

2012 HALLOFFAME

The BMI Federal Credit Union Hall of Fame recognizes individuals or corporations who have made significant contributions to our Credit Union, community, or to the members the Credit Union serves.



Sharon L. Custer

Sharon served the membership of BMI FCU as an employee for 41 years. She began her career at BMI FCU in the lending department and advanced to the Chief Executive Officer where she served for 25 years until her retirement in May of 2012. During her

tenure as CEO, the Credit Union grew from only having offices in Battelle facilities with \$52 million in assets to a full service financial institution with multiple branches. Assets grew to over \$370 million. Sharon served as a leader in the credit union industry serving on the Board of Directors for several different organizations.



Denny Hockman

Denny began his 41 years of service at BMI FCU as a volunteer official on the Supervisory Committee for the Credit Union. In 1974, he was elected to the Board of Directors where he served until 2007. His time on the Board of

Directors included seven years as Chairman and six additional years in other Officer positions. Since 2007, he continues to serve the members of BMI FCU in the position of Director Emeritus.

2012 COMMUNITY INVOLVEMENT

BMI Federal Credit Union has always been committed to improving the community through ongoing charitable giving efforts. The credit union has implemented a variety of programs designed to increase its visibility and ongoing support of the community we serve. BMI FCU does this by directing significant resources (monetary and staff) to organizations that best support the community.



RECOGNITION

Society for Human Resources Managements

sponsors the "Best Employers in Ohio" and has recognized BMI FCU for the third year in a row as one of the top ten "Best Places to Work."



Columbus C.E.O. Magazine

BMI FCU was honored by Columbus C.E.O. for being voted "#1 Credit Union in Central Ohio" by the readers and subscribers for the fifth straight year.



2012 Readers' Choice Awards

Presented by ThisWeek Community News November 2012



Branch Locations

Dublin Branch / Corporate Office
6165 Emerald Parkway
Dublin, Ohio 43016

Grandview Branch
760 Kinnear Road
Columbus, Ohio 43212

Westerville Branch
12 S. Cleveland Avenue
Westerville, Ohio 43081

Upper Arlington Branch
750 Bethel Road
Columbus, Ohio 43214

Battelle Branch – Available to Battelle Staff Only

Online Banking - www.bmifcu.org
Online Loan Applications with 24/7 approvals

Management

2012 Board of Directors

Brad Ashbrook, Chair
Kay Cooke, Vice Chair
Steve Krzykoski, Treasurer
Steve Phillips, Secretary
Jodi Beekman
George Dailey
Bill Esch
Jim Ramey
Gwen Von Holten

Director Emeritus

Ben Freudenreich
Denny Hockman

Associate Directors

Christine Adolph
Melita Garrett

Supervisory Committee

Stephanie Heffron, Chair
David Arnold
John Black
Sarah Musser
Katherine Sites

Executive Management Team

William P. Allender, President/CEO
Mike Clark, Vice President Operations
Ray Porter, Vice President Finance
Rob Bachman, Director of Lending
Sarah Borland, Director of Business Development & PR
Melissa Gleadle, Controller
Greg Hopp, Director of Technology

Carolyn Hucek, Director of Marketing
Sonia Johnson, Director of Member Services
Stacy Toki, Director of Human Resources



ANNUAL REPORT



We make banking personal.

REPORT FROM President/CEO & THE Chairman

In 2012, your credit union experienced two significant events—a change in leadership and a change in our charter which expanded our field of membership. The future is bright for BMI Federal Credit Union and its members, in no small part due to the excellent work, dedication, and the solid foundation built by our newly retired CEO, Sharon Custer. After four decades as a member of our BMI FCU family, Sharon retired in May allowing her to spend more time with her husband.

With the change in our charter, BMI FCU has opened our membership eligibility to all of the 1.8 million people who live, work, worship or attend school in central Ohio. With these changes comes new opportunities for our credit union and we are ready. It is important to note that as we grow members we also want to grow *with* our members. The relationships that we have developed over the past 75 years are even more important today than they were when we started with that member service vision back in 1936.

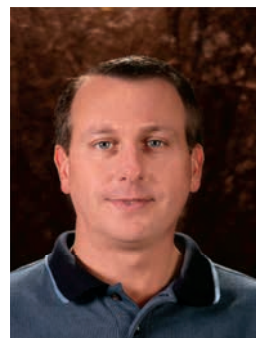


William P. Allender
President/CEO

And most important, we want to be sure that our current members are taking full advantage of every benefit that membership in BMI FCU can provide. If you're like some members, you may currently be only taking advantage of a few of the available products and services. Every member we speak with has their own reasons for loving BMI FCU and we are proud of that. But we know we can be doing even more to help shape a strong financial future for you and your family. BMI Federal Credit Union saw assets grow by 4.2% to \$386 million. Loans grew from \$209 million to \$229 million. The new 10-Year Loan promotion added to the \$72 million in mortgage loans in 2012. Our staff is committed to working with you to help you find a tailored mortgage that best fits your needs—whether your goal is a fixed or variable rate, 10-year or 30-year, new home or the refinancing of your existing home loan.

And what about auto loans? If you are paying a high interest rate on a car loan, you can refinance your loan with BMI FCU and realize those savings each and every month. Rates are still historically low. We want you to give us the opportunity to serve you for all your lending needs.

This was the second year of our financial education program. It has been re-branded as the Money Management Program because we recognize that it is more than just rebuilding credit, but a program designed to help all members regardless of where they are financially in their lives. From budgeting, to debt management, and saving for college, our Free Certified Financial Counselors and free workshops and seminars are designed with outcomes to improve the financial lives of our members. In 2012, 122 members took advantage of the individual one-on-one counseling program. Business Development offered 45 workshops attended by 1,191 employees at different worksites. BMI FCU also offered nine workshops attended by 178 individuals at our Dublin office. These workshops were open to the public.



Brad Ashbrook
Chairman

BMI Federal Credit Union has always been committed to improving the community where we live and work through our ongoing charitable giving efforts. Your Credit Union has implemented a variety of programs over the years designed to increase its visibility and to provide ongoing support to the community we serve. The Charitable Giving Campaign is one excellent example of our commitment to our community. BMI Federal Credit Union and staff set a record for community involvement in 2012 by contributing more than \$40,000 to over 30 different charitable organizations. BMI Federal Credit also hosted The First Annual Community Day in 2012. This free event was open to everyone in the community. Ohio

Shredding, The Salvation Army, and Furniture Bank were on site shredding documents or taking donations. Mark your calendars; The Second Annual Community Day is scheduled for April 27, 2013. This event has grown in popularity and we are very excited to be able to offer additional services such as this to our community.

There's a lot to like about the future of BMI Federal Credit Union—we are ready to provide the same great benefits that you've come to know and expect from us, but to even more members. Keep in mind that as we implement new changes, whether it be introducing new technologies for our products and services or implementing programs that reduce our operating expenses, it is all done with an eye on what is in the best interest of our members. Our commitment to our membership and improving the financial lives of our members will always come first.

By expanding our field of membership, we expect that BMI Federal Credit Union will be better positioned to fulfill our mission of improving the financial lives of our members by providing them with the highest quality financial products and services. It's about growing stronger – together, and playing an even more significant role in our central Ohio community.

BMI Federal Credit Union's 2012 SCHOLARSHIPWINNERS

BMI Federal Credit Union awards four scholarships each year. Each student is awarded \$2,000 towards the school he/she is attending.

The Dick Pierce Memorial Scholarship
Bavani Rajah and Alexandra Brooker

The Jack Deibert Memorial Scholarship
Mitchell Graham and Luke Hassenpflug



Pictured above: (L to R) Sharon L. Custer (retired CEO of BMI FCU), Luke Hassenpflug, Bavani Rajah, Alexandra Brooker, Mitchell Graham and Brad Ashbrook (Chairman, Board of Directors BMI FCU)

BMI
FEDERAL CREDIT UNION
We make banking personal.

balance sheet

| | 12/31/12 | 12/31/11 |
|--|----------------------|----------------------|
| ASSETS | | |
| Cash & Due From Others | \$4,186,027 | \$4,109,613 |
| Interest Bearing Deposits | 24,968,349 | 22,242,793 |
| Cash & Cash Equivalents | 29,154,376 | 26,352,406 |
| Time Deposits | 56,237,000 | 54,342,000 |
| Securities Available for Sale | 50,040,589 | 58,388,141 |
| Securities Held to Maturity | - | - |
| Loans to Members | 229,853,161 | 211,421,776 |
| Allowance for Loan Losses | (1,543,105) | (2,062,055) |
| Net Loans | 228,310,056 | 209,359,721 |
| Net Premises & Equipment | 12,404,873 | 12,719,695 |
| Accrued Interest Receivable | 1,079,287 | 1,069,763 |
| Capital Participation Certificates | 900,000 | 900,000 |
| NCUSIF Deposit | 2,957,401 | 2,765,356 |
| Other Assets | 5,328,298 | 4,879,941 |
| TOTAL ASSETS | \$386,411,880 | \$370,777,023 |
| LIABILITIES | | |
| Members' Shares | 313,842,470 | 300,461,318 |
| Other Liabilities | 37,334,391 | 38,541,895 |
| TOTAL LIABILITIES | 351,176,861 | 339,003,213 |
| MEMBERS' EQUITY | | |
| Statutory Reserve | 6,768,645 | 6,768,645 |
| Retained Earnings | 27,662,197 | 24,361,106 |
| Other Comprehensive Income | 804,177 | 644,059 |
| Total Members' Equity | \$35,235,019 | \$31,773,810 |
| TOTAL LIABILITIES & MEMBERS' EQUITY | \$386,411,880 | \$370,777,023 |

income statement

| | 12/31/12 | 12/31/11 |
|---|---------------------|---------------------|
| INTEREST INCOME | | |
| Loans | \$11,680,630 | \$12,289,925 |
| Time Deposits, Securities & Negotiable Certificate of Deposit | 1,774,415 | 1,946,146 |
| Interest Bearing Deposits & Federal Funds Sold | 20,205 | 16,465 |
| TOTAL INTEREST INCOME | \$13,475,250 | \$14,252,536 |
| INTEREST EXPENSE | | |
| Members' Share Accounts | \$1,860,680 | \$2,425,765 |
| NET INTEREST INCOME | \$11,614,570 | \$11,826,771 |
| Provision For Loan Losses | (403,108) | (1,314,095) |
| NET INTEREST INCOME AFTER PROVISION | \$11,211,462 | \$10,512,676 |
| OTHER INCOME | | |
| Fees | \$1,904,999 | \$2,026,350 |
| Gain (Loss) On Investments | 4,777 | 0 |
| Gain (Loss) On Disposition of Assets | (391,549) | (598,187) |
| Gain (Loss) On Loans Sold to FHLB | 732,054 | 351,729 |
| Other Income | 2,496,242 | 2,612,803 |
| TOTAL OTHER INCOME | \$4,746,523 | \$4,392,695 |
| OTHER EXPENSE | | |
| Salaries & Employee Benefits | \$5,537,554 | \$5,146,376 |
| Occupancy & Equipment | 1,610,953 | 1,407,759 |
| Advertising & Marketing | 269,634 | 221,208 |
| Card Processing | 558,566 | 528,519 |
| Other Expenses | 4,680,187 | 5,220,369 |
| TOTAL OTHER EXPENSE | \$12,656,894 | \$12,524,231 |
| NET INCOME | \$3,301,091 | \$2,381,140 |

These financial statements are as presented by Management for 2011 and 2012 fiscal years, not audited financial statements. Complete audited financial statements are available upon request.