

CEO, George McNichols Provides Update on Credit Union Industry

Credit Unions, while they did not cause the current economic problems, will be paying higher federal deposit insurance premiums to keep our insurance fund strong in these difficult times. HHCU, along with the other 8,000 federally insured credit unions in the US will make provisions to support the Corporate Credit Union structure (these are organizations chartered to provide services to natural person credit unions) which has absorbed losses tied to their investment portfolios. For HHCU, because of our strong income performance last year and strong profits so far this year, we have decided to take a percentage of the assessment in 2008 (HHCU will still make money in 2008) with the remainder in 2009. For 2009, we anticipate earnings will place HHCU in the top 10% for net income nationwide.



George McNichols
President / CEO
Hoosier Hills Credit Union

We have big plans for 2009. We expect continued strong growth in mortgage lending, small business loans and holding our own in the consumer loan market. Deposits are up significantly for the first 3 months and we anticipate more consumer and small businesses will continue the trend of eliminating their financial relationships with the branches of the large money center banks and moving their accounts to HHCU or other community financial institutions that did not play a role in causing the current economic condition.

People will come out of this economic trough, probably wiser, more frugal and more responsible than before. At HHCU we see many opportunities in 2009 and beyond. Today is proof positive the cooperative credit union model is good for Indiana and the country as a whole.

We appreciate your business.

A handwritten signature in black ink that reads "George McNichols". The signature is written in a cursive, flowing style.