



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, CUSO's, 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.

This is not a new concept for Southeast.

- We partner with Georgia Central and Virginia Corporate in our core processing CUSO, Corporate Synergies.
- We partner with Georgia Central in our Member Business Solutions (MBS) CUSO.
- We partner with other corporates to offer SimpliCD and broker dealer services.

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.

Contact Us

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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 competitor's 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