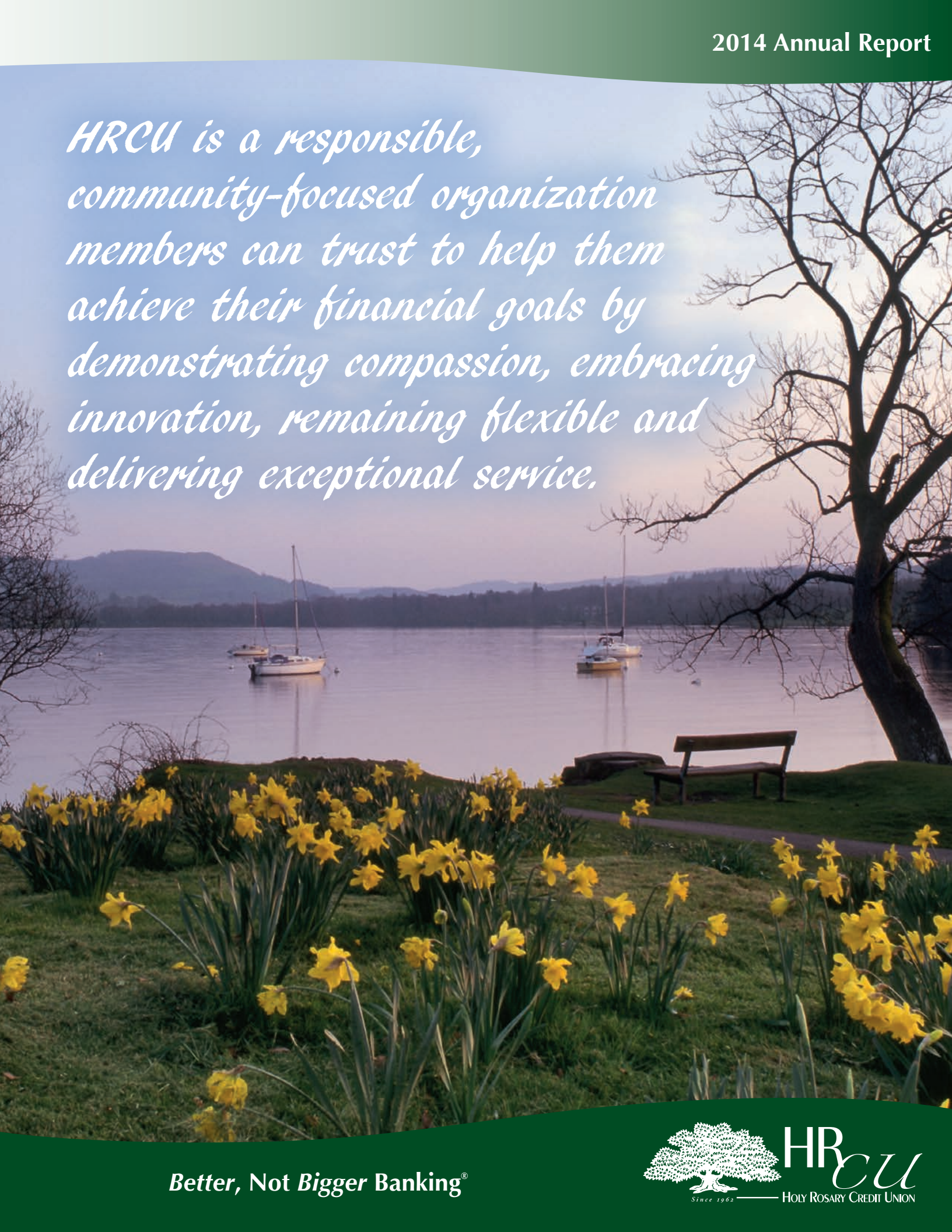


HRCU is a responsible, community-focused organization members can trust to help them achieve their financial goals by demonstrating compassion, embracing innovation, remaining flexible and delivering exceptional service.



Better, Not Bigger Banking®



HRCU
HOLY ROSARY CREDIT UNION

President's Message

2014 was a great year for credit unions nationally. Together, Credit Unions throughout the country passed the 100 million member mark! What an amazing accomplishment for our movement in the United States, which started right here in New Hampshire in 1908. That alone speaks to the power of who we are: member-owned, not-for-profit financial service cooperatives that help our friends and neighbors while giving back to the local communities we serve.

Among financial service institutions, the fiscally-responsible credit union model continues to do well. Considering our economy's positive, yet slow-growth reality, the fact that credit unions grew their savings balances in 2014 by 4% nationwide illustrates that our members understand the importance of fiscal responsibility too. Loan growth came in at 10.6%, the fastest since 2005. As jobs grew, so did our members' credit quality. We saw an increase in the return on assets in 2014, and expect these stronger earnings to lead to more capital growth in credit unions nationwide.



Brian F. Hughes
President & CEO

Here at HRCU, we had a strong 2014. We ended the year with \$206 million in assets, a growth of 6.7% over 2013. We grew our loan portfolio by an astonishing 12.3%, finishing the year at \$152 million. Our average dollar amount of shares per member beats the national average, and our asset and loan growth both eclipse the national average by several percentage points each. Last, but not least, our membership grew too – our family is now 19,263 strong!

Not only are we proud of our financial performance, we are also proud of our staff. The volunteerism of their personal time has had significant impacts on several local organizations. Did you know they sit on many boards throughout Strafford County, and one of them was even honored as Rochester Main Street's Volunteer of the Year? Their dedication in giving back to the community, year after year, continues to amaze me, and probably you too.

HRCU launched a coordinated campaign of holiday giving in 2014, called the Christmas Caring Campaign. Spread out over three weeks of visits to local non-profits by both HRCU staff and volunteers, we donated a total of \$20,000 in goods and funds to fifteen local non-profits. Our work helped bring each organization's story to others in the community, inspiring them to also give to these organizations. Later in this report, you will see the many happy faces of both volunteers and recipients.

The HRCU team worked hard to develop some great financial products to really help our members in 2014. We started off the year with our Resolution CD, had a great President's Day auto promotion, and then came up with something truly unique: The 10-Year Plan Mortgage. We hit a home run with this one, and helped our members put nearly 3 million dollars of mortgages on a low interest, fixed rate path to being paid off in just 10 years. Many of you are clearly turning the dream of a mortgage-free retirement into a reality!

Fall brought us to our annual Strategic Planning, and we took a good look at what our core values are plus what our mission and vision should be to continue our growth. 2015 will be an exciting year as we work to bring our mission to every aspect of HRCU:

"HRCU is a responsible, community-focused organization members can trust to help them achieve their financial goals by demonstrating compassion, embracing innovation, remaining flexible and delivering exceptional service."

Our humble Rochester beginnings are never far from our minds as we always look to do what is best for our members. Our unique model of service guided by our founding principles helps our credit union deliver fiscally strong performance year after year and is firmly entrenched in this mission statement.

2015 brings us some physical changes too – we will be remodeling our Brock Street lobby to give you the best in relationship banking! With a watchful eye on our traditions, we are working to bring you a higher level of personalized, one-on-one service in a comfortable environment. Our familiar faces and financial services will be available to you later this year in an environment that is more like stopping in to chat with a friend than going to a bank. We take great pride in the fact that all our staffers are very excited because the changes will enable us to deliver best-in-class service to our members. The Brock Street branch and all its services will remain open through the entire process, just in a different area of the building. Keep an eye out for updates on our progress and pictures of the design!

I personally would like to thank all our members for your support, and for sharing in the successes of a great 2014. We all worked together and grew HRCU, introducing more of our friends and neighbors to what better, not bigger banking is all about!

A handwritten signature in black ink, appearing to read "Brian F. Hughes". The signature is fluid and cursive.

Brian F. Hughes
President & CEO



What was new in 2014

- Online Account Opening
- Electronic Signature Acceptance
- ClickPay
- 10 Rite-Aid ATMs
- ACH Origination
- Relay For Life Fundraising

What's coming in 2015

- School Youth Program Changes
- Rochester Lobby Renovation
- Small Business Service Revamp

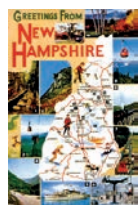
Building On Our Foundation

As we entered 2014 with our new core computing system foundation solidly in place, we began adding more building blocks to it. Following our plan to enhance services to all our members, we brought you several great new offerings over the year.

Online account opening now allows potential HRCU members to join our credit union right from our website, 24/7. We didn't leave anything out for existing members either – you can now open all kinds of companion accounts online, like checking accounts, money markets, CDs, and club accounts.

Electronic Signature Acceptance is a significant piece of the puzzle. E-Signatures were crucial to being able to offer online account opening and to processing loan documents electronically. This was a big step in giving our members the ability to do even more transactions from the comfort of their own homes, on their schedules.

ClickPay is our online and mobile person-to-person payment system that we added last summer. It allows members with a HRCU checking account and online banking or smartphone to send money to another person, even one who banks elsewhere, with just their e-mail address!



New HRCU ATMs from Portsmouth to Ossipee

We added 10 more HRCU ATMs to our network this year. From Route 1 to Lake Winnepesaukee, you'll have access to cash without surcharge fees. These new ATMs are inside area Rite-Aid stores in Portsmouth (2), Dover, Somersworth, Rochester (2), Lee, Stratham, Wolfeboro and Ossipee. You will find them all listed on our expanded "Hours & Locations" page at www.HRCU.org. As an added bonus, HRCU members also get surcharge-free ATM access across the entire state of New Hampshire at in-store Rite-Aid ATMs!

ACH Origination for Businesses & Organizations

We even were able to offer our business & non-profit organization members a new tool this year. ACH Origination gives them the ability to offer the direct deposit of payroll checks to employees, or to collect recurring donations. It doesn't require them to install or set up any software, and is accessible 24/7. Not only does this help businesses save money and time by not having to manually cut payroll checks, but it gives them in-house control of their money with HRCU's local support and on-site training available whenever they need it.



Relay for Life Fundraising

2014 found us partnering with the American Cancer Society's Relay For Life in a major fundraising effort. Thanks to a true team effort between our staff, volunteers, and members, HRCU raised the third-largest amount of money to fight cancer among the 65 teams participating in the Rochester Relay For Life! In our first year we raised \$10,000 to help fight the disease that has touched the lives of so many of our families and friends. We were also the only team that had walkers on the track for the full 24-hour duration of the event – way to go, HRCU Crusaders! Watch for more Relay For Life action this year.



Even a rainy day couldn't put a damper on our fundraising Hot Dog Lunch, which was enjoyed by over 150 people!



The HRCU Crusaders donated \$10,000 to Relay For Life this year! That's a lot of cookies, popcorn, hot dogs, pizza, raffles and personal donations!



We made Gold Sponsor - in less than 6 months of fundraising!

STATEMENT OF FINANCIAL CONDITION

(As of December 31, 2014)

ASSETS	2014	2013
Loans to Members	\$ 152,080,070	\$ 135,486,079
Less: Allowance for Loan Losses	(858,042)	(553,403)
Net Loans to Members	\$ 151,222,028	\$ 134,932,676
Cash & Equivalents	5,051,269	7,488,260
Investments	42,062,720	43,123,481
Fixed Assets	4,573,844	4,574,575
Accrued Loan Interest	872,487	813,310
Other Assets	1,282,644	991,667
NCUSIF Deposit	1,798,538	1,757,498
Total Assets	\$ 206,863,530	\$ 193,681,467
LIABILITIES & EQUITY		
Member Shares	188,142,314	178,203,892
Notes Payable	2,500,000	—
Other Liabilities	(2,363,862)	(1,754,833)
Regular Reserves	2,125,672	2,125,672
Undivided Earnings	16,471,653	15,135,011
Unrealized Gain (Loss) on AFS Investments	(12,247)	(28,275)
Total Liabilities & Equity	\$ 206,863,530	\$ 193,681,467

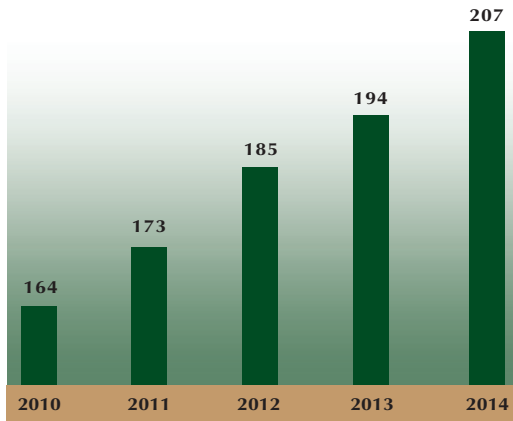
STATEMENT OF INCOME

(As of December 31, 2014)

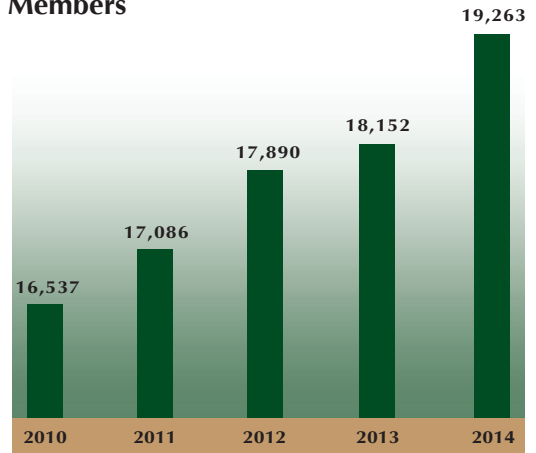
INCOME	2014	2013
Interest on Loans	\$ 7,377,168	\$ 6,918,715
Interest on Investments	336,216	329,395
Fees & Other Income	2,695,656	2,520,726
Total Operating Income	\$ 10,409,040	\$ 9,768,836
LESS		
Compensation and Benefits	3,676,559	3,661,743
Other Operating Expenses	3,797,208	3,406,665
Total Operating Expenses	\$ 7,473,767	\$ 7,406,408
Dividends and Interest Expense	978,115	1,023,513
Provision for Loan Losses	629,000	216,134
NCUA Assessments	—	140,600
Non-Operating Gains (Losses)	8,484	(11,716)
Net Contribution to Capital	\$ 1,336,642	\$ 1,308,465



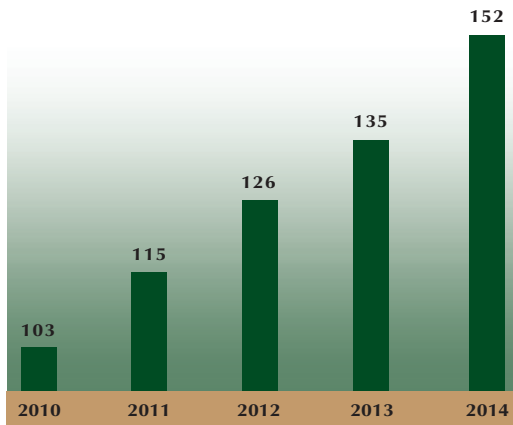
Assets (in millions)



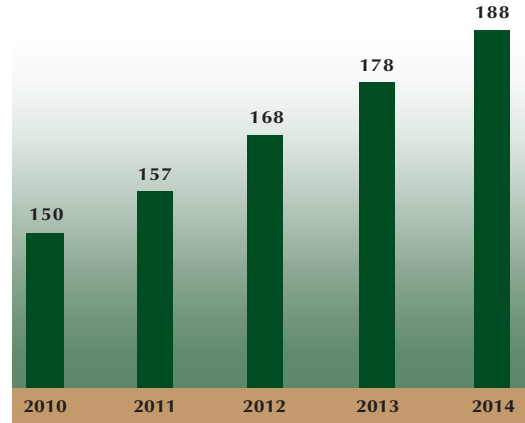
Members



Loans (in millions)



Deposits (in millions)



2014 Employee Award Winners

Difference Makers



Kristy Methot
AVP, Financial Services

Stacy Long
Loan Supervisor



Logan Zriny
IT Analyst



Brandon Leavitt
Member Support Center



Megan Cote
FSA, Farmington

Unsung Hero Award



Leanne Walters
FSA, Rochester



Jade McRae
Accountant



Logan Zriny
IT Analyst



Nicole Huntress
Branch Manager, Rochester



Melissa Stokes
Member Support Center

President's Award

2014 Christmas Caring Campaign

We took a different approach to our charitable giving during the holidays in 2014. We worked diligently to identify local organizations with very high levels of need that receive little or no federal or state funding and provide services that make a significant impact within our community.

With our recipients identified, we planned a series of on-site visits with our staff and volunteers to each organization over the first three weeks of December. Our gifts came as a surprise to many of them, and everyone who participated enjoyed giving them our donations and seeing first-hand what these organizations do. We gave a total of \$20,000 in monetary donations and physical items to 16 organizations stretching from Milton all the way down to Dover and throughout Strafford County!

Along the way, we highlighted all of our visits in a coordinated series of press releases that were picked up by the local media and Chambers of Commerce. In them, we made a concerted effort to bring to light what our donations meant to each organization to inspire others in our community to also give to these organizations.

Our giving had a real, tangible impact to these organizations. Besides the value of the goods and money we donated, our efforts resulted in feature stories written about some of our recipients! This coverage helped bring in some desperately needed items that have made a huge difference in the assistance our chosen organizations were able to provide to the less fortunate in our community.

Our Christmas Caring Campaign recipients were:

- Barrington Community Food Pantry**
- The Community Food Pantry (Somersworth)**
- End 68 Hours of Hunger, Rochester**
- End 68 Hours of Hunger, Milton**
- End 68 Hours of Hunger, Dover**
- Rochester Youth Reach**
- Homeless Center for Strafford County**
- The SHARE Fund (Rochester)**
- Dover Police Charities**
- Seymour Osman Community Center**
- The Rotary Club of Rochester**
- Christmas for the Elderly**
- Strafford Nutrition Meals on Wheels**
- St. Elizabeth Seton School**
- Spaulding High School Raider Station Pantry**
- Interfaith Food Pantry (Farmington)**



The Community Food Pantry



Rotary Feast Box Delivery



St. Elizabeth Seton School

You Can Make A Difference...

We heard though our community involvement that the homeless shelter was looking for someone to come in and build some simple walls as a donation. They were overcrowded and had families living in the common area without any privacy.

Ron Vachon, our Vice Chairman of the Board of Directors, was moved to help. He's a contractor by trade, and was on-site only days later with a crew to build the walls needed - within a week! He helped with a few other things, but the need Ron saw stayed with him long after his project was done.

With the holidays approaching, he thought he might be able to get Northeast CU roped into helping the shelter in a joint community effort. If you know Ron, you know he's not shy - and he knew one of their directors. Ron set about convincing both NECU and HRCU to pitch in together and do something big for the shelter at Christmas.

Ron's actions made a huge difference! Through his efforts, 14 members of 3 homeless families had a Christmas this year, receiving desperately needed items like clothing, food, laundry detergent and personal care items. \$2,000 more in monetary donations from the 2 CUs were also given to the shelter. We were able to fill a gap for the shelter when their regular Christmas family sponsor had to cut back, making a huge difference for both the families and the shelter!



HRCU & NECU joint donations to the Strafford County Homeless Shelter

HRCU Management



Brian F. Hughes
President & CEO



Rosemary Shields
Chief Operating Officer



Brian Therrien
Chief Financial Officer



Suzanne Wilkins
Vice President of Lending



Chris Patrowicz
Vice President of Human Resources

Board of Directors



Left to right, seated: Kathleen Simoneau, Dana R. Flanders, Chairman, Ronald G. Vachon, Vice Chairman. **Standing:** Paul Auger, Treasurer, Paul Turner, James Brock, Richard Brunelle, Nancy Gilbert, Secretary. **Absent from photograph:** Richard Falardeau.

Supervisory Committee



Left to right, seated: Don Doyon, Chairman, Robert Langelier. **Standing:** Constance Hamann, Barry Checchi, Rachel Gilman.

Council of Trustees



Left to right, seated: Richard Sylvain, Robert Chasse. **Standing:** Gerry Bisailon, Lucien Gagne, Normand Lanoie and Andre Therrien.

Personal Banking

- Fee-Free Accounts
- Online Bill Pay & ClickPay Program
- Online & Mobile Banking + Mobile Deposit
- Instant Issue VISA® Credit & Debit Cards
- Savings & Checking Accounts
- Money Markets, Club Accounts & CDs
- Retirement Accounts
- Health Savings Accounts
- Real Estate Loans
- Vehicle Loans
- RV, Boat & Motorcycle Loans
- College Financing
- Personal Lending
- First Time Buyer Programs

Youth Accounts

- M3 Savings Accounts & Memberships for Kids Ages 0-12
- Elements Accounts for Ages 13-17 Offering:
 - Savings & Checking Accounts
 - VISA® Debit Cards
 - VISA® Credit Cards
 - Most Personal Banking Accounts

Business Banking

- Fee-Free Accounts
- Online Banking, Bill Pay & Check Imaging
- VISA® Credit & Debit Cards
- Savings & Checking Accounts
- Money Markets & CDs
- Health Savings Accounts
- Deposit Services
- Payroll Processing
- Merchant Card Processing
- ACH Origination
- Business Lending
- Commercial Real Estate Loans
- Business Partner Program
- Business Partner Employee Discounts

Branch Locations

Rochester, NH

Main Office:
133 Brock St., P.O. Box 2078
Rochester, NH 03867
Telephone: (603) 332-6840
Fax: (603) 335-2730

Spaulding High School Branch:
140 Wakefield St.
Rochester, NH 03867
Telephone: (603) 332-1609
Fax: (603) 332-1087

Dover, NH

490 Central Ave., Dover, NH 03820
Telephone: (603) 743-3999
Fax: (603) 740-9438

Farmington, NH

341 Route 11, Farmington, NH 03835
Telephone: (603) 755-5000
Fax: (603) 755-9023

www.HRCU.org

You Too Can Make A Difference!

Want to help out and give back to your community? How about giving your favorite credit union a helping hand? We're looking for some more volunteers!



This year, we will be forming two new volunteer advisory committees: The Member Ambassador Committee and Volunteer Development Committee.

The Member Ambassador Committee will be bringing the voice of our membership to our leadership team on a regular basis. We are looking for 5 people, of all ages and from all walks of life within our membership. You should be able to attend quarterly meetings that typically occur in the evenings on weekdays.

The Volunteer Development Committee will be focusing on recruiting new volunteers from our membership to serve on our various volunteer councils, committees, and the board, as well as working on training and education about such positions. We are looking for a minimum of 4 people from our membership to serve on this committee. You should be prepared to meet quarterly, as well as available to sit in on other committee meetings as needed.

We would love to have you join us! If you are interested, please reach out to Donna Claveau at 603-332-6840 x 2217, or send an e-mail to: dclaveau@hrcu.org.



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