



VolCorp – Today and Beyond

By *Rick Veach, President/CEO*

VolCorp was created by and for the benefit of our credit union member/owners and we will be around for as long as our members find value in what we do for them. It is critical each member realizes that VolCorp has the financial resources to withstand the current economic turmoil and continue indefinitely into the future. We have suffered losses, as almost all financial institutions have, primarily through our capital accounts at U.S. Central. VolCorp, however, has adequate retained earnings to absorb these losses without affecting its members' capital accounts. This places VolCorp in rare company among corporate credit members.

It is also important for VolCorp members to know VolCorp did not contribute to the problems that led to the corporate stabilization program and the associated costs credit unions have had to bear. VolCorp has had no problems with its liquidity nor has it suffered any significant losses in its securities portfolio, which were the two problems identified by the NCUA as the reasons they placed U.S. Central and WesCorp into conservatorship.

It should also be noted that VolCorp has all of the resources it needs to keep its technology current. Over the past eighteen months, we have significantly upgraded our hardware and software applications to offer our members the most efficient and up-to-date services available anywhere. We are now in the process of installing a new core data processing system and should be live on 1/4/2010. More importantly, we have accomplished all of this without increases in member fees or reducing rates paid to members.

New rules and regulations for corporate credit unions are scheduled to be released by the NCUA later this year. VolCorp's Board of Directors will then determine what changes VolCorp needs to make in order to be in compliance. Your support in this process is critical, for it is you that we are all about.

In the coming months, our goal is to educate you through our new program, "**Strength. Stability. Service. Today and Beyond.**" These articles will communicate to you these strong foundations of VolCorp. Our first article on page 3 of this issue, "*It's a Balancing Act...*," will walk you through the conservative investment policies at VolCorp and why these have helped us maintain our financial strength. An introductory article can be found on page 2.

Please attend our **Annual Meeting on August 19th** and tell us what you think. Until then, please feel free to call me at (800) 470-3444, extension 224, or (615) 232-7920. Thank you for your membership.

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