



2010 Annual Report



Mission

Total Member Delight

Vision

Our Members' One Resource

Core Values

- We will follow our MISSION STATEMENT to create LIFE LONG RELATIONSHIPS.
- We will be a premier employer with emphasis on professional development, recognition and involvement.
- We will be a progressive organization that combines its excellent service qualities with innovative products.
- We will GROW and maintain a strong financial position.
- We will be a competitive force within our communities.
- We will adhere to the highest standards of ethical business conduct.

BUILDING A COMMUNITY

At Resource One Credit Union, we continue to build a supportive community. Differing from the vast majority of other financial institutions, we partner and build relationships with our member/owners. We care about you, your families, and your financial success.

Resource One values you and offers you what you need to be financially successful: better rates, products, services, resources and financial coaching for you and your family. We truly believe we are all in this together, and your success is our success.

Resource One takes pride in providing a friendly atmosphere where you speak with real people who are dedicated and people-oriented whether face-to-face or over the phone. Fortunately, we are able to draw on 75 years of experience in serving you, our member/owners, and continue to use your ideas to create improvements in all areas, including technology and convenience.

We have a great story to tell and a great future for our 39,000 member/owners.

From the

Chairman

Resource One Credit Union delivered a strong performance to the membership during 2010 in what has been by all accounts one of the most difficult economic and financial environments in U.S. history. R1CU expanded its membership base, improved financial performance, established new branch offices in both Dallas and Houston, and reaffirmed our long term commitment to growth, innovation, and extraordinary membership service.

We are a community of member/owners from diverse backgrounds who share the common credit union philosophy of 'people helping people'. R1CU's commitment to excellence is driven by that philosophy and the needs of our membership community.

That belief is our strength. We are One.

In 2011 Resource One Credit Union celebrates its 75th anniversary. This is a significant milestone in our history and a testimony to our long term institutional strength. What began as a small credit union serving a single defined membership group in 1936 has grown to become a respected leader in the marketplace serving approximately 39,000 member/owners located primarily in Dallas and Northwest Harris counties in Texas.

R1CU is successful because of you. Growth for growth's sake has never been our goal. Instead, R1CU has fueled growth by working hard to gain your trust while providing member/owners with competitive products, services and resources.

The Board of Directors, management, and employees are committed to deliver quality service to the membership.

We look forward to serving your future needs and thank you for your partnership and support.

We are One.

Dwight Long
Chairman of the Board

From the

President

These past few years have seen some of the most turbulent economic times in the history of our country. The fallout and subsequent economic slump has been devastating for many, including banks. Due to the bailouts in 2009, we watched banks do away with free checking accounts and an implementation of higher fees for consumers. There has never been a better time to be a credit union member.

The reason Resource One Credit Union has had the ability to stay strong throughout these tumultuous times can be summed up as:

Member owned

Not-for-profit

As a member/owner you have already recognized the benefits of Resource One Credit Union membership: great rates on loans, personal service, and diverse products. But, have you told your friends and family? They too are eligible to become member/owners and now is the time to bailout on banks and come to Resource One.

We have accounts to suit the needs of just about anyone. From savings accounts for youth, free checking accounts, to business packages for large enterprises, we can support your finances in many ways.

Even in these unsure economic times, our membership continues to grow, allowing us to open new branches in the community, like our most recent addition to the R1 family, our very own R1 Tower located in East Dallas.

In continuing to develop our core products and grow as a business, we will go forward as a stronger, more stable financial co-op, and a smart alternative to banks.

Join us in our growth and save yourself the worry and hassle of dealing with banks. You can join today and help make 2011 and beyond exciting times as a member owner.

Jim Brisendine

President/CEO

Financial Statements

(unaudited)

	2008	2009	2010
Income			
Interest on Loans	16,315,724	17,498,275	18,146,371
Interest on Investment	131,999	19,283	22,601
Other Income	6,691,522	6,726,836	7,119,770
TOTAL INCOME	23,139,245	24,244,394	25,288,742

Expenses			
Salaries & Benefits	6,137,717	6,492,425	7,095,028
Travel and Conference	143,123	105,653	70,663
Office Occupancy	1,240,350	1,438,054	1,678,200
Operations	4,587,785	4,553,116	4,348,889
Education and Promotion	695,642	643,513	394,169
Professional Services	621,481	628,430	591,053
Other Operating Expenses	315,671	450,363	433,632
TOTAL OPERATING EXPENSES	13,741,769	14,311,554	14,611,634
Interest on Borrowings	61,979	4,213	-
(Gain)/Loss on Sale of Assets	(183,406)	(195,744)	11,883
NCUA Assessments & MCA Depletions *	---	870,641	1,233,098
Provisions for Loan Losses	2,371,000	4,118,000	2,700,000
TOTAL NON-OPERATING EXPENSES	2,249,573	4,797,110	3,944,981
Dividends Paid on Deposits	6,553,444	6,319,349	5,053,487
NET INCOME (LOSS)	594,459	(1,183,619)	1,678,640

Assets			
Cash and Cash Equivalents	6,505,360	11,476,802	19,278,124
Investments	1,000,000	869,494	231,743
Loans	241,049,391	265,884,895	274,557,850
Allowance for Loan Losses	(1,021,300)	(2,381,952)	(2,485,193)
Land, Building and Improvements	8,033,705	12,480,512	12,008,725
Furniture and Equipment	1,939,275	2,029,608	1,984,930
Other Assets	4,502,288	4,552,197	5,260,400
TOTAL ASSETS	262,008,719	294,911,556	310,836,579

Liabilities			
Accounts and Notes Payable	1,989,536	1,694,734	1,853,755
Other Liabilities	203,902	428,115	532,263
TOTAL LIABILITIES	2,193,438	2,122,849	2,386,018

Member Deposits			
Member Shares and Savings	47,283,432	50,555,369	53,626,879
Other Deposits	189,171,344	219,975,506	230,998,301
TOTAL DEPOSITS	236,454,776	270,530,875	284,625,180

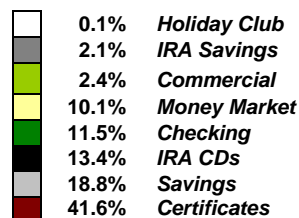
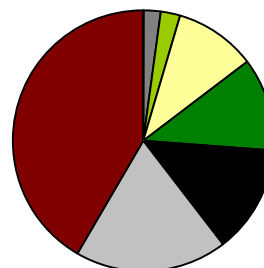
Member Owner Equity			
Regular Reserves	4,953,504	4,953,504	4,953,504
Undivided Earnings	18,407,001	17,304,328	18,871,877
MEMBER OWNER EQUITY	23,360,505	22,257,832	23,825,381

TOTAL LIABILITIES & EQUITY	262,008,719	294,911,556	310,836,579
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Financial Highlights

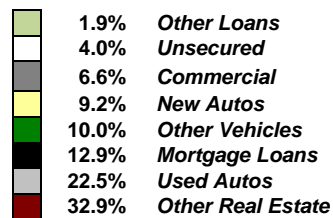
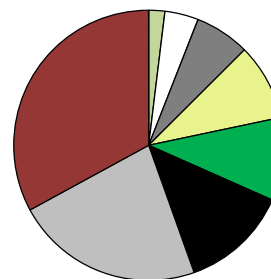
DEPOSIT MIX

by Percentage

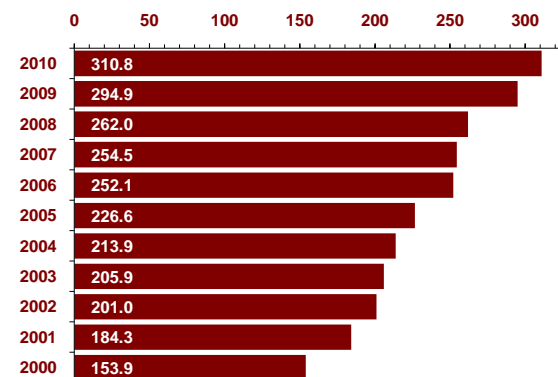


LOAN MIX

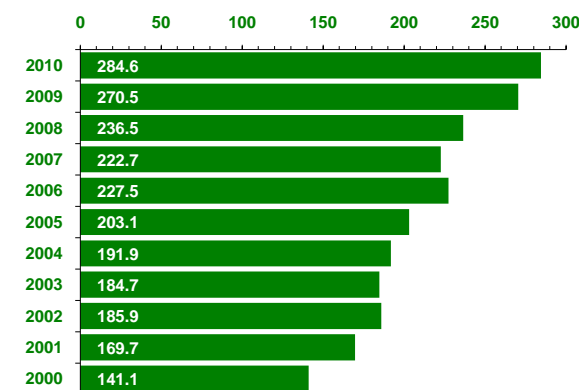
by Percentage



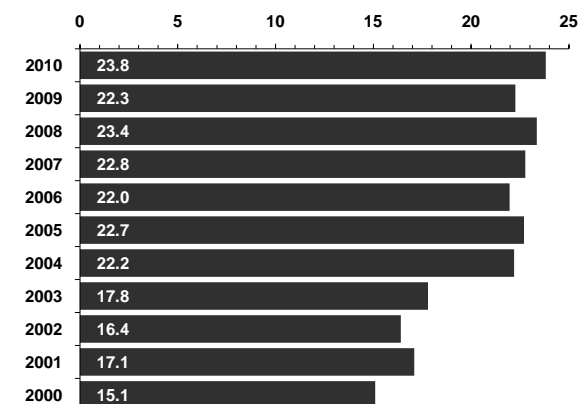
Total Assets in Millions of Dollars



Total Deposits in Millions of Dollars



Member Owner Equity in Millions of Dollars



* 2009 and 2010 Special NCUA insurance assessments totaled \$397,301 and \$706,438, respectively. 2009 and 2010 Depletion of Southwest Corporate FCU Member Capital Accounts totaled \$473,340 and \$526,660, respectively.

From the

Audit Committee

The Audit Committee's primary responsibility is to oversee the management and financial records of Resource One Credit Union to ensure that the financial condition is accurately presented. By monitoring and maintaining the financial integrity of the Credit Union through a review of internal operations, the Audit Committee is an integral review body that assures member/owners of the current and future strength and stability of Resource One.

Orth, Chakler, Murnane and Company, CPAs, an independent auditing firm, was retained by the Audit Committee to perform the annual audit of Resource One's financial statements for the year ended December 31, 2010. 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.

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

Chris Degelia
Chairman, Audit Committee

2010-11 BOARD OF DIRECTORS

Dwight Long Chairman of the Board Chairman of the Executive Committee Retired, The Dallas Morning News	<i>term expires: 2012</i>
Randy Eichen Vice Chairman of the Board Executive Committee Member Sr. Director of Business Transformation 7-Eleven, Inc.	<i>term expires: 2012</i>
B.A. "Tony" Goebel Secretary/Treasurer of the Board Executive Committee Member Technology Committee Member Retired, 7-Eleven, Inc.	<i>term expires: 2013</i>
Keith Willson Chairman of the Asset Liability Management Committee Geophysicist Newfield Exploration	<i>term expires: 2011</i>
Rex Lowe Chairman of the Risk Asset Committee Audit Committee Member President / CEO Financial Affiliates Insurance Services, Inc.	<i>term expires: 2011</i>
Chris Degelia Chairman of the Audit Committee Chairman of the Technology Committee Asset Liability Management Committee Member Board Development Committee Member Senior National Account Manager AboveNet, Inc.	<i>term expires: 2013</i>
Janey Appia Chairwoman of Board Development Committee Audit Committee Member Manager, Consumer and Latino Affairs 7-Eleven, Inc.	<i>term expires: 2013</i>
Greg Blunt Asset Liability Management Committee Member Vice President CAGE, Inc.	<i>term expires: 2012</i>
Jim Brisendine Chairman of the Board Policy & Bylaw Review Committee Asset Liability Management Committee Member Audit Committee Member Technology Committee Member President / CEO Resource One Credit Union	<i>term expires: 2011</i>

2010-11 CREDIT UNION OFFICERS

Jim Ladner, CPA
Mark Gregory
Mike Roark
Tish Holland

Senior - Chief Financial Officer
Chief Innovations Officer
Chief Lending Officer
Chief Human Resources Officer

ORGANIZATIONAL CHANGES

Senior Management:

- None.

Bylaws and Articles of Incorporation:

- None

Number of Members:

- (Dec-2010) 38,131 , (Dec-2009) 37,309
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SERVICES OFFERED

SAVINGS

Regular Savings
IRA/SEP Savings
Holiday & Summer Savings
Youth & Teen Savings

CHECKING

CU Succeed (Youth - Free)
mylifemymoney (Free)
Power Plus (interest +)
Super Power (Interest ++)
Empower Checking (checkless)

MONEY MARKET ACCOUNTS

R1 Money Market

CERTIFICATES OF DEPOSIT

Certificates of Deposits
IRA/SEP CDs
mylifemymoney Flex CD

CONSUMER LOANS

New & Used Auto Loans
Recreational Vehicles
VISA Credit Cards
Share Secured Loans
Personal / Lines of Credit

REAL ESTATE LOANS

Home Mortgage Loans
Home Improvement & Equity

BUSINESS ACCOUNTS

Business Savings
SOHO Checking (Small business)
Growth Checking (Mid-size business)
Enterprise Checking (Large business)
Executive Suite Money Market
Executive Suite Flex CD

BUSINESS LOANS

Commercial Real Estate
Real Estate Development
Vehicles & Heavy Trucks
Equipment & Machinery
Lines of Credit
Unsecured Term Loans

2010-11 Checking Account Enhancements: **MyLifeMyMoney** (formerly *Power*) - reduced opening balance requirement from \$25.00 to \$0.00, **Power Plus** (formerly *Advantage*) - reduced opening balance requirement from \$100.00 to \$0.00, eliminated \$7.00 monthly service fee and lowered balance required earn interest from \$1,000.00 to \$500.00. **Super Power** (formerly *Prestige*) - increased opening balance requirement from \$250.00 to \$500.00, increased Overdraft Privilege limit from \$750.00 to \$1,000.00, increased, its already high, annual percentage yield (APY)



Member owned. Not-for-profit.

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Houston 281.720.0550
Nationwide 800.375.3674
www.r1cu.org

Cedar Hill

755 N. Highway 67
Cedar Hill, TX 75104

Garland

302 West Centerville Road
Garland, TX 75041

Houston- Jones Road

9211 Jones Road
Houston, TX 77065

Houston- Oak Forest

1400 W. 43rd St
Houston, TX 77018

Irving

2315 West Airport Freeway
Irving, TX 75062

Mesquite

2750 North Galloway
Mesquite, TX 75150

One Arts Plaza

1722 Routh Street #118
Dallas, TX 75201

R1 Tower- East Dallas

8344 East R.L. Thornton Freeway
Ste. 110
Dallas, TX 75228

Southside

1200 Belleview St
Dallas, TX 75215

Technical Operations Center

7518 Ferguson Road
Dallas, TX 75228