

BREAKING NEWS

NEW YEAR MESSAGE FROM THE PRESIDENT

Dear Members,

As I look back, 2012 was a very positive year for your Credit Union. The year ending December 31, 2012 marked a significant turning point for IBM Southeast Employees' Federal Credit Union. We navigated successfully through the Great Recession and have recovered nicely from the economic slump. Not only did we end the year with a positive net income nearing \$6 million, we increased our capital reserves (rainy-day savings) to over \$64.5 million—a very strong gain! Mid-recession, our loan delinquency, fueled by high unemployment and the housing collapse, was around 6% of our loan balances. It has recovered greatly and is now very close to being below 2% of loan balances. This is a huge improvement and I'm proud to say that we reduced expenses to come in about \$1.6 million below budget. We ended 2012 with positive income, strong capital reserves, and a much-improved loan portfolio. Your Credit Union remains strong and healthy.

We continued to focus on Service Excellence in 2012. It's what our Members want and deserve. Our Net Promoter Score, a measure of service experience and loyalty in our Credit Union and the financial industry, was record setting. We're running at 72%, while the financial industry is running at an average of 24%. The Credit Union staff is truly committed to delivering exceptional service to you.

With our focus on the long-term needs of our Members, your Credit Union has also continued to improve and enhance our Online Services for you. Using IBM Southeast EFCU's smartphone apps for Android and iPhone, you can log in to Mobile Banking, search for branches, shared service center branches, ATMs, and even pay bills. We know how important banking on the go is to you, so we assure you that more convenient online banking options are coming your way in 2013.

We made a significant improvement to our online check-depositing program, eDeposits. You can now deposit checks using a scanner and you don't need to mail the checks to the Credit Union! We'll continue to evaluate our branching network and electronic account access for convenience and efficiencies. We also replaced our ATM fleet to satisfy new government requirements and moved our Atlanta Call Center to Marietta.

In 2012, we made a number of upgrades to our loan processes. For our Members, we have:

- ◆ Introduced a new and improved Platinum VISA credit card that offers more Member benefits.
- ◆ Implemented indirect lending that makes it easier for Members to obtain convenient financing at a car dealership.
- ◆ Created a private portfolio mortgage that supports our biotech companies.
- ◆ Offered reverse mortgages through our partner, Genworth.
- ◆ Implemented new software that improves mortgages servicing.

Additionally, we're receiving an average of 29% more loan applications per month over 2011. We're also funding an average of 40% more dollars per month in 2012 than in 2011. We're seeing some improvement in housing values and unemployment. The national economy is definitely headed in the right direction, but it's not quite 100% healthy yet. Be assured that your Credit Union has taken the necessary steps to manage our business during uncertain economic times. We're very proud of our 43-year history of serving our Members and look forward to doing so for many years to come. Thank you for your ongoing support, your loyalty, and your Membership at the Credit Union. We wish everyone a very healthy and prosperous New Year.

Sincerely,

Lary B. McCants, CCE
President/CEO

YOUR CREDIT UNION IS ON FACEBOOK AND TWITTER!

Like us on Facebook (search for IBM Southeast Employees' Federal Credit Union) and follow us on Twitter (IBM_SECU) to find out the latest news from your Credit Union. Get reminders of holiday closings, notice of new promotional offers, educational articles and much more.

Plus, each month you can enter to win a prize from our Facebook giveaway. Simply "like" our page and enter the giveaway by clicking on the "Giveaway" button at the top of the page. Check it out today!

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TESTIMONIAL

"Over the past seven years I have contacted IBMSECU asking them to fix, repair or clarify issues. Living in rural Eastern Kentucky sometimes has its challenges. On no occasion have those challenges been with my Credit Union. I have access to free ATM services and it takes less than five minutes to pay my bills. Every time I need to speak with a Member Service Representative I find myself getting answers, action and closure with the utmost caring and professionalism. Sometimes the action and closure is a bit complicated. No surprises. No disappointments. No doubts. The IBM SECU make doing business with my financial institution a pleasurable experience. Prompt, Courteous and Professional service is still normal business expectations at the IBM CU. Thanks for making my life in Appalachia a bit more worthwhile." — **James E. BeDillion**

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Tampa Area: Chris Engel at **727.420.5515**

South Florida: Mike Thomas at **800.873.5100, ext. 4718** or **561.982.4700, ext. 4718**

All Other Areas: **800.873.5100, ext. 4718** or **admin@autoadvisors.com**

You may also fill out the AutoAdvisors online request form at **ibmsecurg.org**



*AutoAdvisors Car Information and Buying Program is offered through AutoAdvisors Services, LLC. AutoAdvisors receives a transactional fee from the dealer, not dependent on dealer profit.

FOR WHEN IT MATTERS THE MOST

It can happen to anyone. Indoors or outdoors, at home or on the road, while working or relaxing in leisure activities – no matter how careful we are, there's always a chance of becoming the victim of a serious accident. That's why you should consider protecting yourself and your family against the possibility of the unexpected. Group Accidental Death and Dismemberment Insurance can provide up to \$300,000 in coverage, at affordable group rates. To make this offer even more attractive, coverage is available to every eligible Credit Union Member regardless of health or occupation. There are no medical questions to answer. You don't even need to take a physical exam. To apply, just fill out the online form available on our website: **ibmsecurg.org**.

ENROLL NOW – RECEIVE \$2,000 OF COMPLIMENTARY COVERAGE PAID FOR BY YOUR CREDIT UNION

How important is Accidental Death and Dismemberment Insurance? So important, we are offering our Members a bonus simply for filling out our online enrollment form: \$2,000 in coverage, at no cost to you!

Accidental Death and Dismemberment Insurance is administered by Selman & Company and underwritten by New York Life Insurance Company. After your coverage is approved, you'll receive a Certificate of Insurance describing the benefits of your coverage. For more information, including plan features, cost, eligibility, renewability, limitations and exclusions, please visit **ibmsecurg.org** and click on the "Your Services" drop-down menu and choose Insurance Products or call Selman & Company toll-free at **877.665.7563**.

The Group Accidental Death and Dismemberment Insurance is underwritten by New York Life Insurance Company, 51 Madison Ave., New York, NY 10010 on Policy Form GMR.

INVESTMENTS & FINANCIAL SERVICES PRODUCTS THROUGH TRANSAMERICA FINANCIAL ADVISORS INC.

At IBM Southeast EFCU, we believe in helping you make the most of your money. We now offer 'one stop shopping' for investments, insurance, and financial planning* through Transamerica Financial Advisors, Inc. (TFA). TFA's Representatives are available at a location near you to discuss your investment needs.



TFA has a complete line of services and products which include:

- ◆ Retirement Planning Strategies
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From retirement to planning for your children's college and everything in between, TFA Representatives can help you reach your goals. We invite you to take advantage of the no-cost consultation. By scheduling an appointment with your local TFA representative, you can learn how a variety of products and services can help you with your investment and financial planning* needs. Call TFA today at **866.622.4994**.

*Financial planning services are only available through Investment Advisor Representatives of TFA. Securities and Investment Advisory Services offered through Transamerica Financial Advisors, Inc. (TFA), Member FINRA, SIPC and Registered Investment Advisor. TFA is not affiliated with IBM Southeast Employees' Federal Credit Union. **Securities offered through Transamerica Financial Advisors, Inc. are: Not NCUA insured • Not deposits, obligations of, or guaranteed by the Credit Union • Subject to risks, including the possible loss of principal amount invested.**

ELECTION NOTICE



If you have an interest in being considered for election to the IBM Southeast EFCU Board of Directors, an information package is available from the Nominating Committee. This package, among other things, describes the responsibilities of a Director and the qualifying requirements considered by the Nominating Committee in selecting candidates for nomination. To obtain a copy of the information package, please contact Johnny Bennett at: Johnny Bennett, Nominating Committee Chairman, IBM Southeast EFCU, P.O. Box 5090, Boca Raton, FL 33431-0890. The Nominating Committee is accepting applications for the 2013 election to the Board of Directors. Completed applications must be received by February 19, 2013. To receive an application form, **please contact Johnny Bennett at johnnybennett2@**

comcast.net, at the mailing address above or by calling 561.573.6838. Nominations may also be made with 500 signatures of the Membership. Petitions must be received by April 5, 2013.