of the Supervisory Committee, until his retirement in 2007.

Supervisory Committee:

Domenic P. Mazzocco, Chairman

Peter A. Mills

Douglas R. Cokely

Rodney A. Dauteuil,
CIA, CFSA, CUCE

Director of Internal Audit

	2013	2014
ASSETS		
Loans	\$ 243,579,539	\$ 277,834,850
Loan Loss Allowance	(2,497,628)	(1,940,077)
Notes Receivable	242,809	125,088
Net Loans	\$ 241,324,720	\$ 276,019,861
Cash & Receivables	\$ 4,203,530	\$ 4,760,533
Investments	233,548,222	219,258,152
Accrued Income	394,367	982,415
Prepaid & Deferred Expenses	309,364	444,110
Fixed Assets (Net)	8,871,722	8,199,904
Other Assets	2,648,167	2,125,253
Deposit in NCUSIF	4,337,372	4,407,127
Total Assets	\$ 495,637,463	\$ 516,197,355

LIABILITIES AND EQUITY

Accounts Payable	\$ 1,440,390	\$ 1,457,091
Dividends Payable	222	203
Accrued Expenses	-1,826,770	923,087
Shares	450,416,871	462,132,236
Regular Reserve	9,234,084	9,357,881
Undivided Earnings	39,994,365	42,506,141
Equity Acquired from Merger	6,740	6,740
Unrealized Gain/Loss on Investments	-3,628,438	-186,023
Total Liabilities and Equity	\$ 495,637,463	\$ 516,197,355

	2013	2014
OPERATING INCOME		
Interest on Loans	\$ 9,393,918	\$ 10,223,123
Income from Investments	3,541,476	3,582,194
Fees and Charges	3,016,109	3,309,185
Misc. Operating Income	2,162,763	1,453,359
Total Operating Income	18,114,267	18,567,860

OPERATING EXPENSES

Compensation	\$ 5,024,125	\$ 5,370,455
Employee Benefits	1,592,505	1,690,777
Travel & Conf Exp	137,733	182,199
Association Dues	73,096	79,607
Office Occupancy Exp	1,489,972	1,515,405
Office Operation Exp	3,050,548	3,092,622
Marketing Exp	653,118	504,886
Loan Servicing Exp	581,776	715,886
Prof. & Outside Services	195,398	230,356
Prov. for Loan Losses	28,708	0
Members' Insurance	346,990	0
NCUA Operating Fee	109,594	91,445
Cash Over and Short	11,300	(4,984)
Annual Meeting Expense	23,318	4,183
Misc. Operating Exp	12,411	9,866
Total Operating Expense	13,330,592	13,482,702
Income Before Dividends	4,783,675	5,085,159
Dividends Expense	2,749,134	2,573,383
NET OPERATING INCOME	\$ 2,034,540	\$ 2,511,776

Actual Write-offs: \$ 422,145 \$ 665,802

BOARD OF DIRECTORS

Alexander R. Oski, *Board Chairman*
Leon M. Pratt, Jr., *1st Vice Chairman*
Michael M. Saylor, *2nd Vice Chairman*
Mukesh Dave, *Secretary*
Augustine S. Longo, Jr., *Treasurer*
John J. McSweeney, *Assistant Treasurer*
Luis M. Barros
Marianne Fantini
Ronald J. Guilmette
Maureen Ronayne
B. Robert Zingali
Catherine M. DeBurro, *Associate*
J. Lucky Henry, *Associate*

SENIOR MANAGEMENT

Peter J. Matthews, Jr., *President/CEO*
Donald Croteau, *VP Finance & MIS*
John J. Howard, *VP Marketing & Operations*
Laura Wante, *VP Human Resources*
Michael Shuman, *VP Lending*

MANAGEMENT

Anthony Marino, *AVP Operations*
Jan White, *AVP Finance*
Jay Caldwell, *AVP Retail Lending*
Jennifer Grenier-Spiecker, *AVP Marketing*
John Obert, *AVP Strategic Planning*
Michael Pliskaner, *AVP MIS*
Richard Hanlon, *AVP Business Lending*
Tracy Mermet, *AVP Human Resources, Training & Compliance*
Brett Terry, *Mortgage Manager*
Carrie Fitzgerald, *Branch Manager*
Christine Doucette, *Branch Manager*
Digna Jhonson, *Branch Manager*
Lisa Lewis, *Collections Manager*
Rebeca Urena, *Call Center Manager*
Sue Lagree, *Branch Manager*
Wendi Moreau, *Branch Manager*
Bonnie Tardugno, *Consumer Lending Supervisor*
Dale Dyer, *Member Service Supervisor*
Elizabeth Pearl, *Branch Operations Supervisor*
Karen Green, *Member Service Supervisor*
Kellie Gallant, *Member Service Supervisor*
Marie Petroni, *Member Service Supervisor*
Nikki Hill, *Member Service Supervisor*



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Federally insured by NCUA