

2010 | Annual Report

Chairman's Report

Dear Valued Members,

Glancing back at the national economic challenges of the past three years, I am pleased that we have been able to successfully maintain our position as a safe and sound financial institution. More importantly, I am pleased that you, our loyal members, have made Meridian Trust Federal Credit Union the preferred choice for your financial needs.

Financial industry challenges have led many to seek a local financial institution that they can trust. The Board of Directors recognizes that you have choices when deciding your financial institution and providing exemplary customer service is our number one goal at Meridian Trust. This is the reason your credit union, over the past year, has undertaken some challenging projects that have resulted in making great strides in providing superior service to you, our members.

In May of 2010, Meridian Trust replaced its core data processing system. The new state-of-the-art system has provided increased speed and capacity, which translates into improved member service in the branches, online, and over the phone. The new core system provides a stronger foundation on which we can develop and deliver future products and services to you.

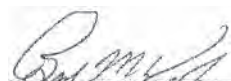
Two branches that serve Meridian Trust members were relocated during 2010 in order to provide increased levels of member convenience. The Jackson branch relocated in April and the Rock Springs PowerTrust branch moved in June. Both locations allow for easier access, more parking and expanded services. The Rock Springs facility added a drive-up window and night drop, as well.

The new Administration facility was completed and is located adjacent to the Cheyenne East branch on East Lincolnway Boulevard. The credit union had outgrown its space in the Downtown Cheyenne branch facility. Administration, Information Technology, Marketing, Accounting and Compliance moved into the new building in April. The new facility makes use of "green built" technology, including water-conserving fixtures, the use of skylights and high-efficient light fixtures and controls to reduce energy consumption, and was constructed utilizing recycled building materials.

In October, the credit union responded to the growing threat of identity theft by offering members an affordable, low-cost solution called ID Reclaim. For just \$1.99 per month, a family receives professional identity recovery service for all members of the household.

Operating a safe, secure, and well-capitalized financial institution is an undertaking that takes the collective effort of a focused and highly skilled team of professionals. We could not have achieved a successful 2010 without our team of outstanding employees who deliver exceptional service to you, our members, each and every day. On behalf of my fellow colleagues on the Board of Directors, not only do I wish to thank this team, but I wish to thank each and every member for your continued support of this growing and successful cooperative.

Sincerely,



Buck McVeigh

Chairman of the Board of Directors



Back row, left to right: Bill Gentle; Jerry Krois; Dean Fausset, Vice Chairman; and Buck McVeigh, Chairman. **Front row (seated), left to right:** Ann Barrett, Secretary; and Brenda Arnold. **Not pictured:** Martin Pedersen, Treasurer.

President/CEO's Report



Dear Members and Owners,

We take pride in the accomplishments of 2010 and look forward even more to the coming year with great optimism, as your credit union will be introducing new products and services to deliver ever-increasing levels of service and value to our members.

In 2011, we will be launching a new student loan program. We believe in the principle that higher education creates a better financial future for our members and their children. But with the costs of a college education continuing to rise, affordability becomes a challenge. To help our members achieve their goals of higher education we will be offering a low-cost student loan program that has no origination fees, no pre-payment fees, low interest rates, an easy one-time application that covers all four years of college, and flexible repayment options. Members will be able to apply for private student loans beginning at the end of May.

We will be providing added convenience by launching a new online loan application system in April. Members and non-members alike will be able to apply quickly, easily and get instant approval information on a loan for a car, truck, RV, trailer, boat, ATV, camper, signature loan and even a Visa credit card. Access is available 24 hours a day, 7 days a week. This service ties in with our stated Mission, which is to provide "simple solutions."

One more example of a simple solution coming this year is a new online question and answer system which we expect to be in place before mid-year. Deceptively simple, the idea is to provide our members (and potential members) with a convenient way to ask us general product, service and operational questions and get quick, accurate answers 24 hours a day. You'll be able to go to our website, find the "Ask a Question" box, type in your question and get an immediate answer back. And in those rare instances where a question can't be answered, you can instantly forward it on to a member service representative who will get back to you quickly with your personal response. This service will be yet one more way our members will find added convenience, by getting the information they need faster and better than ever before.

This year we'll also be expanding our Holiday Savings Club for members. This savings program provides a way for members to set aside money throughout the year so they won't find themselves short of cash during the holiday gift-giving season. By depositing money regularly, members can prevent putting themselves into a position where they have to go into credit card debt buying gifts at the end of the year. We'll be expanding this program so that members will earn a generous 4.00% APY on their first \$1,000 deposited into this account, rather than on the prior year's first \$500. It's a great way to set aside money for later while enjoying a well-above average interest rate.

In 2011, we'll also be updating our website. The new design and navigation features will allow website visitors to find what they're looking for online much more quickly, creating a better user experience.

This year, we also plan to introduce a new Credit Union Service Organization (CUSO) called Smart Money Community, LLC. The purpose of this CUSO will be to provide financial education services and resources to our members. We'll offer the knowledge and tools people need throughout the communities we serve so they can achieve economic self-sufficiency.

We also recognize that many of our members own a business or plan to start one. Meridian Trust will be supporting the small business owners in our communities by offering affordable loans and credit that can be used to acquire real estate, equipment and working capital.

Our financial strength and ongoing success is a direct result of our members taking advantage of the many products and services Meridian Trust has to offer. When you take out a loan, whether to buy a car, a house or fund your business, you are directly helping other members of the cooperative by providing them with products and services that make their lives better and easier. Thank you for your continued support!

Very Truly Yours,

A handwritten signature in black ink that reads "Kim Withers". The signature is written in a cursive, flowing style.

Kim Withers
President and Chief Executive Officer

Treasurer's Report

Despite low interest rates and loan demand, Meridian Trust had another strong year in 2010 as total assets grew 8% to \$231 million. With the economy still unstable, members put more into savings and money market accounts during 2010, growing shares 8.5%. Return on assets for Meridian Trust lowered to 0.80% while our peers fell to 0.32%. Meridian Trust is well capitalized at 10%.

Doing the right thing for the right reasons for both our members and the balance sheet continues to be policy at Meridian Trust. We continue to provide competitive loan and savings products while keeping convenience for our members a top priority.



Martin Pedersen
Treasurer

Statement of Financial Condition

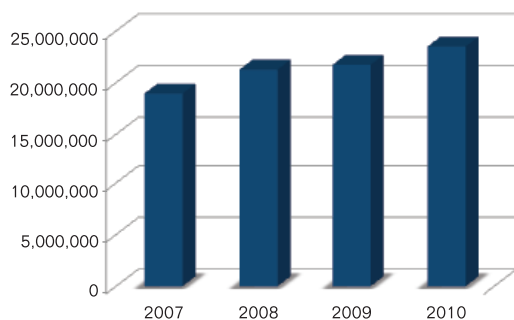
| | Years Ended December 31 | |
|---|-------------------------|-----------------------|
| Assets | 2009 | 2010 |
| Commercial and Agricultural Loans | \$ 4,606,096 | \$ 6,047,847 |
| Real Estate Loans | 75,149,842 | 74,806,875 |
| Share Secured Loans | 1,141,221 | 770,746 |
| All Other Loans | 55,480,115 | 51,429,913 |
| Allowance for Loan Loss | (882,939) | (873,011) |
| Total Loans - Net of Allowance for Loan Loss | 135,494,335 | 132,182,370 |
| Cash and Cash Equivalents | 4,914,785 | 16,812,030 |
| Investments | 62,342,619 | 63,878,653 |
| Land and Building | 6,071,575 | 7,620,594 |
| Furniture, Fixtures and Equipment | 957,405 | 1,366,109 |
| Insurance Capitalization Deposit | 1,814,883 | 1,947,383 |
| Other Assets | 2,143,600 | 7,177,468 |
| TOTAL ASSETS | \$ 213,739,202 | \$ 230,984,607 |
| Liabilities | | |
| Accounts Payable | \$ 1,801,663 | \$ 1,380,068 |
| Dividends Payable | 234,438 | 185,232 |
| All Other Liabilities | 700,857 | 657,580 |
| Total Liabilities | \$ 2,736,958 | \$ 2,222,880 |
| Members' Shares | | |
| Regular Shares | \$ 24,314,358 | \$ 26,748,319 |
| Share Drafts | 27,104,536 | 28,861,801 |
| Individual Retirement Accounts and HSAs | 14,392,481 | 15,580,438 |
| Money Market Accounts | 75,938,818 | 84,829,051 |
| Certificate Accounts | 47,527,336 | 49,243,265 |
| Total Members' Shares | \$ 189,277,529 | \$ 205,262,874 |
| Equity | | |
| Regular Reserve | \$ 2,349,218 | \$ 2,349,218 |
| Undivided Earnings | 19,375,497 | 21,149,635 |
| Total Equity | \$ 21,724,715 | \$ 23,498,853 |
| TOTAL LIABILITIES AND MEMBERS' EQUITY | \$ 213,739,202 | \$ 230,984,607 |

Treasurer's Report

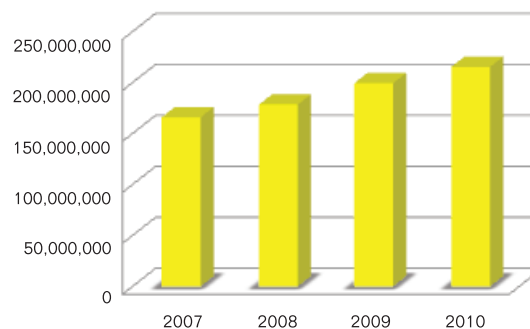
Statement of Income

| | Years Ended December 31 | |
|---|-------------------------|---------------------|
| | 2009 | 2010 |
| Interest Income | | |
| Interest from Loans | \$ 9,560,047 | \$ 8,915,921 |
| Interest from Investments | 776,757 | 691,920 |
| Total Interest Income | \$ 10,336,804 | \$ 9,607,841 |
| Interest Expense | | |
| Dividends Paid to Members | \$ 3,282,833 | \$ 2,412,826 |
| Net Interest Income | \$ 7,053,971 | \$ 7,195,015 |
| Provision for Loan Loss | 1,010,000 | 1,230,000 |
| Net Interest Income after Provision for Loan Loss | \$ 6,043,971 | \$ 5,965,015 |
| Non-Interest Income | \$ 2,083,151 | \$ 2,401,514 |
| Non-Interest Expense | | |
| Compensation and Benefits | \$ 3,041,076 | \$ 3,219,451 |
| Office Occupancy | 389,301 | 456,582 |
| Office Operations | 1,045,946 | 1,176,410 |
| Loan Servicing | 708,688 | 753,371 |
| Professional and Outside Services | 240,220 | 235,158 |
| (Gain) Loss on Disposal of Fixed Assets | 34,057 | (179,045) |
| Other Expenses | 451,549 | 920,113 |
| Total Non-Interest Expenses | \$ 5,910,837 | \$ 6,582,040 |
| Net Income (Before NCUSIF & CCU Capital Losses in 2009 only) | \$ 2,216,285 | \$ 1,784,489 |
| Net Income (After NCUSIF & CCU Capital Losses in 2009 only) | \$ 484,164 | \$ 1,784,489 |

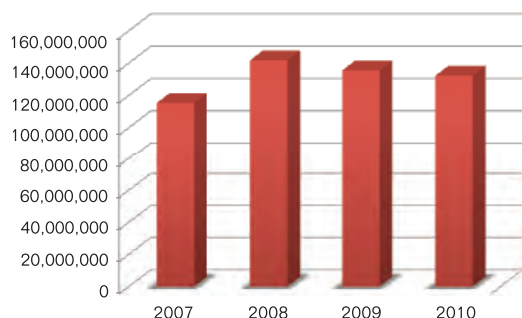
Capital Growth



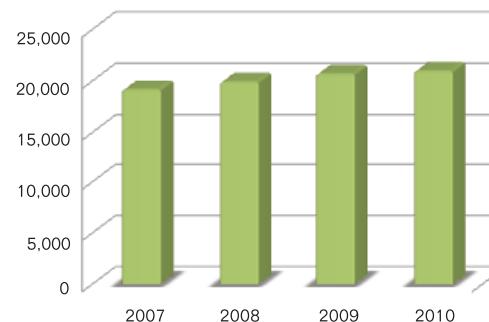
Savings Growth



Loan Growth



Member Growth



Supervisory Committee Report

The Supervisory Committee provides the membership with an independent appraisal of the safety and soundness of Meridian Trust Federal Credit Union and ensures that management adheres to established policies and conducts business in the members' best interest.

The Committee does so in compliance with the Federal Credit Union Act, the rules and regulations of the National Credit Union Administration (NCUA) and Meridian Trust's bylaws. The Supervisory Committee has retained the services of Petersen & Associates, an independent certified public accounting firm, to perform the audit of the financial statements for calendar year 2010.

Based on the work performed by outside and internal auditors and the NCUA report, the Supervisory Committee is satisfied that the records accurately reflect Meridian Trust's financial condition and that its operations are handled in accordance with board policies and credit union procedures.

The Supervisory Committee has found that Meridian Trust is financially strong and well-managed, with sound policies and procedures. The Supervisory Committee thanks the Board of Directors, management and the entire staff of the credit union for supporting our mission to maintain fiscal soundness while embracing innovations for the benefit of our members.



Marci Norby
Chair



*Left to right: Marci Norby, Chair; Kelly Willmarth; Bob Beavers; and Kristin Lee
Not pictured: Loren Simmitt*

Mission

At Meridian Trust we seek to help our members achieve their financial goals and dreams through:

- Personal Connections
- Simple Solutions
- Lifetime Relationships

Vision

We will provide our members and community with the best personal service, the highest quality financial products, and the best overall value for a lifetime.

Core Brand Principles

Simplicity

We make it easy to obtain financial success. We focus on relationships by providing simple ways to connect with the Credit Union.

Member Focused

To be member focused, we will be sincere, knowledgeable, and creative to help members discover their financial potential, offer solutions and options, and continue to build solid member relationships.

Connected

We are connected to our members, each other and our communities, creating a circle of belonging.

Responsive

We go beyond listening. We seek and provide solutions to members' needs in a timely manner. We own the problem or need until a solution is reached. We are passionately pursuing member satisfaction with commitment, dedication and integrity.

Branch Locations

Wyoming Branch Locations

Cheyenne Downtown

2223 Warren Ave.

Lander

873 Main St.

Rawlins

1817 Mahoney St.

Cheyenne East

4349 E. Lincolnway

Jackson

690 S. Hwy. 89

Doing Business at Power Trust Locations

Meridian Trust members can also conduct all of their business at PowerTrust branches. This represents a partnership between Meridian Trust and Utah Power Credit Union, established to provide better service by allowing members of both credit unions to use the PowerTrust locations.

Casper

1540 Centennial Court

Rock Springs

601 College Dr.



powerTRUST
CREDIT UNION SERVICE ORGANIZATION



www.meridiantrustfcu.org

800.726.5644

307.635.7878



Your savings federally insured up to \$250,000 and backed by the full faith and credit of the United States Government.

