

Knowledge Flexibility Secure Lower Costs Val
Added Efficiency Support Secure Peace of
Relationships Support Secure Educat
cess Transactions Quickly Value Full Service Full Serv
Turns Shared CU Philosophy Support Educat
Experienced Professionals Trusted Sou
hips Full Service Cooperative Process Transactions Qu
Process Transactions Quickly
Secure Tools Support Higher Return
turns Relationships Process Transactions Quickly
Trusted Source Tools Tools
Trusted Sou
Value Relationships Shared CU Philos
Education
Cooperative Range of Pro
Peace of Mind Peace of Mind
Added Efficiency

The Value of Ownership

“ Years ago credit unions had no option but to go to banks or vendors for most correspondent services. However, credit unions were just another customer with no influence or ownership. Banks and vendors had no loyalty to serving credit unions. For competitive and profitability reasons others just abandoned their credit union customers. Credit unions created corporates to help themselves be competitive in the marketplace. If you think it is difficult now, imagine going back to being dependent on banks, or other vendors where you have no voice. ”

Timothy D. McMurry
Chairman, Board of Directors

SOUTHEAST  CORPORATE

The Future - Corporate Value Proposition

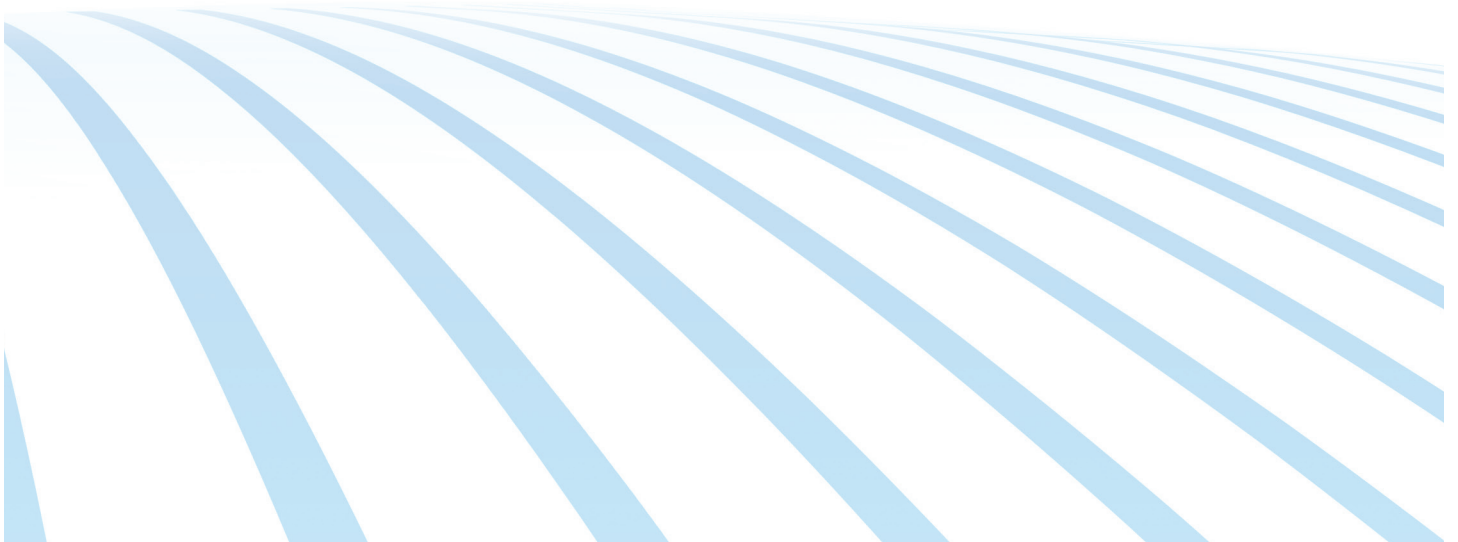
The new Corporate Regulation 704 may affect the services and products corporates are able to provide to credit unions.

Corporates were originally created by credit unions to harness the collective strength of members for their mutual benefit. In order for those benefits to continue into the future, Southeast Corporate and its member/owners must work together to develop a new business model. We believe the new model must include cooperation and partnership with credit union system organizations to achieve efficiencies, lower risk, and build strategic value in Southeast Corporate through:

- Strategic partnerships and collaboration with other corporates, leagues, vendors, CUSOs, and credit unions to build and deliver “best of breed” products and services.
- Gaining efficiencies through consolidation of back office operations and leveraging existing systems and expertise.
- Reducing risk within the credit union system.

Your Corporate

- Members can continue to receive services from within the credit union movement, from entities they collectively own.
- Southeast Corporate is modifying its business model in order to continue providing the same quality service, maintain the same important relationships with members, and offer the products and services members need to succeed in the future.



The Value of Corporate Ownership

Governance

Ownership means you have a voice and a vested interest

- Owned and governed by you and your peers.
- Ownership in a financial cooperative with the same values and philosophies.
- Ownership enables you to take part in the strategic direction of your corporate.
- Ownership provides you with direct access to the Board and senior management.

Peace of Mind

Ownership means understanding your needs

- Corporate staff have years of experience in the credit union movement. We understand the uniqueness of credit unions, including rules and regulations under which we both operate, helping to ensure you stay in compliance.
- Secure account access means your transactions are processed with the highest level of security.

Support of the Credit Union Industry

Ownership means shared values and like-minded goals

- Each year, your corporate provides financial support and contributes countless hours to many of the organizations that support you.
- Corporate support is given to the leagues, chapters, and credit union charity events helping to lower your costs and ensuring the success of the entire system.
- When credit unions support a bank or another vendor whose primary customer base is banks, they are increasing their competitors' edge.

Education and Training

Ownership means products and resources tailored to your needs

- Our staff includes expert advisors ready to assist with your training, support and educational needs.
- Each year we provide a variety of informational sessions at little or no cost to you and your staff.
- Topics include investments, the economy, payment systems, information security, business continuity, asset/liability management, and more.

Back Office Support

Ownership means a true partner that can help strengthen service to your members

- As an extension of your back office we help you minimize your operational, compliance, and staffing costs.
- Our back office support allows your staff to focus on meeting the needs of your members.
- Our team of experienced financial, member service, technical, and operational staff provides alternatives to you maintaining that expertise in-house.
- Member service representatives, payment processing teams, research staff, investment and liquidity specialists, trainers and others provide you with the back office support you need to operate more efficiently.

Dedicated Member Service

Ownership means working with individuals who understand and care

- Our experienced member relationship managers are positioned in the field, available at all times, to provide support to your credit union when needed.
- Highly skilled financial strategists are available to assist with your investment and portfolio management needs.
- Knowledgeable member service and product support teams are ready to support, train, answer your questions and process your requests.

Time and Money

Ownership means being a part of a mutually beneficial organization

- As a member-owned cooperative our goal is NOT to return profit to outside investors, but to reward our owners in the form of lower fees and higher rates of return.
- A full suite of products and services provides the convenience of a one-stop, trusted service provider.
- Aggregated volumes improve product pricing for all member/owners.

Average Monthly Fee Comparison

ASSETS (< \$50M)	Southeast	Blue Book	Federal Reserve
Automated Clearing House (ACH)			
Receipt	\$20.94	\$1,727.88	\$26.18
Origination	13.65	32.76	N/A
ACH Returns	42.50	770.10	51.00
Share Draft (Item Processing) Services			
Image Processing	100.00	384.60	171.15
Returns	97.85	92.70	279.25
Virtual Deposit Branch Capture	240.57	612.36	N/A
Account Access/Maintenance	45.00	100.00	95.00
Domestic Funds Transfer			
Incoming Wires	13.75	111.43	78.30
Outgoing Wires - Third Party	135.00	158.58	5.40
International Wires	120.00	131.12	N/A
Strapped Currency	139.15	156.86	N/A

ASSETS (\$50M TO \$100M)	Southeast	Blue Book	Federal Reserve
Automated Clearing House (ACH)			
Receipt	\$59.63	\$4,919.31	\$74.54
Origination	15.00	36.00	N/A
ACH Returns	146.00	2,645.52	175.20
Share Draft (Item Processing) Services			
Image Processing	264.65	1,017.90	280.08
Returns	212.80	201.60	491.00
Virtual Deposit Branch Capture	662.53	1,686.44	N/A
Account Access/Maintenance	45.00	100.00	175.00
Domestic Funds Transfer			
Incoming Wires	25.00	202.60	81.00
Outgoing Wires - Third Party	105.00	123.34	6.00
International Wires	240.00	262.24	N/A
Strapped Currency	503.80	567.92	N/A

ASSETS (\$100M TO \$500M)	Southeast	Blue Book	Federal Reserve
Automated Clearing House (ACH)			
Receipt	\$102.45	\$8,451.80	\$128.06
Origination	19.45	46.68	N/A
ACH Returns	157.75	2,858.43	189.30
Share Draft (Item Processing) Services			
Image Processing	582.86	2,241.75	490.58
Returns	433.20	410.40	897.00
Virtual Deposit Branch Capture	1,218.47	3,101.56	N/A
Account Access/Maintenance	45.00	100.00	460.00
Domestic Funds Transfer			
Incoming Wires	42.50	344.42	85.20
Outgoing Wires - Third Party	157.50	185.01	10.20
International Wires	360.00	393.36	N/A
Strapped Currency	962.50	1,085.00	N/A

Average Monthly Fee Comparison (continued...)

ASSETS (\$500M and Above)	Southeast	Blue Book	Federal Reserve
Automated Clearing House (ACH)			
Receipt	-	-	-
Origination	-	-	N/A
ACH Returns	-	-	-
Share Draft (Item Processing) Services			
Image Processing	\$2,577.38	\$9,913.00	\$1,810.04
Returns	1,750.85	1,658.70	3,324.25
Virtual Deposit Branch Capture	3,958.90	10,077.20	N/A
Account Access/Maintenance	45.00	100.00	460.00
Domestic Funds Transfer			
Incoming Wires	52.50	425.46	87.60
Outgoing Wires - Third Party	-	-	-
International Wires	-	-	-
Strapped Currency	-	-	N/A

Notes: Monthly expense calculated by using typical Southeast Corporate member volume in each asset category. Blue Book of Bank Prices obtained from www.phoenixhecht.com. Average list price from 2009-2010 study using Service Price Summary.

Federal Reserve 2010 pricing obtained from www.frbservices.org.

Not Applicable (N/A) indicates a comparable service offering was not available.

Blank fields indicate insufficient volume to provide an accurate comparison.

Southeast Corporate Product/Service Overview

SETTLEMENT SERVICES:

- Automated Vendor Payments
- Manual FRB Settlements

ACCOUNT MANAGEMENT SERVICES:

- Member\$MART Online Platform

FUNDS TRANSFER SERVICES:

- Incoming Wires
 - Member and Bank to Bank
- Outgoing Wires
 - Member and Bank to Bank
- Western Union

INTERNATIONAL SERVICES:

- International Wires
 - Foreign and U.S. Currency
- International Drafts
 - Foreign and U.S. Currency
- Foreign Currency
 - Purchase and Deposit
- International Cash Letter
- International Collection

COIN and CURRENCY SERVICES:

- Federal Reserve Bank Cash Services
- Brinks Vault Cash Services
- Internet Based Ordering and Reporting Platform

AUTOMATED CLEARING HOUSE (ACH) SERVICES:

- Internet Based ACH-APEX Platform
- ACH Origination – CU and Business Member (SEG)
- ACH Receipt
- International ACH

INVESTMENT SERVICES:

- Certificates (Bullets, Step-ups, Callables, etc.)
- Brokered CDs
- Broker/Dealer Services (Marketable Securities)
- CorpSafe Securities Safekeeping
- Accolade Investment Advisory Services

LIQUIDITY SERVICES:

- Lines of Credit
- Settlement Loans
- Demand Loans
- Term Loans
- Collateralized Loans

SHARE DRAFT (ITEM PROCESSING) SERVICES:

- Inclearings
- Home Banking Image Access
- Internet Based Research and Image Retrieval System
- Image Exchange

VIRTUAL DEPOSIT PROCESSING SERVICES:

- Branch Capture
- X9.37 File
- Merchant Capture
- Image Exchange

CONSULTING SERVICES:

- Asset/Liability Management
- Member Guard (*Information Security and Regulation Compliance*)
- Business Continuity Services

BUSINESS SERVICES:

- Member Business Solutions (MBS)

2009 Volume Of Services Provided To Southeast Corporate Members

INVESTMENT SERVICES:		Annual \$ Volume
Certificates (Bullets, Step-ups, Callables, etc.)		\$1,784,323,201
Brokered CDs		225,702,000
Broker/Dealer Services (Marketable Securities)		227,632,320
CorpSafe Securities Safekeeping		\$2,688,809,742
Accolade Investment Advisory Services (Assets Under Management as of 3/31/2010)		\$803,400,000
Total Investment Services		\$5,729,867,263
LIQUIDITY SERVICES:		
Lines of Credit (317 Advised Lines Outstanding 12/31/2009)		\$1,974,750,409
Settlement Loans		424,239,663
Demand Loans		492,014,042
Term Loans		29,819,600
Collateralized Loans		19,500,000
Total Liquidity Services		\$2,940,323,714
CORRESPONDENT SERVICES:		
FUNDS TRANSFER SERVICES	Annual # Transactions	Annual \$ Volume
Wire Transfers In	39,089	\$14,688,541,543
Wire Transfers Out:		
Domestic	35,095	10,939,930,497
Western Union	2,222	1,468,778
Wires thru Member\$MART	35,845	10,619,516,231
Other Funds Transfers:		
International	4,303	24,603,630
Credit Union Transfers	3,262	325,181,355
Transfers thru Member\$MART	3,134	321,542,622
Total Funds Transferred		\$36,920,984,656
SHARE DRAFT (ITEM PROCESSING) SERVICES		
Share Draft Items	68,750,876	\$20,767,311,647
Share Draft Returns	804,558	261,644,006
Virtual Deposit Items	26,248,650	18,353,066,148
Total Items Processed		\$39,382,021,801
AUTOMATED CLEARING HOUSE (ACH)		
ACH Receipt	169,519	\$890,277,917
ACH Settlement	273,817	13,385,691,931
ACH Detail	10,002,770	
ACH Origination (CUs)	757,580	
ACH Origination (SEGs)	25,243	
Total ACH		\$14,275,969,848
FEDERAL RESERVE BANK (FRB) TRANSACTIONS		
Corporate Connection Settlement	12,536	\$910,795,433
Coin and Currency	12,549	2,459,036,951
FRB CL Debits (Inclearings)	7,746	907,624,876
FRB CL Debits (Returns)	23,841	132,127,573
FRB Check Collection Deposits	9,171	4,848,966,147
Other Fed Transactions	12,500	52,297,340
Total FRB Transactions		\$9,310,848,320
OTHER VENDOR SETTLEMENTS		
ADT Settlement	751	\$64,644,250
ATM Settlements	203,124	4,498,693,867
CNCC Settlement	1,208	218,996,080
Credit Card Settlements	81,529	3,626,971,759
FSG Credit Card Settlement	11,412	19,891,680
Money Orders	7,322	92,532,156
Other Settlements	34,747	885,698,898
Payable Thru Share Drafts	7,348	37,640,078
Presto Settlement (ATM)	12,725	2,509,322,087
Shared Branch Settlement	2,696	6,347,383
Teller Check Settlement	14,620	1,769,483,728
Travelers Checks	4,007	7,247,557
Total Other Vendor Settlements		\$13,737,469,523

Product/Service Value Comparison

Liquidity

Southeast Corporate offers your credit union a wide range of liquidity products that are scalable and competitively priced. Providing easy and cost effective access to liquidity was the primary reason corporate credit unions were founded and remains a mainstay of corporate value today. We understand that you cannot always anticipate your daily liquidity needs. So, our line of credit is conveniently tied to your Transaction Account when you need overnight or short-term funds to cover unexpected settlement activity. Southeast Corporate members have access to a variety of other loan products that can be structured to fit your specific needs including demand, term, collateralized and reverse repurchase loans.

Features and Benefits	Southeast Corporate	Federal Reserve	FHLB
▶ Membership is required through the purchase of capital or capital stock	Yes	No	Yes
▶ Membership provides access to the Central Liquidity Fund (CLF)	Yes	No	No
▶ Most advances require collateral (1st/2nd mortgages) at 100% of loan value	No	Yes	Yes
▶ On demand, short-term liquidity is “easily” accessible for daily overdraft needs	Yes	No	No

Investments

Southeast Corporate offers your credit union a comprehensive suite of investment products, from certificates of deposit (CD) to complex marketable securities at various terms to meet your specific investing needs. In addition to Southeast’s CD offerings, the SimpliCD program combines the safety of CD investing with the performance of the most competitive rates nationwide. By researching the best rates, performing due diligence and maintaining all reporting requirements, SimpliCD allows you to add diversity to your existing portfolio through insured CDs with financial institutions across the country, while assuring your adherence to Regulation 703 and other investment criteria.

Southeast provides you with the ability to purchase or sell marketable securities through our broker-dealer relationship with CU Investment Solutions, Inc., (ISI). Whether sourcing a new issue agency or transacting in the secondary market, we provide you with the best pricing and ease of execution possible to assure the best return on your investment dollar. We will also facilitate the settlement of your investment purchases and safekeeping needs with our corpSafe platform.

Our investment professionals have the experience to provide you with the critical market information and reliable service necessary to help you succeed in this competitive market place.

Features and Benefits	Southeast Corporate	Federal Reserve	Other
▶ Access to Southeast Corporate certificates of deposit	Yes	No	No
▶ Access to brokered certificates of deposit	Yes	No	Yes
▶ Purchase or sale of marketable securities: <ul style="list-style-type: none"> • New Issue Agencies, Secondary Bullets and Callable Agencies • Collateralized Mortgage Obligations and Mortgage Backed Securities • FDIC Temporary Liquidity Guarantee program & NCUA Guaranteed Notes • Treasury Notes and Bonds 	Yes	No	Yes
▶ Personalized investment strategies and portfolio assistance	Yes	No	Yes
▶ Wholly-owned investment advisory CUSO providing comprehensive portfolio management services designed specifically for credit unions	Yes	No	Yes

Product/Service Value Comparison

Cash Management

Southeast Corporate's Transaction Account serves as your daily cash management, balance reporting and settlement account. All transaction activity including funds transfers, investment maturities/purchases, loan advances and payoffs flow through this one, consolidated account. Our Funds Plus (overnight) account is a higher yielding investment account conveniently tied to your Transaction Account designed to maximize income and easy transferring of excess funds. The Funds Plus account acts much like an overnight certificate, maturing automatically into your Transaction Account on the following business day. Member\$MART is our secure web-based application for easy account reconciliation and balance reporting including access to current and archived monthly account statements, consolidated billing and user access reports.

Features and Benefits	Southeast Corporate	Federal Reserve	Bank
▶ Allows for intra-day/daylight account over-drafting	Yes	No	No
▶ Penalties or threat of account closure due to intra-day or overnight funding deficiencies	No	Yes	Yes
▶ Non-earning compensating balances or insurance requirements	No	Yes	Yes
▶ Settlement line of credit is available for overnight and short-term liquidity needs	Yes	No	Maybe
▶ Automated vendor payments and/or settlement allowed	Yes	No	No
▶ Direct link to a high yield overnight account	Yes	No	Maybe

Automated Clearing House (ACH)

Southeast Corporate offers a comprehensive, secure, low cost solution for all your Automated Clearinghouse (ACH) needs including daily receipt, origination, and return item processing. A web-based application uniquely offers your Select Employee Groups (SEG) or business members ACH origination of payroll and disbursements as well. The ACH platform includes a robust list of tools developed with a close eye to regulatory compliance and risk mitigation. Southeast offers a NACHA compliant, turnkey ACH solution including on-site and web-based user training as well as daily back-office support offered by experienced, accredited staff. No hardware or software required by your credit union.

Features and Benefits	Southeast Corporate	Federal Reserve	Bank
▶ Offers a product with "full" ACH functionality	Yes	No	No
▶ Direct access into the ACH without a FRB Fedline connection	Yes	No	No
▶ Includes web-based access for SEGs and business members	Yes	No	No
▶ International payment receipt and origination	Yes	No	No
▶ Daily support and training provided by experienced, ACH Accredited Professionals	Yes	No	No
▶ Credit union centric product developed for credit unions and used by over 2,500 credit unions nationwide	Yes	No	No

Product/Service Value Comparison

Consulting

Southeast Corporate offers a variety of consulting services designed to meet your specific compliance and regulatory needs. Developed by highly qualified, certified staff, you have access to a wide range of services including Governance, Risk Management, Regulatory Compliance, Asset Liability Management, Model Validation, Mortgage Servicing Rights Valuation and Business Continuity. As a federally chartered credit union regulated by the NCUA, we know from experience the needs of our members. Our service starts with education and awareness through webinars, chapter meetings and onsite workshops to service delivery and training.

Features and Benefits	Southeast Corporate	Federal Reserve	Bank
▶ Asset Liability Management (ALM) modeling/reporting/training to fit any balance sheet from the most complex to the very basic	Yes	No	No
▶ Information Security Risk Assessments tailored to fit any need including Information Security Program Review (Gap Analysis), Regulatory Exam Mitigation, and Security Improvement Planning	Yes	No	No
▶ Technical Assessments including internal and external network scans to detect and report vulnerabilities, associated risk and recommended mitigation plans	Yes	No	No
▶ Business Continuity (disaster) planning, development, testing and training customized to fit your unique needs	Yes	No	No

International Services

Southeast Corporate offers a suite of international services developed to meet the evolving needs of your members including the business member with an emphasis on security. Our international wires are processed via a secure, web-based platform designed for moving money internationally and collection of foreign funds both in U.S. Dollar and Foreign Currency. Our experienced staff provides detailed instruction on the best available payment options helping you choose the most efficient, cost effective method of payment for your member. Products like International Wires, Western Union, International Cash Letter Collection and Foreign Drafts and Currency are available at below market prices. No hardware or software purchase is required.

Features and Benefits	Southeast Corporate	Federal Reserve	Bank
▶ Send wires in US Dollars or Foreign Currency providing convenience and savings for you and your member	Yes	No	Yes
▶ Foreign Currency conversion rates confirmed within minutes via a secure international wire platform	Yes	No	No
▶ Settlement via your Transaction Account allows for easy reconciliation and tracking of your daily international payments	Yes	No	No
▶ Experienced staff are available to assist with payment processing, tracking and research	Yes	No	No
▶ Training and daily support for your staff saves you money	Yes	No	No
▶ OFAC filtering at the corporate level*	Yes	No	Yes

* Filtering of foreign wires is required at each stage of the wire process including the credit union originating the wire transfer.

Product/Service Value Comparison

Item (Check) Processing

Southeast Corporate offers a “one-stop” comprehensive outsourcing solution for both your share draft and deposit processing needs. There are no hidden fees. Our pricing includes the total solution from point of presentment through all processing, settlement, clearing, archiving, and follow-up adjustment and research processing.

No additional vendor relationships, settlement accounts or software/hardware (outside Southeast Corporate) are needed. Our item processing solutions are 100% image enabled ensuring the most efficient, least cost means of processing and collection. Southeast Corporate employs the most experienced staff available in the industry helping to ensure data integrity, reliability and accuracy with proper controls in place throughout all phases of processing. Southeast Corporate interfaces directly with your core processor both in-house and service bureau including home banking providers. Let Southeast Corporate be your “back-office” replacement for all your item processing needs.

Features and Benefits	Southeast Corporate	Federal Reserve	Other
▶ Turnkey, “one-stop” image processing solutions including: <ul style="list-style-type: none">• Share draft and return item processing including archival• Remote deposit image capture at the branch and merchant level• All Hardware/software, staging, testing, implementation and training provided	Yes	No	No
▶ Adjustment handling, check collection (settlement) and research on your behalf including large dollar return item notification	Yes	No	Yes
▶ Immediate credit/debit on adjustments, next day credit/debit on returns	Yes	No	No
▶ Direct interfacing with data processors for file delivery including Homebanking image retrieval	Yes	No	Yes
▶ Maintain image archival for 7 years	Yes	Yes	Yes
▶ Comprehensive business recovery plan, tested annually	Yes	No	Yes

Contact Us

Financial Strategists

Michael Alexandre
1-800-342-0203 x4064

Tanya DeVlieger
1-800-342-0203 x4065

Member Relationship Managers

Arthur J. Wood, IV
1-800-342-0203 x6815

Gisli Magnusson
1-800-342-0203 x6813

Jamie Duncan
1-800-342-0203 x6814

William (Bill) Stewart
1-800-342-0203 x6816

