

Chairman's Letter to Members

This past year has been a challenging one for many financial institutions. With the repercussions of sub-prime mortgage lending and some other challenging economic factors coming full circle for some institutions, I can assure you that Ent is as strong and secure as we've ever been.

The continued success of Ent can be attributed to our consistent, conservative business model. In our 52-year history, we have stuck to our founding principles and continued to make smart decisions that have your best interests in mind. These smart decisions are reflected in our financial statements.

Ent completed 2008 with a strong financial performance. Ent's asset, loan and membership growth exceeded our goals for the year. We also had our strongest year in mortgage lending in Ent history – with our 2008 mortgage loan portfolio reaching \$911.8 million. Our deliberate decision to stay out of the sub-prime lending business meant we had quality loans coming in and, in turn, more than enough liquidity to continue to grant good loans to other members. Ent's reputation as a strong loan provider was certainly highlighted in 2008.

In addition to Ent's solid loan portfolio and very low delinquency ratios, Ent remains the largest Colorado-based credit union with more than \$2.5 billion in assets and more than 193,000 members. Some of Ent's growth in 2008 can be attributed to our successful merger with Denver's US Alliance Credit Union in June, but our steady growth is also a result of our continued mission to provide the highest quality financial products, services and financial education to our members.

While 2008 was a challenging economic environment, I am proud of Ent's continued strength and security. As we look to 2009, you can rest assured knowing that your Board of Directors is committed to maintaining Ent's safety, soundness and financial strength.



Tim Rickert
Chairman

Supervisory Committee Report

Ent Federal Credit Union's Supervisory Committee is appointed by your Board of Directors and is responsible for assuring the financial strength of the credit union through sound financial discipline.

Another part of the committee's responsibility is to audit the level and quality of Ent's compliance with federal regulations, credit union by-laws and generally accepted accounting principles (GAAP). In addition, the committee supervises an annual external audit of the financial records of the credit union, verifies member accounts and reports the results to the Board of Directors.

Each year the committee brings in an independent accounting firm to perform an external audit of the credit union's financial accounts for the completed year. This audit is performed to verify that the financial statements are presented fairly, accurately, and in accordance with GAAP. After reviewing the annual audit report, the Supervisory Committee unanimously agreed that Ent is a financially solid credit union and is being operated safely and soundly.

The Supervisory Committee is tasked to serve as a members' representative to the Board of Directors to ensure that member interests are protected. If any member experiences a problem, or feels an existing problem remains unsolved after management has become involved, they may write to: Chairman of the Supervisory Committee, P.O. Box 10198, Colorado Springs, CO 80932-9906.



Francis R. Maffei III
Chairperson
Supervisory Committee

Treasurer's Report

While 2008 was a challenging one, I can proudly report that Ent started and ended 2008 in excellent financial health with a strong balance sheet and income statement.

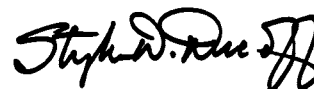
In June 2008, we successfully merged with Denver's US Alliance Credit Union. This merger allowed Ent to better serve members in the Denver area and contributed to Ent's overall growth in gross income from \$150.1 million in 2007 to \$159.3 million in 2008.

Ent's loan growth was exceptionally strong in 2008. The portfolio increased \$220 million, or 13.5%, with the majority coming from mortgages. The US Alliance merger increased the loan portfolio by \$51.3 million. The new mortgage loan production goal was \$190 million compared to an actual of \$279 million.

Over the past five years, Ent's loan-to-deposit ratio has steadily risen, which has improved operating income. As of December 2008, this ratio was 83.8%. This compares to 70.4% in 2004.

At year-end, Ent's membership grew by 10,485 (5.7%). Deposits also grew a healthy \$210.1 million. One of the many benefits of belonging to Ent – a nonprofit financial cooperative – is that your deposits earn dividends. During 2008, your credit union paid out \$57.4 million in dividends on member deposits.

Despite the challenges of 2008, Ent continues to be a safe and secure financial institution. Our steady, conservative growth has proven that the leaders of your Board of Directors, and Ent's internal management team, continue to make intelligent decisions that look out for your best interests. As a strong financial partner in the community, Ent continues to prove time and time again why it is the credit union "Where you belong."



Stephen D. Ducoff
Board Treasurer



Consolidated Statement of Financial Condition

	<u>December 31, 2008</u>	<u>December 31, 2007</u>
ASSETS		
Loans to Members	1,848,991,641	1,628,726,389
Allowance for Loan Losses	(10,546,110)	(9,248,675)
Cash	39,974,967	46,203,091
Investments	627,606,293	731,119,842
Furniture and Equipment	7,046,495	6,673,086
Land and Buildings	34,844,835	32,247,183
National CU Share Insurance Fund Deposit	5,487,128	18,456,986
Other Assets	24,712,016	30,986,757
Total Assets	2,578,117,265	2,485,164,659
LIABILITIES AND EQUITY		
Accounts Payable	11,210,686	10,887,596
Notes Payable	67,526,095	200,000,000
Other Liabilities	25,683,514	15,142,020
Total Liabilities	104,420,295	226,029,616
Savings	322,946,648	299,028,931
Checking	306,001,808	288,925,798
Certificates	826,166,987	730,253,216
Money Market	548,904,233	496,263,728
Individual Retirement Accounts	203,457,438	183,026,806
Reserves	49,443,589	45,450,815
Undivided Earnings	214,791,732	215,498,969
Other Reserves	1,984,536	686,780
Total Equity	2,473,696,970	2,259,135,043
Total Liabilities and Equity	2,578,117,265	2,485,164,659
INCOME AND DISTRIBUTION		
Gross Income	159,337,949	150,118,376
Distribution		
Expenses	75,873,576	65,749,017
Dividends to Members	57,432,413	61,969,799
NCUA Corporate Stabilization Expense	23,469,208	-
To Reserves and Undivided Earnings	2,562,752	22,399,560
Total Distribution	159,337,949	150,118,376

Revised March 31, 2009