



SOLID ROOTS

BATON ROUGE TELCO FEDERAL CREDIT UNION

Chief Executive Officer's Report

This year our tellers performed over 400,000 transactions, thousands more were done through MANDI, ATM machines, and on-line through home banking and using smart phones. Telco made over 3,000 loans to members in 2013. Some applied in person, some over the phone and others through the internet.

Our savings accounts in 1936 were simple share accounts. Today we also have share drafts, money market accounts, certificates and IRAs and we have over 24,000 members using these savings accounts. Our loan accounts in 1936 were also very simple. Today we have Visa loans, mortgages, home equity line-of-credits, stock loans and car loans. We now have over 12,000 members with loans at Telco with a total loan balance of over 190 million dollars.

We have 67 employees between our 4 offices in Baton Rouge, Watson and Hammond. Each have developed expertise in their areas of responsibility, striving to do their best to serve members, be efficient, be innovative and reduce cost.

Like the original credit union, we still have volunteers. Besides time in board meetings and committee meetings our board members give even more. In the 17 years that I have been at Telco, I have called on board members countless times to solicit their opinions to help me solve problems. None of them have ever put me off, never made it seem like I was inconveniencing them, and never given me the impression that they weren't greatly concerned about the success of Telco.

This credit union that was formed in 1936 is still going strong. We will always recognize that members are owners, that their satisfaction is of utmost importance, and that each and every member contributes to Telco's success.



Darryl K. Long



Win Landry

Darryl K. Long
Darryl K. Long, CEO

Our Roots Darryl K. Long

Telco began 78 years ago, when the average American earned about \$1,700 per year, the average house cost about \$3,900 and gas was just 10 cents a gallon.

It was a very unpopular time to try to begin a new financial institution, because during the depression over 9,000 of the existing banks failed. If existing financial institutions were failing, what were the chances for success of this new credit union that was being organized not by financial professionals but by local employees of the Southern Bell Telephone and Telegraph Company? Better than you might think, because like the telephone industry, your credit union has adapted and grown.

Chairman's Report

On October 1st, 1936, in the midst of the Great Depression, seven members of Southern Bell Telephone District staff signed their names to the Organization Certificate and were granted Credit Union number 1726. Needless to say, the Baton Rouge Telco Federal Credit Union has survived these 78 years.

Thanks to these seven and the officers, volunteers and members throughout the years, our credit union has grown to what it is today. Telco has 24,433 members, a 5.2% growth since last year. Total assets are now over \$238 million and loans to members are over \$190 million. Thanks to management and staff, expenses are low compared to other credit unions.

Growth in operations has been steady over the years and is covered in more detail in the Annual Report and discussed by others on this program.

On behalf of the Board of Directors, it has been a pleasure to serve you, members of this outstanding credit union.

W. T. Landry
W. T. Landry, Chairman

*"Telco has 24,433 members,
a 5.2% growth since last year."*

Board Of Directors

Pictured (left to right):

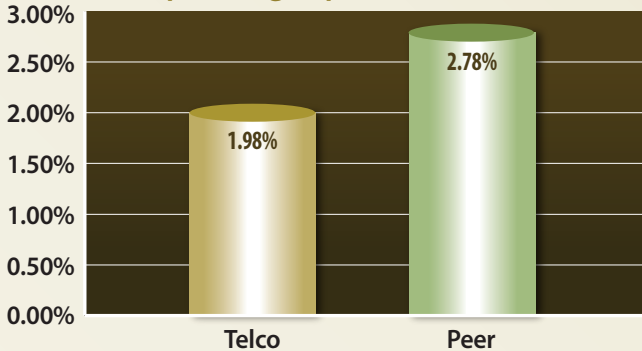
Darrell Goudeau, Treasurer
Andrew Eames, Vice-Chairman
Marianne Merritt, Secretary
Chuck Carney, Director
Win Landry, Chairman
Brent Boe', Director
Freddie Smith, Director



Member Shares & Loans (in Millions)

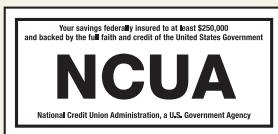
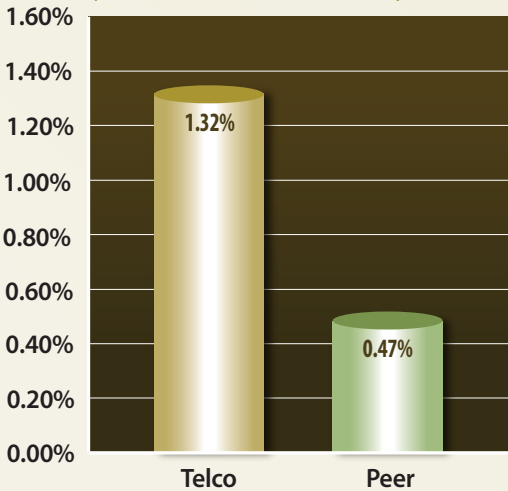


Net Operating Expenses (as of 9/30/13)



Cost of Funds

(Dividends as % of Assets, as of 9/30/13)



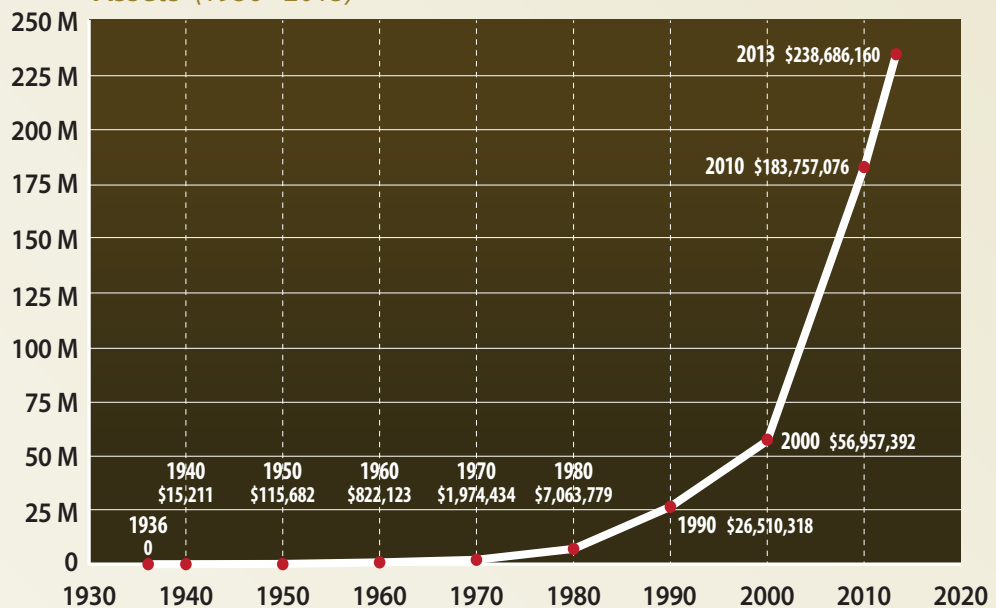
Consolidated Statement of Financial Condition As of December 31, 2013 (unaudited)

	2013	2012
ASSETS		
Loans to Members	\$190,158,032	\$173,612,728
Cash & Cash Equivalents	18,619,551	14,109,157
Investments	22,505,662	28,537,439
Premises & Equipment	5,247,469	5,344,199
Other Assets	2,155,446	2,001,095
TOTAL ASSETS	\$238,686,160	\$223,604,618
LIABILITIES, SHARES & EQUITY		
Accounts Payable & Other Liabilities	\$420,519	\$347,069
Total Shares	212,954,582	199,947,782
Unrealized Gain/(Loss) on Investments	(24,082)	38,921
Equity	25,335,141	23,270,846
TOTAL LIABILITIES, SHARES & EQUITY	\$238,686,160	\$223,604,618

Consolidated Statement of Income As of December 31, 2013 (unaudited)

	2013	2012
INCOME		
Interest on Member Loans	\$9,030,124	\$9,091,096
Income from Investments	203,947	331,455
Other Operating Income	3,220,062	3,111,708
GROSS INCOME	\$12,454,133	\$12,534,259
OPERATING EXPENSES	\$7,428,678	\$7,214,076
INCOME BEFORE DIVIDENDS	\$5,025,455	\$5,320,183
Dividends Paid to Members	2,961,159	3,391,855
NET INCOME	\$2,064,296	\$1,928,328

Assets (1936 - 2013)



AIRLINE OFFICE
13404 Airline Hwy.
Baton Rouge, LA 70817
(225) 924-8900

WOODDALE OFFICE
2226 Wooddale Blvd.
Baton Rouge, LA 70806
(225) 924-8900

WATSON OFFICE
32839 LA Hwy. 16
Denham Springs, LA 70706
(225) 924-8900

HAMMOND OFFICE
1115 W. University Ave.
Hammond, LA 70401
(985) 542-8086