



Your mission in life

ANNUAL REPORT 2006

R **Resource One**
CREDIT UNION

Our Members' Financial Resource for Life

We will be a progressive organization that combines its excellent service qualities with innovative products.

We will be a competitive force within our communities.

We will balance growth with a focus on maintaining a strong financial position.

We will be a premier employer with emphasis on professional development, employee recognition and involvement within Resource One Credit Union.

We will follow our Mission Statement to create long-term member value.

We will adhere to the highest standards of ethical business conduct, treating fairly and with respect all those we touch as a credit union.

Life's a journey



At Resource One Credit Union, you'll experience something remarkable – a sense of belonging. It's a place where you'll always find a familiar face and a friendly smile. You'll enjoy a unique level of service and benefits that add value to your life. We believe it's easier to enhance your financial well-being when your financial institution is on your side. We believe in you.

We are committed to be “Our Members’ Financial Resource for Life” through extraordinary service anytime and anywhere. We are proud to provide this high level of service to our members. Resource One is a place where you find financial prosperity, and where our professional and dedicated staff take the time to get to know you. We're fortunate to be able to draw on nearly 70 years of experience in serving members.

Resource One offers all of the financial services you need – checking, savings, mortgages, loans and investments, just to name a few. We provide members with exceptional access through service centers and ATMs, person-to-person, over the phone and online.

Wherever members are, we're in touch with their lifestyle. We hear you. And, we're here for you.

From the Chairman

For more than 70 years, the cornerstone of Resource One Credit Union has been to provide its members with extraordinary service. Our commitment to excellence has grown ever stronger over the years.

Today, Resource One is the financial needs provider to approximately 42,000 members in all parts of the country. Each member has his or her own needs and lifestyle. We understand your needs because we listen to you. We're at your service. After all, it's all about you!

The Board of Directors, management staff and dedicated employees have taken our mission and vision statements to heart. Growth for growth's sake has never been our goal. Rather, we strive to provide our members with competitive products and services that meet the unique needs of their lifestyles.

With a more concerted effort to deliver quality service in the most efficient manner, we've completed another successful year. Thanks to our financial soundness and the responsiveness of you, our members, to our products and services, Resource One is positioned to achieve success far into the future.

Embarking on our 70th year of operation is a significant milestone. In these days of downsizing, takeovers and service provider start-ups, especially in the financial arena, we continue to be a leader in the marketplace and have plans in place to ensure that we remain in the number one position. We are continuing to search for ways to improve your satisfaction with us.

The time of your life



Over the years, we have attracted and kept members with our competitive rates on a growing variety of savings and loan products. Thank you very much for your loyalty and we ask that you share your satisfaction with others so that we may continue our legacy of caring and our commitment to service for our future members and generations.

Our Board of Directors, management team and staff have all worked hard to maintain the highest of standards, striving to provide value-added products and services in an extraordinary manner. We truly believe this is what sets us apart from other financial institutions. We look forward to serving your future needs and thank you for your partnership and support.



Bobby Denton, Sr.
Chairman of the Board

From the President

Members know that Resource One Credit Union will always put them first. After all, we are Our Members' Financial Resource for Life.

As a credit union whose mission it is to be Our Members' Financial Resource for Life, we are constantly focused on the unique challenges of maintaining personal, responsive, and efficient service to members in all parts of the country. Our success and growth for over 70 years reflect continuous efforts to improve the services we offer, build upon what works, refine what is not satisfactory to you, and strive to keep getting better.

From strong financial performance to new and innovative solutions, Resource One Credit Union enjoyed a very successful year in 2006. Our achievements are directly attributable to the partnership between Resource One, its employees, and our members that has been cultivated over the past 70 years.

Extending our outstanding service legacy was a major focal point of 2006. We aggressively partnered with the communities we serve to expand our reach. We wanted existing members and potential members to know that we want to be a part of their life beyond their paycheck. We rallied behind the battle cry of "whenever and wherever." We embraced our legacy of caring and the commitment to service by focusing on six powerful words... "Our Members' Financial Resource for Life."

Larger than life



There is strength in numbers, and each individual member benefits from the resources provided by fellow members. In an age with more product and technology resources available, Resource One intends to channel and protect these resources for each member's benefit. Addressing the demands of members' needs will keep Resource One strong.

As we look forward to the future, rest assured that the foundation on which Resource One was built and has grown remains solid, and that the people comprising Resource One today are committed to meeting and exceeding your financial needs and dreams.



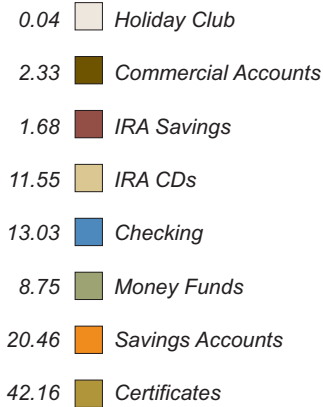
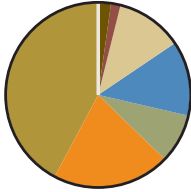
Jim Brisendine
President/CEO

Financial Statements

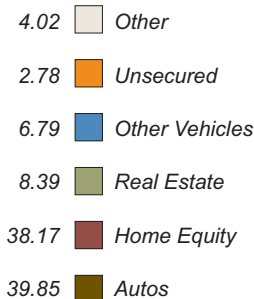
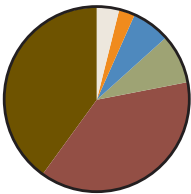
| | 2004 | 2005 | 2006 |
|---------------------------------|---------------|---------------|---------------|
| Income | | | |
| Interest on loans | \$ 13,663,440 | \$ 12,452,036 | \$ 14,147,318 |
| Income from investments | 26,939 | 358,428 | 333,488 |
| Other income | 5,826,630 | 6,409,321 | 6,178,513 |
| TOTAL INCOME | 19,517,009 | 19,219,785 | 20,659,319 |
| Expenses | | | |
| Salaries and benefits | \$ 5,246,080 | \$ 5,552,702 | \$ 5,863,616 |
| Travel and Conference | 123,043 | 116,666 | 132,094 |
| Office occupancy | 1,188,294 | 1,321,784 | 1,238,913 |
| Operations | 3,832,262 | 3,939,560 | 3,684,197 |
| Educational and promotional | 779,765 | 896,170 | 1,078,529 |
| Professional services | 498,667 | 526,432 | 576,603 |
| Other operating expenses | 557,706 | 670,216 | 498,432 |
| TOTAL OPERATING EXPENSES | 12,225,817 | 13,023,530 | 13,072,384 |
| Interest on borrowing money | 121,931 | 320 | 409,429 |
| Gain on Sale of Assets | 1,188,000 | 234,000 | 1,881 |
| Provision for Loan Losses | 2,783,000 | 1,950,000 | 1,045,000 |
| TOTAL NON-OPERATING EXPENSES | 1,716,931 | 1,716,320 | 1,452,548 |
| Dividends | 3,374,004 | 3,686,338 | 4,941,473 |
| Net Income/(Loss) | 2,200,257 | 793,597 | 1,192,914 |
| Assets | | | |
| Cash and cash equivalents | \$ 12,963,053 | \$ 12,237,058 | \$ 28,967,939 |
| Investments | 1,799,136 | 1,000,000 | 1,000,000 |
| Loans | 190,828,449 | 203,763,819 | 214,022,557 |
| Allowance for loan losses | (2,216,119) | (1,888,258) | (1,677,674) |
| Land, building and improvements | 5,054,186 | 4,836,785 | 4,662,916 |
| Furniture and equipment | 2,147,428 | 2,070,532 | 1,505,819 |
| Other assets | 3,348,973 | 4,629,521 | 3,591,134 |
| TOTAL ASSETS | 213,925,106 | 226,649,456 | 252,072,691 |
| Liabilities | | | |
| Accounts and notes payable | \$ 1,645,539 | \$ 2,355,815 | \$ 2,253,466 |
| Draft and other payable | 390,254 | 367,831 | 368,845 |
| TOTAL LIABILITIES | 2,035,793 | 2,723,646 | 2,622,311 |
| Deposits | | | |
| Members' shares | \$ 51,929,484 | \$ 56,992,999 | \$ 45,746,198 |
| Members' deposits | 139,971,971 | 146,151,356 | 181,729,813 |
| TOTAL DEPOSITS | 191,901,455 | 203,144,355 | 227,476,011 |
| Member Equity | | | |
| Regular reserve | 4,953,504 | 4,953,504 | 4,953,504 |
| Undivided earnings | 15,034,354 | 15,827,952 | 17,020,865 |
| MEMBER EQUITY | 19,987,858 | 20,781,455 | 21,974,369 |
| TOTAL LIABILITIES and EQUITY | 213,925,106 | 226,649,456 | 252,072,691 |

Financial Highlights

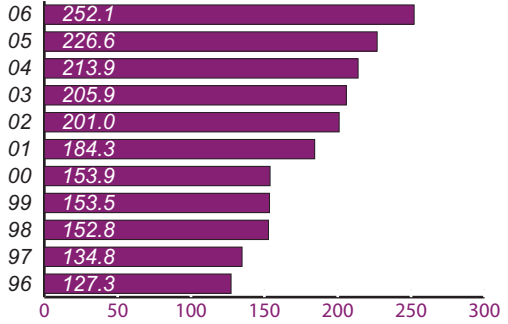
Deposit Mix by Percentage



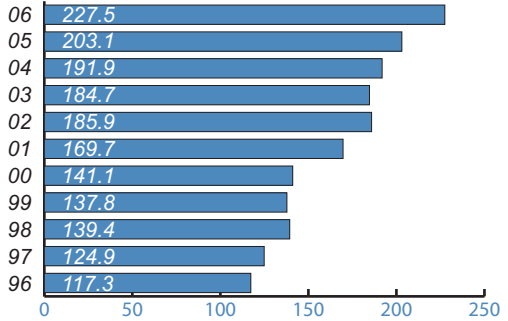
Loan Mix by Percentage



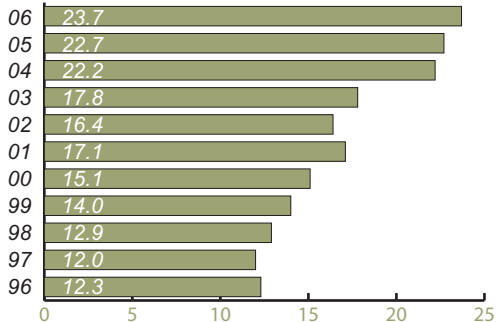
Total Assets in Millions of Dollars



Total Deposits in Millions of Dollars



Total Capital in Millions of Dollars



Audit Committee

From the

It is the primary responsibility of the Audit Committee to oversee the management and financial records of the Credit Union to ensure that the financial condition is accurately presented. By monitoring and maintaining the financial integrity of the Credit Union through review of internal operations, the Audit Committee is an integral review body that assures members of the current and future strength and stability of the Credit Union.

McGladrey & Pullen Certified Public Accountants, an independent auditing firm, was retained by the Audit Committee to perform an annual audit of Resource One's financial statements for the year ended December 31, 2006. The audit found that the financial statements present fairly and accurately the financial position of the Credit Union. Furthermore, the audit determined that the Credit Union's accounting practices are in conformity with generally accepted accounting standards. Thus, Resource One received an unqualified opinion from the auditing firm.

Based upon the results of the independent audit, I am delighted to once again report that the financial condition of Resource One remains strong and that the Credit Union is operating in accordance with all governmental regulations. Resource One's policies, procedures, programs, operations and management practices are soundly maintained and effectively implemented.



Randy Eichen
Chairman,
Audit Committee

The Board of Directors



■ **Bobby Denton, Sr.**
Chairman of the Board
Retired



■ **Dwight Long**
Vice Chairman of the Board
Facilities Manager
Dallas Morning News



■ **Cathy McClure**
Secretary/Treasurer of the Board
General Manager
Sears Fashion Center



■ **Keith Willson**
Chairman, Asset Liability
Management Committee
Manager of Geophysics
Samson Resources Company



■ **Randy Eichen**
Chairman, Audit Committee
Chairman, Board Training Committee
Director of Merchandise Accounting
7-Eleven, Inc



■ **B. A. "Tony" Goebel**
Chairman, Compensation Committee
Chairman, Technology Committee
Retired



■ **Rex Lowe**
Chairman, Risk
Management Committee
President
Financial Affiliates Insurance
Services, Inc.



■ **Greg Blunt**
Consultant
CAGE, Inc.



■ **Jim Brisendine**
President/CEO
Resource One Credit Union

Life is what you make it

