

75 years



Community • Members • Financial Services



**Universal 1
Credit Union**

This Credit Union is Federally Insured by the NCUA



BRIDGING
Community

Dear Member-Owners,

From a handful of members in 1937 with a desk and a dream, NCR Employees Credit Union was launched. Over time we have evolved and grown into the community-based Universal 1 Credit Union. Multiple locations and 24/7 technical remote services keep you connected to U1CU financial services in ways our founding members could not even imagine. Thank you member-owners! We appreciate the continued trust, loyalty and support you have shown your Credit Union in 2011!

We now begin 2012 – celebrating our 75th Anniversary Year with the theme:

BRIDGING

Community • Members • Financial Services

• Community •

Universal 1 and our employees are active in the communities in which we live or work. In leadership roles we serve and provide value to area chambers of commerce, local foundations and charitable organizations. Last year our credit union family lost a dear friend and valued employee, Glen Kershner. One of Glen's primary passions was financial literacy and youth financial education. So in conjunction with the Kershner Family, Universal 1 is pleased to have created a Glen R. Kershner Memorial Scholarship Fund. Glen's passion will live on through annual scholarship awards.

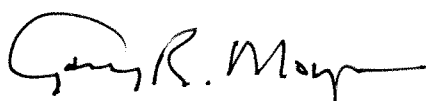
• Members •

Credit union awareness is growing locally and throughout the country. Consumers are realizing what you have long known – Universal 1 can provide all the financial products and services that they need as they journey through life; but, in a far more beneficial and financially-friendly way. Now more than ever, credit unions are being touted by the financial experts who are quick to advise consumers to move their money to us. In the past fiscal year we have welcomed 2,500 new members.

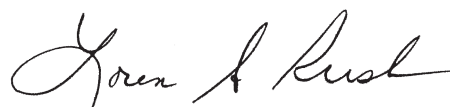
• Financial Services •

We always welcome our members to U1CU locations. In order to better serve your financial services, we belong to numerous associations and cooperatives that allow us to offer you access at 4,436 shared branching offices. You even have access to 32,938 surcharge-free ATMs through national networks. By accessing your account at u1cu.org, using a mobile app, or calling Call 24, you always have a U1CU connection 24/7.

Our members are the pillars that allowed us to build a great organization. As we celebrate our 75th anniversary we will continue to focus on our members. Spanning a new year together we will still fulfill the Credit Union Philosophy of "People Helping People."



Gary R. Moyer, Chairman



Loren A. Rush, President/CEO



BRIDGING
Members



Financial Report

The Board of Directors ensures the Credit Union conducts its operations and activities in a safe and sound manner.

The Board of Directors retains the services of Battelle & Battelle LLP, Certified Public Accountants, to audit the annual financial statements. The financial statements for the year ended September 30, 2011, and audit opinion thereon are available for review at Universal 1 Credit Union, Inc. Corporate Headquarters.

UNIVERSAL 1 CREDIT UNION, INC.

BALANCE SHEET

A S S E T S	<i>September 30</i>	
	<u>2011</u>	<u>2010</u>
Cash and cash equivalents	\$ 17,513,624	\$ 52,292,178
Interest-bearing deposits in corporate credit union	2,910,211	1,910,211
Investment securities	33,019,947	33,357,999
Loans to members, net of allowance for loan losses	282,605,392	241,634,962
Accrued interest receivable	1,080,543	1,043,750
Office properties and equipment	7,758,433	8,318,255
Other real estate owned	524,132	326,116
Federal Home Loan Bank stock, at cost	520,200	506,200
Other assets	4,227,105	4,543,356
NCUSIF deposit	3,174,053	3,032,466
Total assets	<u>\$ 353,333,640</u>	<u>\$ 346,965,493</u>

LIABILITIES AND MEMBERS' EQUITY

Members' share accounts	\$ 322,308,196	\$ 315,577,774
Accrued expenses and other liabilities	2,649,629	2,939,843
Total liabilities	<u>324,957,825</u>	<u>318,517,617</u>
Retained earnings - substantially restricted	28,005,804	27,974,140
Accumulated other comprehensive income	370,011	473,736
Total members' equity	<u>28,375,815</u>	<u>28,447,876</u>
Total liabilities and members' equity	<u>\$ 353,333,640</u>	<u>\$ 346,965,493</u>

UNIVERSAL 1 CREDIT UNION, INC.**STATEMENT OF OPERATIONS**

	<i>Year Ended September 30</i>	
	<u>2011</u>	<u>2010</u>
INTEREST INCOME		
Loans to members	\$ 14,837,198	\$ 14,380,504
Investments	668,409	996,169
Total interest income	<u>15,505,607</u>	<u>15,376,673</u>
DIVIDENDS ON MEMBERS' SHARE ACCOUNTS	<u>4,759,122</u>	<u>5,557,338</u>
Net interest income	10,746,485	9,819,335
PROVISION FOR LOAN LOSSES	<u>2,130,000</u>	<u>2,175,088</u>
Net interest income after provision for loan losses	<u>8,616,485</u>	<u>7,644,247</u>
NON-INTEREST INCOME (LOSS)		
Share draft service charges and fee income	2,416,126	2,376,430
(Loss) gain on sale of securities available-for-sale	(148)	257,708
Credit, check card and other interchange income	<u>1,647,671</u>	<u>1,429,612</u>
Total non-interest income	<u>4,063,649</u>	<u>4,063,750</u>
OPERATING EXPENSE		
Compensation and employee benefits	5,686,572	5,454,238
Office operations	1,844,127	1,778,138
Share insurance	793,513	809,133
Occupancy and maintenance	1,373,090	1,328,627
Education and promotion	331,546	428,903
Loan servicing	581,140	444,335
Outside services	1,788,045	1,762,513
Other	<u>250,437</u>	<u>266,392</u>
Total operating expense	<u>12,648,470</u>	<u>12,272,279</u>
NET INCOME (LOSS)	<u>\$ 31,664</u>	<u>\$ (564,282)</u>

UNIVERSAL 1 CREDIT UNION, INC.

STATEMENT OF MEMBERS' EQUITY

YEARS ENDED SEPTEMBER 30, 2011 AND 2010

	<i>Retained Earnings - Substantially Restricted</i>	<i>Accumulated Other Comprehensive Income</i>	<i>Total Members' Equity</i>
BALANCES, OCTOBER 1, 2009	\$ 28,313,091	\$ 505,141	\$ 28,818,232
<i>Comprehensive loss</i>			
Net loss	(564,282)		(564,282)
Change in net unrealized gain on securities available-for-sale (net of reclassification adjustment for gains included in net earnings of \$257,708)		(80,823)	(80,823)
Net actuarial gain related to the postretirement liability		49,418	49,418
<i>Total comprehensive loss</i>			(595,687)
Net assets acquired in mergers	225,331		225,331
BALANCES, SEPTEMBER 30, 2010	27,974,140	473,736	28,447,876
<i>Comprehensive loss</i>			
Net income	31,664		31,664
Change in net unrealized gain on securities available-for-sale (net of reclassification adjustment for losses included in net earnings of \$148)		(23,632)	(23,632)
Net actuarial loss related to the postretirement liability		(80,093)	(80,093)
<i>Total comprehensive loss</i>			(72,061)
BALANCES, SEPTEMBER 30, 2011	\$ 28,005,804	\$ 370,011	\$ 28,375,815



BRIDGING
Financial Services

Board of Directors and Executive Team:

Gary R. Moyer
Chairman of the Board

John D. Johnson
Secretary of the Board

Nancy N. Goldman
Director

Thomas J. Hickey
Director

William R. Saylor, Jr.
Director

Joseph B. Woeste
Director

Loren A. Rush
President/CEO

Steven D. Shore
EVP Loan/Account Services

Lisa A. Carbaugh
Sr. VP Administrative Services

Ann M. Parrish
Treasurer
EVP Finance

Shannon R. Maloney
EVP MIS/Corporate Services

Locations:

Beavercreek
2450 Esquire Dr.
Beavercreek, OH 45434
937-431-3100

Dayton Mall
2700 Msbg-Cent Rd.
Dayton, OH 45459
937-435-7268

Sidney
2310 Industrial Dr.
Sidney, OH 45365
937-498-2320

Centerville
6147 Far Hills Ave.
Dayton, OH 45459
937-610-0320

Huber Heights
2933 Harshman Rd.
Dayton, OH 45424
937-235-0303

Sugarcreek
6270 Wilmington Pike
Dayton, OH 45459
937-848-6050

Chillicothe
1080 N. Bridge St.
Chillicothe, OH 45601
740-775-4321

Kettering
3343 E. Stroop Rd.
Kettering, OH 45440
937-567-8980

Vandalia
718 S. Dixie Dr.
Vandalia, OH 45377
937-898-3815

Dayton - Corporate
One River Park Dr.
Dayton, OH 45409
937-225-6800

Miami Valley Hospital
1 Wyoming St.
Dayton, OH 45402
937-208-2745