



December 31, 2009

Dear *Valued Member*,

What a year 2009 has been! Even though we are still living through the worst economic times in our history, Southland Federal Credit Union continues to remain strong. While most banks are raising fees and loan interest rates, at SFCU our fees remain low and our loan rates competitive. Some of our members were affected by the local layoffs having a tough time finding work and in some cases making a change in their career field. Your credit union continued to provide financial assistance during these hard times. Such as, loan payment deferments for our members who have a SFCU loan and rolling out a courtesy pay program for our members who have checking accounts. Both these programs provide our members with financial help when they needed it most.

SFCU membership continues to grow, opening over 550 new accounts in 2009. Our loan approval has averaged 90% keeping our commitment "Where people helping people really matters!" Loaning out over \$10,6 million dollars we continue to bring our members competitive loan rates helping over 820 members with their financial needs.

Leading economist tell us the worst of the economic times are over. We know this will not be easy and will take time. When the Federal Reserve begins to move up on interest rates, the board, staff and I want our members to know we will continue to do everything we can to provide financial services to meet our members' needs with the lowest cost possible.

In 2010, we plan to roll out two new services. One will be a cost competitive credit card program the other will be to offer a money order program. Be sure to check our website at www.southlandfcu.com to find out more about these new services and when they will be available. You can also find on our website information about upcoming events, hours and locations, dates the credit union will be closed to observe federal holidays, services we have to offer, and much more.

We are proud to be your hometown credit union and thank you for your continued support, because of *members like you* we have a place you can turn to for your financial needs. Remember to spread the news and invite others to join our growing credit union family. We are open to everyone who lives, works and/or worships in Angelina, Trinity and Houston counties.

Working together, we will be here for many more years to come. Wishing each of you a safe, healthy, prosperous and Happy New Year!

Sincerely,

Jonathan P. Matthews,
Chief Executive Officer

(Be sure to mark your calendar for the credit union annual meeting coming up April 19, 2010)

"Where People helping People really matters!"
www.southlandfcu.com