

GROWING STRONG & SECURE.

Dort Federal Credit Union experienced significant growth as we strengthened our position in 2012. The year capped over six decades of membership and asset growth based on sound financial management and conservative fiscal practices. We've achieved an enviable position amongst our peers as a secure and innovative credit union.

With solid financials and a strong membership, we continue "growing for it" through investments in our service delivery. In 2012, Dort Federal implemented new lending training that provided our team the tools needed to look with fresh eyes and new mindsets at our ability to make good loans. We ensured our associates were trained by the best and brightest in our industry and that everyone at Dort Federal—from our tellers to our senior leaders to our back office operations teams—has the knowledge necessary to take Dort Federal and our members to the success we envision.

In addition to training, Dort Federal implemented a new lending channel. In the spring we rolled out our eLending service that provides our members with not only the opportunity to apply for a loan online, but to also close the loan remotely—without ever stepping into a Dort Federal office. This service has been tremendously successful with just over 840 loans processed, totaling more than \$8 million.

Overall, our 2012 loan growth was outstanding! Our used vehicle lending increased \$14 million from 2011 to 2012, contributing to our auto loan portfolio increasing by 18.9%. We also delighted in our ability to help our members with more than \$6.5 million in business loans. This investment into our communities results in growing our local economies through job creation and contributes to the overall quality of our neighborhoods.

Dort Federal reached a significant milestone in 2012 as well. At the end of the first quarter, Dort Federal Credit Union's assets exceeded \$500 million—an unimagined feat back in 1951 with just \$41.75 in assets. Our asset growth is just one measure of the trust and loyalty we have earned from our members.

Another way to assess our success is through our membership growth. In 2012, the credit union realized exceptional gains in our membership by netting more than 3,700 new members. We ended 2012 with 61,212 members for an increase of 6.4%. This is our highest percentage of membership growth in the last decade.

We are definitely growing and we are striving to improve our delivery every day. We've made changes to enhance our members' lending experience through training and technology. We have added new, easier to use self-service features like our envelope-free ATMs now available at all seven of our offices. We have hired new talent to assist our members at the teller windows and in our Member Services. We are excited about the progress we are making and the success we are sharing with our members.

Dort Federal Credit Union is growing ... in many ways. We know that our growth is dependent upon the loyalty and trust of our members and that's why we are committed to bringing the best we can offer in service, products, and delivery channels. In 2013, our members can look forward to experiencing banking in new ways like depositing checks through their mobile devices, a more efficient telephone system for calling the credit union, and more Member Service talent in our offices and Call Center.

Dort Federal is strong. Our numbers speak for themselves. We invite you to come grow with us and celebrate our accomplishments as we plan for our future.

We're growing for you. We're growing for our community.



HARRY AWDISH
Chairman, Board of Directors



VICKI HAWKINS
President/CEO

DORT FEDERAL LOCATIONS

- 2845 Davison Road
- 5091 W. Pierson Road
- 1091 W. Hill Road
- 1441 S. State Road
- 9050 Holly Road
- 14265 Fenton Road
- 1724 Demille Road

810.767.8390 / 800.521.3796

GROWING FOR IT

For You. For Our Community.



www.dortonline.org



Report from the Treasurer

An important characteristic of member-owned credit unions like Dort Federal is our full and open disclosure of our financial status. Transparency is imperative in earning and maintaining member trust. This annual report provides us an opportunity to inspect the organization's financials and review its fiscal well-being.

As your treasurer, it is my privilege to provide this report of Dort Federal Credit Union's financial status for 2012.

Careful management, focused training, and increased awareness of our Dort Federal brand paid off as the credit union realized significant gains in 2012. Despite tightening regulation, narrow interest margins, and shrinking consumer spending, demand for quality consumer financial services is still strong. Dort Federal Credit Union remains a leader in our peer group with impressive gains in lending, assets, and capital growth.

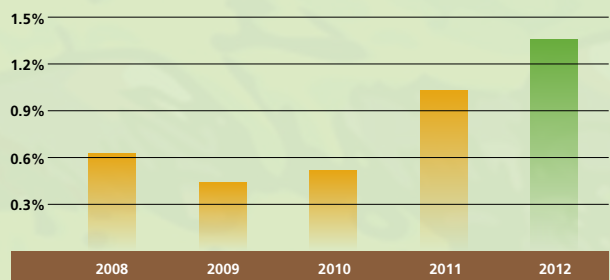
As of December 31, 2012, our loans outstanding stood at \$324 million—a 6.2% increase over 2011. Assets grew by 9.0% this year, and our total income increased 7.0%. Net income improved as well, growing 42.1%, contributing to the credit union's 1.35% Return on Assets (ROA). All of this culminates in the credit union maintaining a strong capital position of 17.56%—two and a half times the capital ratio required by the National Credit Union Association (NCUA), our government regulatory agency.

Dort Federal's success in 2012 is just one of many indicators our community's economic climate is changing. We continue to make modifications and improvements to our product offerings to ensure our services remain relevant and timely for our members.

We value the trust our members place in our credit union and we are grateful for the opportunity to serve our community. Thank you for choosing Dort Federal Credit Union.

Douglas Kidd
Treasurer

Return on Assets



Statement of Income

December 31, 2011 and December 31, 2012

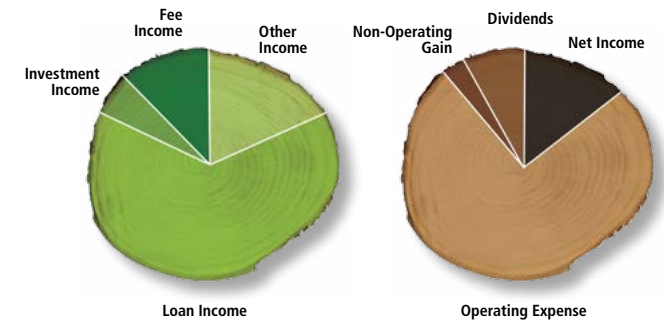
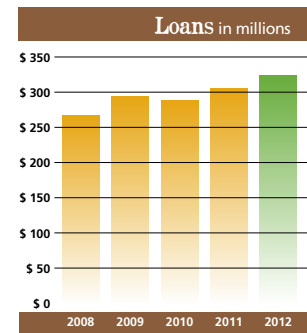
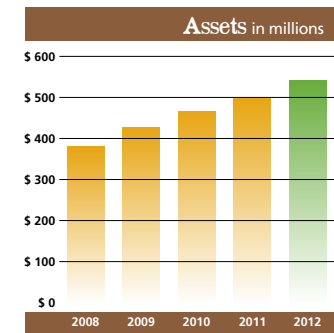
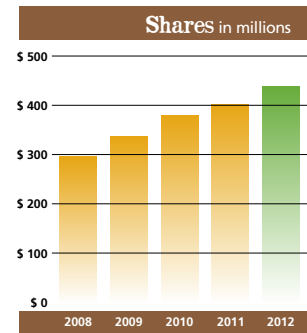
	2012	2011
INTEREST INCOME		
Loans to Members	\$18,834,129	\$18,450,946
Investments	1,745,202	2,515,217
Total Interest Income	20,579,331	20,966,163
INTEREST EXPENSE		
Member's Shares and Savings Accounts	1,941,877	2,278,710
Net Interest Income	18,637,454	18,687,453
PROVISION FOR LOAN LOSSES		
	2,460,107	3,842,000
Net Interest Income after Provision for Loan Losses	16,177,347	14,845,453
NON-INTEREST INCOME		
Other Income	5,211,625	4,333,090
Fees and Service Charges	4,357,788	3,688,619
Gain on Sale of Loans	962,491	97,700
Gain on Sale of Other Real Estate Owned	132,977	317,670
Recovery on Temporary Impairment of Investment	0	455,329
Total Non-Interest Income	10,664,881	8,892,408
	26,842,228	23,737,861
NON-INTEREST EXPENSE		
Compensation and Benefits	9,237,948	8,721,502
Office Operating Costs	9,247,809	8,265,704
NCUSIF Insurance Premium Assessment	402,380	970,680
Professional and Outside Services	528,356	410,515
Other Expenses	421,375	438,955
Total Non-Interest Expenses	19,837,868	18,807,356
NET INCOME	7,004,360	4,930,505

Statement of Financial Condition

December 31, 2011 and December 31, 2012

	2012	2011
ASSETS		
Cash	\$ 60,578,081	\$ 81,112,029
Other Receivables	2,709,471	170,368
Investments		
Available-for-Sale	37,458,207	44,615,586
Held-to-Maturity	80,110,734	29,512,045
Other	16,986,497	22,710,503
Loans Held for Sale	4,454,945	380,300
Loans to Members, net of Allowance for Loan Losses	319,221,214	300,331,558
Accrued Interest Receivable		
Investments	318,057	286,778
Loans	1,325,243	1,224,406
Prepaid and Other Assets	2,839,060	1,727,828
Property and Equipment	10,706,515	10,500,355
Other Real Estate Owned	664,994	604,910
NCUSIF Deposit	4,235,579	3,882,720
TOTAL ASSETS	541,608,597	497,059,386
LIABILITIES & MEMBERS EQUITY		
LIABILITIES		
Member's Shares and Savings Accounts	437,932,570	403,102,958
Interest Payable	288,055	352,870
Accounts Payable	2,075,927	589,772
Other Accrued Liabilities	6,024,292	4,455,356
Total Liabilities	446,320,844	408,500,956
MEMBERS EQUITY		
Regular Shares	7,340,206	7,340,206
Undivided Earnings	87,758,862	80,754,502
Accumulated Other Comprehensive Income	188,685	463,722
TOTAL MEMBERS EQUITY	95,287,753	88,558,430
TOTAL LIABILITIES & MEMBERS EQUITY	541,608,597	497,059,386

Financial Highlights



ON SOLID GROUND