



Building Trades
Credit Union

2010 ANNUAL REPORT

**“We will inspire,
educate and support
members of the
building, and construction
trades' community
in achieving a lifetime of
of financial success.”**

A MESSAGE TO MEMBERS

2010 was a very difficult year for our community. Union workers in the building, construction, and finishing trades are often the first to be affected when an economic downturn hits, and usually one of the last economic sectors to recover once the economy improves. Throughout the year, our members struggled to find work, contractors strived to stay in business, and homeowners did their best to keep up with monthly bills.

Economic conditions in the trades always have a direct impact on your Credit Union. When our members aren't working, they are not buying cars or homes, and therefore are not borrowing money. Their savings becomes depleted and loan delinquencies tend to rise. These factors caused a slight decline in the Credit Union's assets. However, your Credit Union took the necessary steps to remain strong and well-capitalized, and continued to find ways to provide you with innovative products and services.

Here are some of the highlights of 2010:

- > We introduced a new checking account, priced in a way that generated needed revenue for the Credit Union, while still offering a "free checking" option to our active members.
- > We introduced a new, state-of-the-art mobile banking product which allows our members to access online banking from their web-enabled cell phones and to receive account balance and transaction information through text messaging.
- > Our staff worked diligently with members who were struggling with their loan payments and negotiated many modified agreements to provide needed relief.
- > We provided additional loan payment relief through our holiday "skip a payment" program.
- > We provided major construction financing to the Minneapolis Pipefitters JATC for their new apprentice training facility in Brooklyn Park, Minn.
- > We kept the Credit Union strong and safe. The financial highlights included in this report will attest to our success on this important front.

Although the recovery that we've all been hoping for is yet to arrive, the outlook is improving and we are looking forward to 2011.

We'll remain at the forefront by bringing our members new products to help simplify their lives. Later this year, we'll introduce a new "remote deposit" option that will allow our members to deposit checks directly to their BTCU accounts from the comfort of their home or while on the road with a web-enabled phone.

We'll also continue to offer excellent interest rates on loans and expand our mortgage loan options.

If we continue working together, the future will be bright for the building trades community. Please let us know how we can serve you better.

Sincerely,

Leesa Husak, President & CEO and **Al Gibney**, Chairman of the Board

FINANCIAL REPORT

STATEMENT OF CONDITION

(Unaudited at December 31)

ASSETS

	2010	2009
Cash & cash equivalents	\$ 3,672,293	\$ 971,637
Investments	34,747,275	40,606,922
Loans, net	59,618,211	64,439,146
Other assets	3,169,975	3,462,747
Total assets	\$ 101,207,754	\$ 109,480,452

LIABILITIES & MEMBER'S EQUITY

Members' shares	\$ 88,627,613	\$ 97,577,098
Dividends payable & other liabilities	419,658	291,633
Total equity	12,160,483	11,611,721
Total liabilities & member's equity	\$ 101,207,754	\$ 109,480,452

STATEMENT OF INCOME

(Unaudited for the year ended at December 31)

INTEREST INCOME

Interest income on loans	\$ 4,028,009	\$ 4,289,624
Interest income on investments	779,470	1,060,421
Total interest income	\$ 4,807,479	\$ 5,350,045

Interest Expense

Net interest income	\$ 4,125,117	\$ 4,035,697
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Provision for Loan Losses

Net interest income after provision	\$ 3,477,117	\$ 3,302,697
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NONINTEREST INCOME

Fee income	\$ 529,077	\$ 386,215
Other income	513,689	576,287
Total noninterest income	\$ 1,042,766	\$ 962,502

NONINTEREST EXPENSE

Salaries and benefits	\$ 1,801,921	\$ 1,873,269
Other operating expense	1,945,930	2,064,100
Total noninterest expense	\$ 3,747,851	\$ 3,937,369
Net income before stabilization expenses	\$ 772,032	\$ 327,830

STABILIZATION EXPENSE

Loss on Member's United capital shares	\$ 0	\$ 1,019,900
Share Insurance Fund premium expense	103,628	128,870
Temporary credit union stabilization assessment	114,643	0
Total stabilization expense	\$ 218,271	\$ 1,148,770
Net income	\$ 553,761	\$ (820,940)

KEY STATISTICS

	2010	2009
Return on Assets	0.53%	-0.75%
Net Capital/Assets	12.02%	10.61%
Net Operating Expense/Avg. Assets	2.84%	3.41%
Loans/Shares	68.13%	66.51%
Net Charge-offs/Avg. Loans	0.56%	0.90%
Loans Delinquent 60+days/Loans	0.30%	0.28%
Allowance/Ending Loans	1.25%	0.70%
Share Growth	-9.17%	0.98%
Loan Growth	-6.96%	-4.41%
Asset Growth	-7.56%	0.15%
Number of Members	14,125	14,844

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is responsible for verifying the accounts of members, meeting the audit requirements specified in regulations, and making recommendations to the Board of Directors for improving operations within the Credit Union.

In that respect, the Committee engaged the CPA firm Larson Allen LLP to conduct an independent audit. They issued an unqualified opinion on the Credit Union's financial statements for the fiscal years ended June 30, 2010 and 2009. A copy of the audited financial statements is available from the Credit Union upon request.

The Committee also reviewed numerous Credit Union procedures and internal controls throughout the year. The Committee believes that controls are adequate, member accounts are accurate, and the Credit Union is being managed in a safe and sound manner.

Jack Hettwer

Chairman, Supervisory Committee

ABOUT BUILDING TRADES FEDERAL CREDIT UNION

VOLUNTEERS & MANAGEMENT

BOARD OF DIRECTORS

Al Gibney,
Chairman

Jamie Hermansen,
Vice Chairman

Frank Vento,
Financial Secretary

Tim Bruhjell,
Recording Secretary

Robert Hansen

Russ Scherber

Dan Soltis

Stan Theis

SUPERVISORY COMMITTEE

Jack Hettwer,
Chairman

Keith Christopherson

Devin Hall

Tom Reger

MANAGEMENT

Leesa Husak,
President & CEO

Maureen Daehn,
Vice President – Finance

Bill Daehn,
Vice President – Business Development

Andrea Ferkingstad,
Vice President – Marketing

Barb Klein,
Branch Manager

Kim Schroeder,
Branch Manager

Brad Benson,
Mortgage Lending Manager

It makes financial sense to have your accounts and services at a place where there's strength in numbers.

When you do your banking at Building Trades Credit Union, you're a member of a financial cooperative that serves working people.

That means our members, who are union workers in the building, construction and finishing trades and their families, pool resources to help one another achieve financial goals.

It also means that we only exist to serve our members – not investors or shareholders. At BTCU, profits are returned to members as higher returns on savings and low-interest loans.

Put simply, there's strength in numbers. And that translates into financial advantages for you.

For more information about us and all of our products and services, visit us online at www.buildingtradesCU.com or call one of our offices today!



BRANCH OFFICES

MAPLE GROVE

12080 73rd Avenue North
Maple Grove, MN 55369
Phone: 763.315.3888
Fax: 763.315.3826

INVER GROVE HEIGHTS

5300 S. Robert Trail, Suite 100
Inver Grove Heights, MN 55077
Phone: 651.455.1333
Fax: 651.457.4719

SHOREVIEW

3353 North Rice Street
Shoreview, MN 55126
Phone: 651.486.9075
Fax: 651.486.9072

EDEN PRAIRIE

10340 Viking Drive, Suite 130
Eden Prairie, MN 55344
Phone: 952.746.0990
Fax: 952.746.5471

