



Dear Members,

As valued members of Securityplus Federal Credit Union, it is important to inform you of what has recently occurred in the credit union industry. You may have seen in the media that the National Credit Union Association (NCUA) recently placed two corporate credit unions under conservatorship, U.S. Central Corporate Federal Credit Union in Kansas and Western Corporate Federal Credit Union in California. Although the operations of these credit unions have not changed, the Board of Directors, Chief Executive Officers and some senior managers have been removed.

Corporate credit unions do not serve individuals, but instead serves natural person credit unions. Both of these credit unions invested in mortgage-backed securities, and as the mortgage market and economy declined, these investments suffered major losses. Due to these losses, the National Credit Union Share Insurance Fund (NCUSIF) levied a special assessment on all the credit unions that it insures. Although Securityplus does not conduct business with either of these credit unions, the Credit Union will suffer a loss in the first quarter due to this special assessment.

Our credit union's strength is due to you – our members. The strong capital reserves built by you since we were chartered in 1938, while impacted by this special assessment, remain strong. As of December 31<sup>st</sup>, Securityplus FCU has \$284 million in assets and \$32 million in capital.

The Board and Management of Securityplus Federal Credit Union manage your funds in a prudent manner. We have been and will continue to be a conservative credit union. Our capital ratio far exceeds the minimum capital ratio set forth by the NCUA. We will not seek to recoup costs by reducing our services to you, raising loan rates or reducing dividend rates. We see this as an unfortunate event that was outside of our control.

Your money is safe and sound at Securityplus Federal Credit Union. Deposits are insured to at least \$250,000 through NCUA. Additionally, IRAs are insured separately to at least \$250,000.

Thank you for your continued membership and support. If you have any questions, please contact the CEO Hotline at 410-281-6289.

Sincerely,

Timothy H. Carney  
Chief Executive Officer