



Strong

Stable

Secure



2009 Annual Report  
***Security Service Federal Credit Union***



Security Service's founding mission of member service has been our guiding principle for more than half a century. Our members' needs have evolved over the years, due to advances in technology, changes in financial legislation and, at times, drastic changes in the economic climate, as we saw in 2009. However, your credit union has adapted, responded and remained strong at every turn, relying on its member-focused operating philosophy and the credit union motto of "People Helping People."

Security Service now serves more than 740,000 members and is the largest credit union in Texas, the third-largest in Colorado and the ninth-largest in the nation. Moreover, our membership reported once again this year that Security Service met or exceeded their expectations with quality member service.

Your credit union believes that serving those who serve our country in the Armed Forces is one of our most important duties. More than 2,800 men and women in uniform who were facing financial crises due to deployment received emergency financial loans from Security Service in 2009. Security Service also reached out to the 3,000 soldiers transferring from Ft. Hood, Texas, to Ft. Carson, Colorado, with financial information and money-saving products to help make their transition easier. For the third year running, your credit union led the charge during the Department of Defense's National Military Saves campaign, recruiting 21% of the nation's new enrollees in the program, which teaches military members to save more money and incur less debt. More than 150 children of military members in Colorado received the opportunity to play baseball with Sky Sox Minor League players at Security Service's third annual Sky Sox Youth Baseball Camp.

Another important part of serving our membership is contributing to the financial health of our young people through financial education, information and scholarships. In 2009, Security Service staff members conducted more than 480 financial literacy presentations to more than 24,000 students in the communities we serve. Additionally, the credit union awarded \$15,000 in scholarships through the Security Service "Dollars for Scholars" program, helping 15 deserving students pursue higher education.

Serving the communities in our service areas also remained a top priority for your credit union throughout the year. Employees donated more than \$216,000 during the annual United Way campaign, while the members of the employee Volunteer Corps continued to donate countless hours to community projects and organizations in Texas and Colorado.

On behalf of your volunteer Board of Directors, I would like to thank our talented employees for their continued dedication to serving our member-owners. And to our member-owners, I express my gratitude for the vital role you play in the credit union's success. Over the past year, your credit union once again demonstrated that industry leadership is not just defined by objective business measures, but also by service and corporate responsibility. We will continue to build on our successes in the coming year and to uphold the strength of purpose and commitment to member service that we have demonstrated in 2009 and throughout the past 53 years.

Sincerely,

Robert P. Egger  
Chairman of the Board

## BOARD OF DIRECTORS



Robert P. Egger  
Chairman of the Board



James A. O'Farrell  
1st Vice Chairman



Timothy E. McCallum  
2nd Vice Chairman



Joseph A. Coleman  
Treasurer



Peter J. McNamee  
Secretary



Max Giovannini  
Director



Mary V. Holub  
Director



Grover Jackson  
Director



James Tattini  
Director



Robert Johnson  
Director

*“We will continue to build on our successes and to uphold the strength of purpose and commitment to member service that we have demonstrated throughout the past 53 years.”*

–Robert P. Egger,  
Chairman of the Board



Donald L. Miller  
Director



### SERVICE

Understanding that military service men and women often find themselves in tough economic straits due to the demands of service, Security Service employs a “whatever it takes” approach to serving military members.

Your credit union assisted members in uniform throughout the year by listening to their financial concerns and finding viable solutions, from restructuring existing loans to providing low-rate emergency loans. Security Service also supported the ongoing financial health of uniformed service members through financial education initiatives, such as the Department of Defense’s National Military Saves Program, which teaches military members smart savings behaviors. Security Service enrolled approximately 2,200 military members in the program during the weeks surrounding the national Military Saves awareness campaign – the largest number of any credit union in the nation.



The challenges American consumers and businesses faced in 2009 were unprecedented in their range and scope. Almost 1 in 10 Americans were unemployed by mid-year, and many of these same people found themselves squeezed from all sides as struggling financial institutions raised credit card interest rates and fees in an effort to generate income. Your credit union remained strong and stable, managing the difficult balancing act of meeting these members' heightened needs while also positioning the credit union to remain growth-oriented and well equipped for the years to come. Once again, the same conservative business principles that helped your credit union grow from eight members in 1956 to 740,000-plus members today also helped your credit union continue unwaveringly on its path of steady progress through one of the toughest economies in recent history.

Our balance sheet remained strong, with more than \$5.5 billion in assets by year-end, up from \$5.1 billion in 2008. Deposits grew from \$4.1 billion to \$4.6 billion, due in part to the credit union's promotion of the 2- and 3-Year IRA CDs for members seeking secure, shorter-term investments at higher rates. Loans also grew, from \$4.5 billion to over \$5.0 billion, as Security Service retained its status as the number one credit union indirect lender in the nation for the sixth year running, providing \$1.9 billion in vehicle loans to more than 80,000 members. Notably, this success was achieved without the taxpayer "bail-out" assistance that was prevalent for many banks during 2009.

The year brought new challenges but also new opportunities to expand our member base and member service channels. Your credit union expanded its web-based service capabilities by enabling members to apply online for mortgages, credit cards and other loans. Even more significant this year was the credit union's ground-based growth, which included the acquisition of West Texas Credit Union in El Paso, Texas, adding four locations

to our network of service centers. Other additions to increase access included a service center in Aurora, Colorado, a facility acquisition in Corpus Christi, Texas, and a land acquisition in McAllen, Texas, that will be developed into a service center in 2010. A partnership with Stripes convenience stores enabled Security Service members to make low-fee transactions at more than 500 Stripes and Town & Country ATMs throughout Texas, Oklahoma and New Mexico.

I congratulate our employees on a year of exemplary service and encourage them to continue demonstrating to our members the core values of being caring, innovative, honest, fair and dedicated in the year to come and beyond. I also want to thank our volunteer Board of Directors for their continuing support and guidance throughout this challenging year. As 2009 draws to a close, there is no doubt that the financial climate has profoundly changed, as have our members' financial attitudes, priorities and needs. We are firmly committed as a credit union that as we continue to adapt and grow within this new environment, our plans for progress will remain conservative, balanced and steadfastly rooted in our founding mission of financial soundness and personalized member service of the highest caliber.

Sincerely,

David E. Reynolds  
President & CEO

Security Service passed the 740,000-member mark this year and became the ninth-largest credit union in the country. But we have always defined industry leadership by more than just size and market share. Our internal measures of success extend to corporate responsibility, volunteerism and participation in the communities we serve. This culture of service starts at the top of our ranks and extends down through our Volunteer Corps of hundreds of employees in each of our service areas.

Here are a few highlights from the credit union's community activities in 2009:



### Third Annual Military Youth Baseball Camp

More than 150 children of military service members had the unforgettable opportunity to learn baseball skills and valuable life lessons from professional Colorado Springs Sky Sox players and coaches at Security Service Field.

### United Way

Over 96% of Security Service employees participated in the credit union's annual United Way campaign in October and November. Employees donated more than \$216,000, as well as their time and energy, to support the United Way in its mission of improving lives throughout the communities it serves.



### Leukemia and Lymphoma Society Light the Night

More than 450 employees in Texas and Colorado helped the credit union raise over \$60,000 for lifesaving research and patient assistance programs. This was the credit union's eighth year to participate.

### Boys & Girls Clubs

For the second year in a row, Security Service presented a donation to the Boys & Girls Clubs of San Antonio and hosted a holiday drawing contest. The winning drawings were used as the credit union's corporate holiday cards, and the winning children received more than \$175 in gifts, including iPod Shuffles.

