

Loan Portfolio Analysis

Prepared for

Federal Credit Union

Federal Credit Union
Loan Portfolio Analysis

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Key Characteristics of the Loan Portfolio

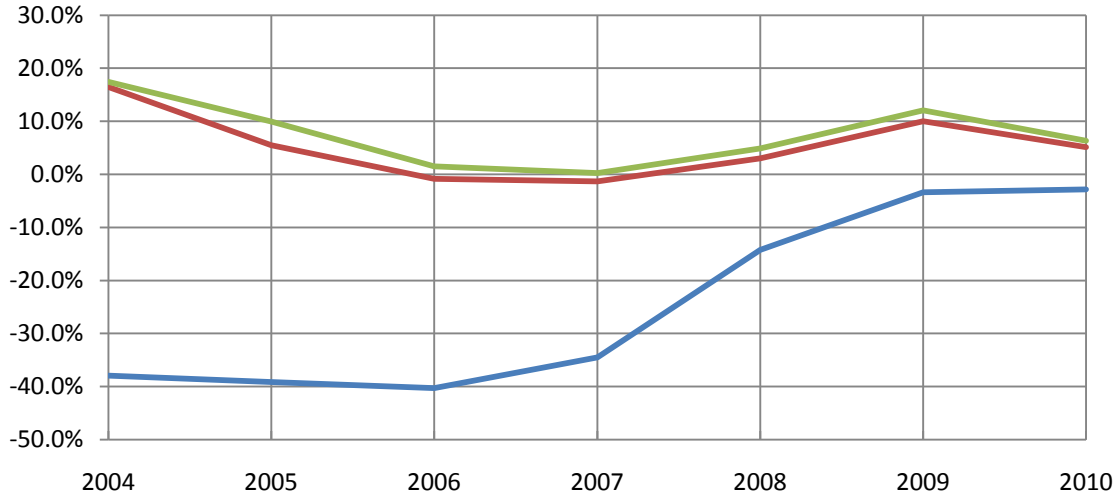
| | Average Orig FICO | Average Curr FICO | Average Balance | Average CLTV | Average Default Risk Score | Average Default Risk Profile |
|---------------|-------------------|-------------------|-----------------|--------------|----------------------------|------------------------------|
| Auto Loan | 690 | 681 | 11,808 | 78.0% | 6.8 | LOW |
| Consumer Loan | 699 | 695 | 3,808 | 100.0% | 5.5 | LOW |
| Real Estate | 729 | 725 | 59,363 | 76.0% | 6.3 | LOW |
| Grand Total | 700 | 693 | 19,003 | | 6.3 | |

Individual Loan Pools

| | Average Orig FICO | Average Curr FICO | Average Balance | Average CLTV | Average Default Risk Score | Average Default Risk Profile |
|--------------------------|-------------------|-------------------|-----------------|--------------|----------------------------|------------------------------|
| Auto - Direct New | 729 | 721 | 12,839 | 64.1% | 5.7 | LOW |
| Auto - Direct Used | 701 | 694 | 8,872 | 62.1% | 5.8 | LOW |
| Auto - Indirect New | 689 | 682 | 14,853 | 84.2% | 6.9 | LOW |
| Auto - Indirect Used | 681 | 670 | 12,146 | 86.4% | 7.3 | LOW |
| Con - Sec NV Assigned | 708 | 702 | 14,082 | NR | 3.9 | LOW |
| Con - Share / CD Secured | 678 | 677 | 6,246 | NR | 12.8 | MED |
| Con - Unsecured | 711 | 698 | 2,974 | NR | 4.2 | LOW |
| Con - Unsecured LOC | 696 | 694 | 1,357 | NR | 4.2 | LOW |
| RE - First Mtg | 715 | 710 | 121,742 | 59.6% | 7.4 | LOW |
| RE - HELOC | 739 | 735 | 31,746 | 80.8% | 6.3 | LOW |
| RE - Lot Loan | 749 | 748 | 84,919 | 71.6% | 5.3 | LOW |
| RE - Second Mtg | 726 | 722 | 44,856 | 81.2% | 5.9 | LOW |
| Grand Total | 700 | 693 | 19,003 | | 6.3 | |

Real Estate Values

The following graph and chart shows how the real estate lines for property securing the loans held by Federal, as measured using a weighted average of the index of all metropolitan areas served by Federal, have performed over time and as compared to the Charleston-North Charleston-Summerville metropolitan area and the state of South Carolina.



| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|-------------------|--------|--------|--------|--------|--------|-------|-------|
| State | -37.9% | -39.1% | -40.3% | -34.5% | -14.2% | -3.4% | -2.8% |
| Federal | 16.4% | 5.5% | -0.9% | -1.3% | 3.0% | 10.0% | 5.1% |
| Metropolitan Area | 17.4% | 10.0% | 1.5% | 0.2% | 4.9% | 12.1% | 6.3% |
| RE - HELOC | 18.3% | 4.5% | 1.0% | -1.6% | 3.1% | 11.3% | 5.3% |
| RE - Second Mtg | -7.1% | 0.0% | -1.8% | -0.2% | 3.9% | 9.7% | 5.3% |
| RE - Lot Loan | 17.0% | 0.0% | 3.7% | -3.5% | 0.5% | 6.5% | 1.9% |
| RE - First Mtg | 18.4% | 5.7% | -2.8% | -2.7% | 1.6% | 10.4% | 6.7% |

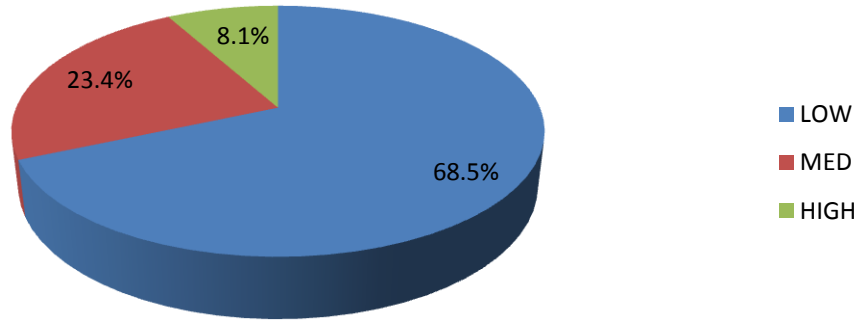
Each year on the above chart indicates the change in value of real estate from the base year to the third quarter of 2010.

Currently Federal has a deficiency in the value of their residential real estate portfolio of approximately \$4.6 million which equates to 2.8% of the total real estate portfolio.

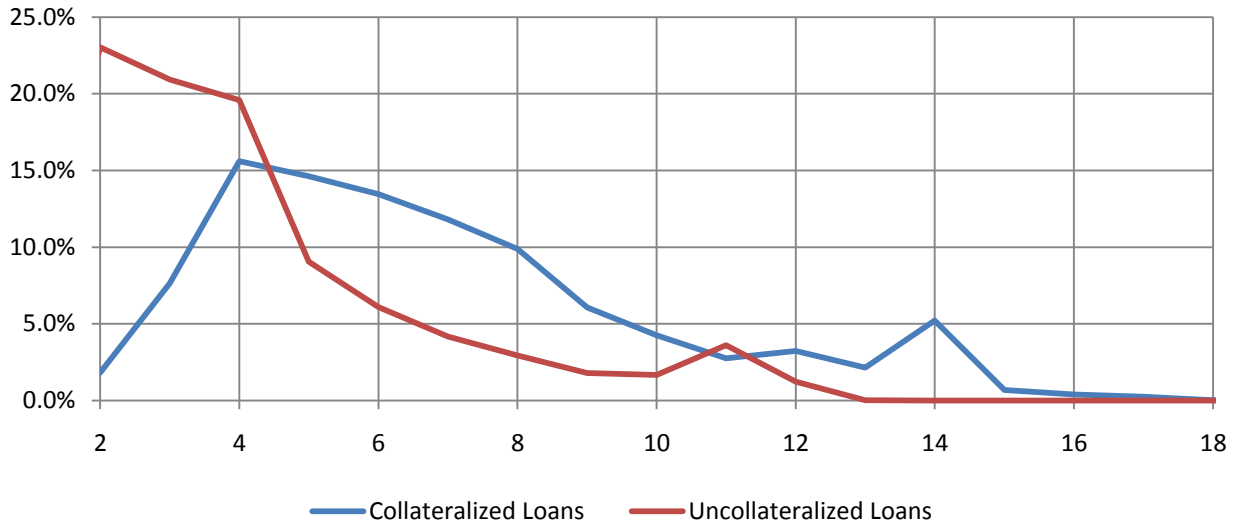
Federal's performance is primarily related to the credit unions location and primary lending areas. Currently the credit union has approximately \$149.6 million of real estate loans in the Charleston-North Charleston, SC metropolitan area. This concentration equates to approximately 89.3% of the overall real estate portfolio.

Portfolio Results

We evaluated 14,430 loans with a related balance of \$274,216,582. The following chart shows the overall classification of the loan portfolio by Risk Level.



The following graph shows the comparative risk of collateralized and uncollateralized loans based on the default risk score and the number of loans outstanding:



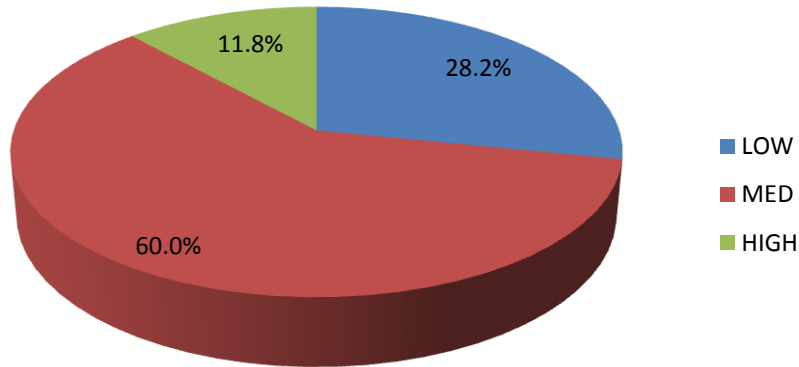
Currently 65.0% of the collateralized loans and 78.4% of the uncollateralized loans are considered Low Risk.

Collateral Values

We evaluated the current collateral values and superior mortgage positions on 2,823 residential real estate and 7,804 loans secured by vehicles.

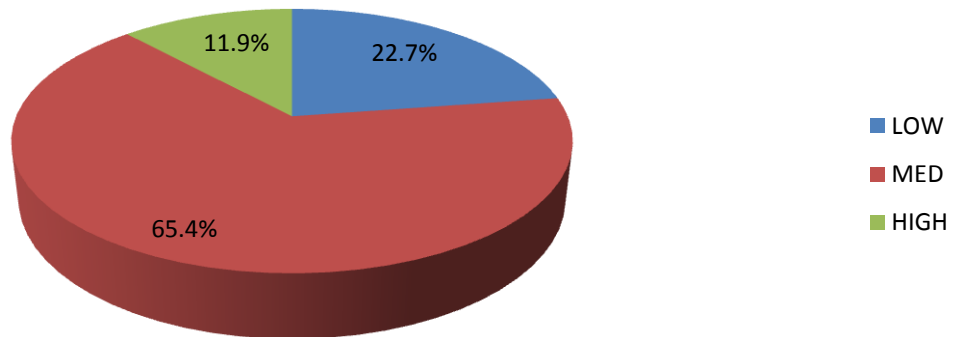
Residential Real Estate

Of the real estate loans 178 had negative equity of approximately \$4,641,124. The following chart shows the overall classification of the uncollateralized portion of the real estate portfolio by Default Risk Level:



Automobiles

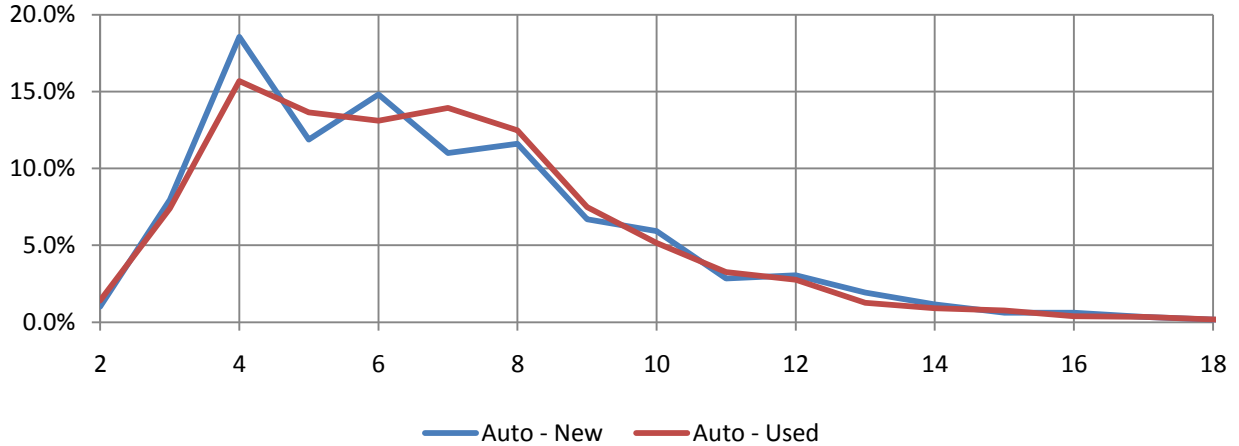
Of the loans secured by vehicles 2,130 had negative equity of approximately \$6,360,103. The following chart shows the overall classification of the uncollateralized portion of the New and Used Auto portfolios by Default Risk Level:



Federal Credit Union
 Loan Portfolio Analysis

Comparative Default Grading New and Used Vehicle

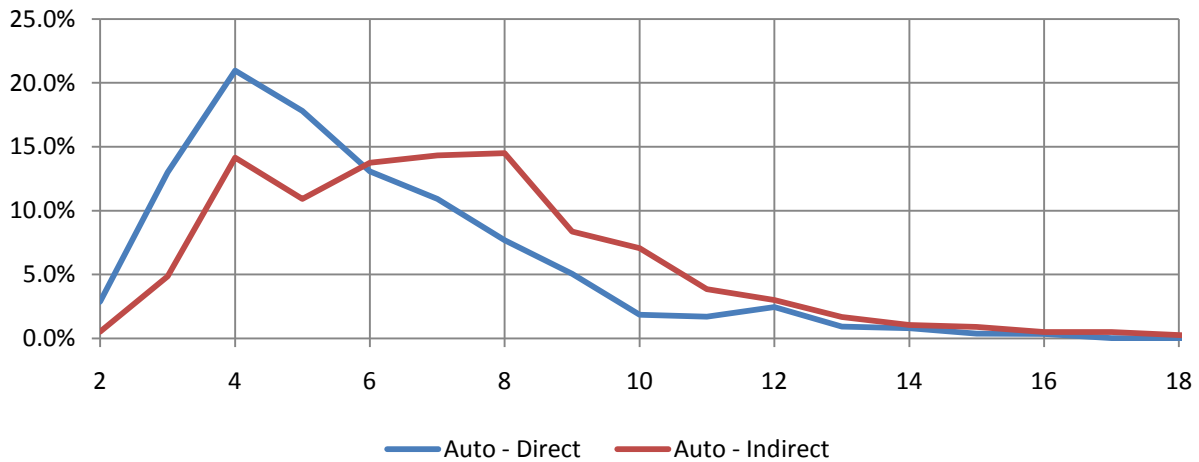
The following graph shows the comparative risk for the new and used vehicle loans based on the default risk score and the number of loans outstanding:



As can be noted from the above information the new and used vehicle loans are performing similarly with the highest percentage in both categories of loans outstanding classified as low risk (combined default score less than 8) Approximately 65.2% of all the new vehicle loans and 65.1% of all used vehicle loans had a default score of less than 8.

Comparative Default Grading Direct and Indirect Vehicle

The following graph shows the comparative risk for the new and used vehicle loans based on the default risk score and the number of loans outstanding:

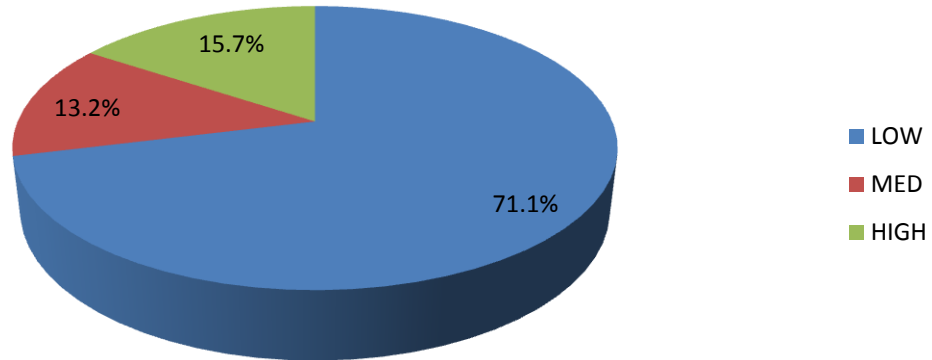


As can be noted from the above information the direct vehicle loans are performing slightly better than the indirect vehicle loans with both categories having the highest percentage of loans outstanding classified as low risk (combined default score less than 8) Approximately 78.7% of all the direct vehicle loans and 58.6% of all indirect vehicle loans had a default score of less than 8.

Unfunded Commitments

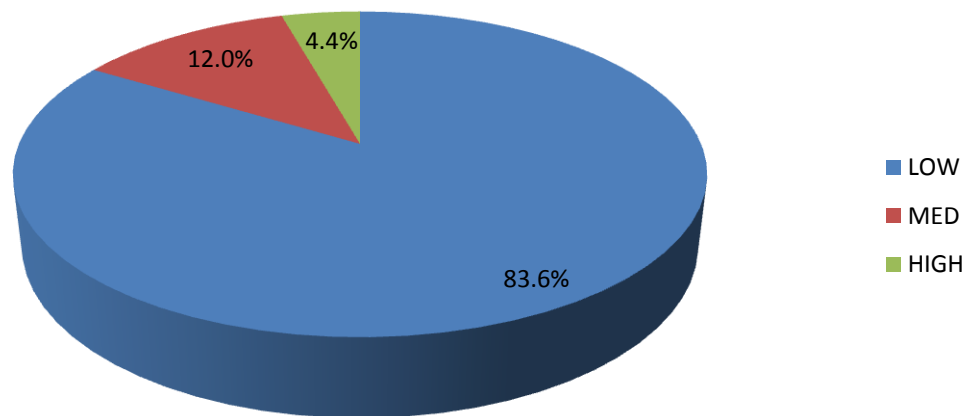
Home Equity Lines

Included in our evaluation were 822 Home Equity loans with unfunded commitments of \$24,671,783. The following chart shows the overall default risk classification of the unfunded commitments.



Consumer Lines of Credit

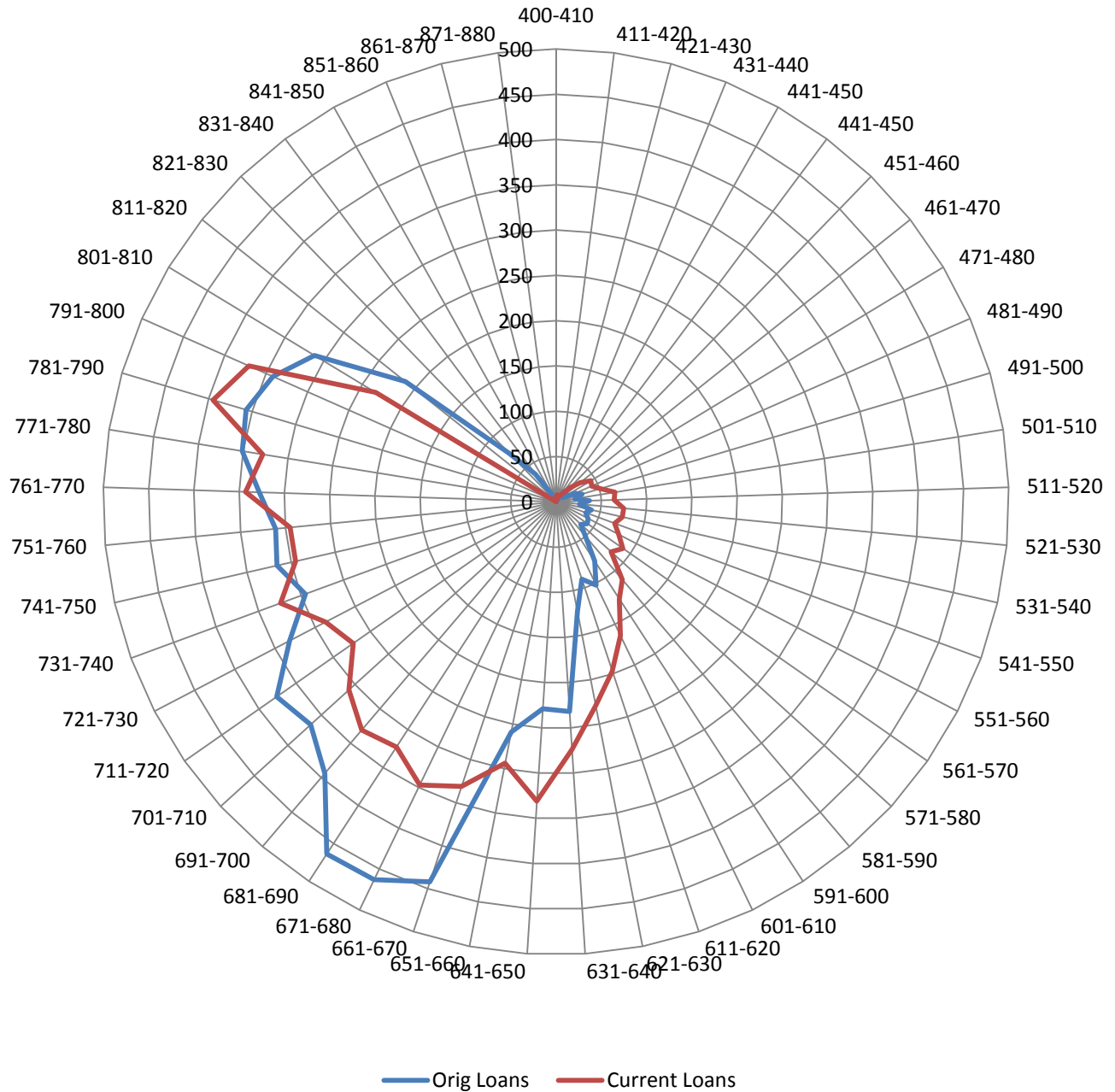
Included in our evaluation were 2,197 Consumer Lines of Credit loans with unfunded commitments of \$3,754,607. The following chart shows the overall default risk classification of the unfunded commitments.



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Credit Risk

Total Loan Portfolio FICO Profile

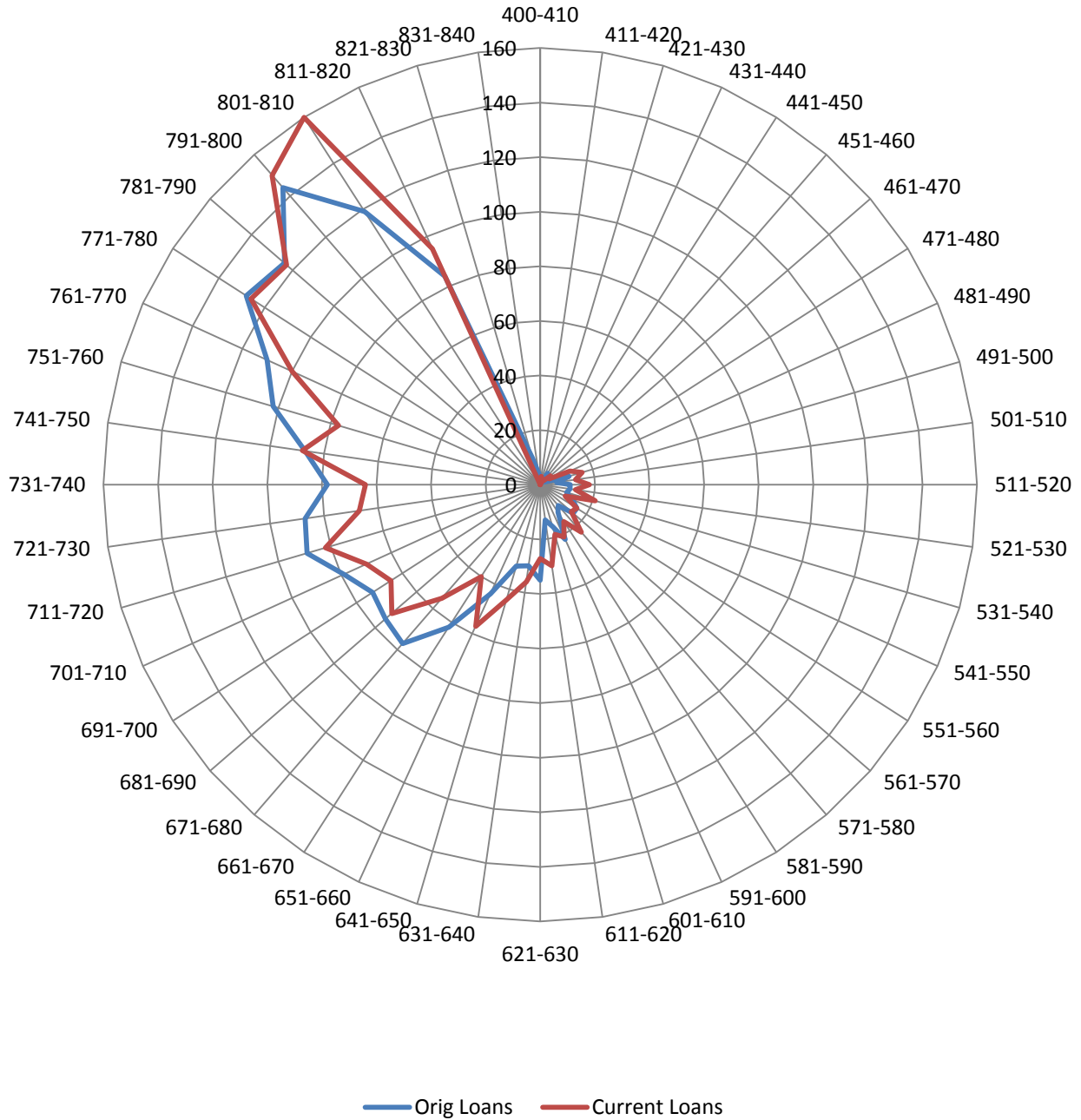


The above chart is a comparison of the current FICO scores from the loan origination. This chart shows that the loans with an originating score of 660 – 740 have seen the greatest negative trending of total loans outstanding, while loans the total loans with a credit score of less than 650 and loans at greater than 780 have seen the greatest increase in total number of loans.

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Credit Risk – continued

Real Estate Portfolio FICO Profile

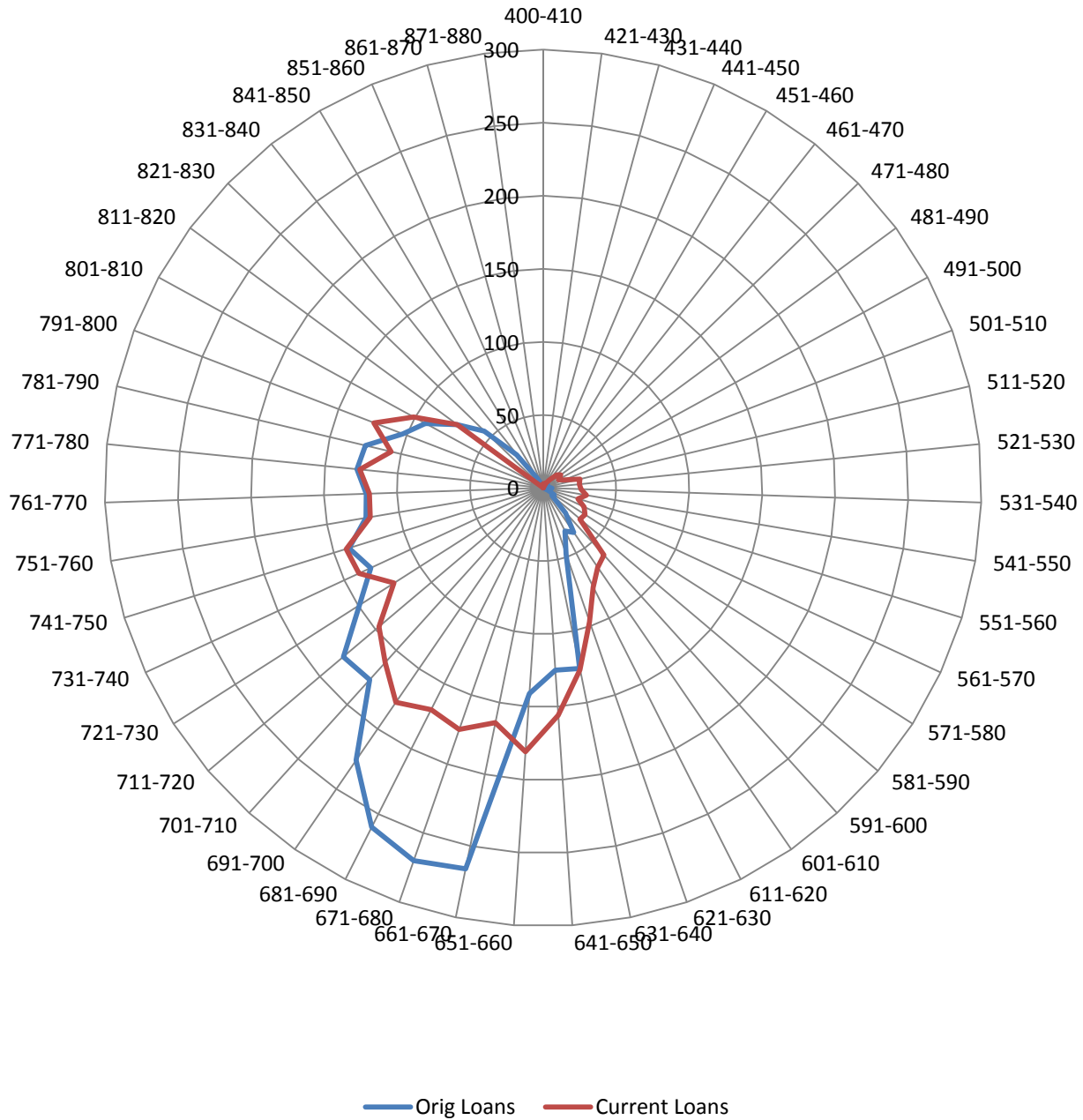


The above chart is a comparison of the current FICO scores from the loan origination. This chart shows that the loans with an originating score of 650 – 800 have seen the greatest negative trending of total loans outstanding, while loans the total loans with a credit score greater than 800 have seen the greatest increase in total number of loans.

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Credit Risk – continued

Auto Portfolio FICO Profile

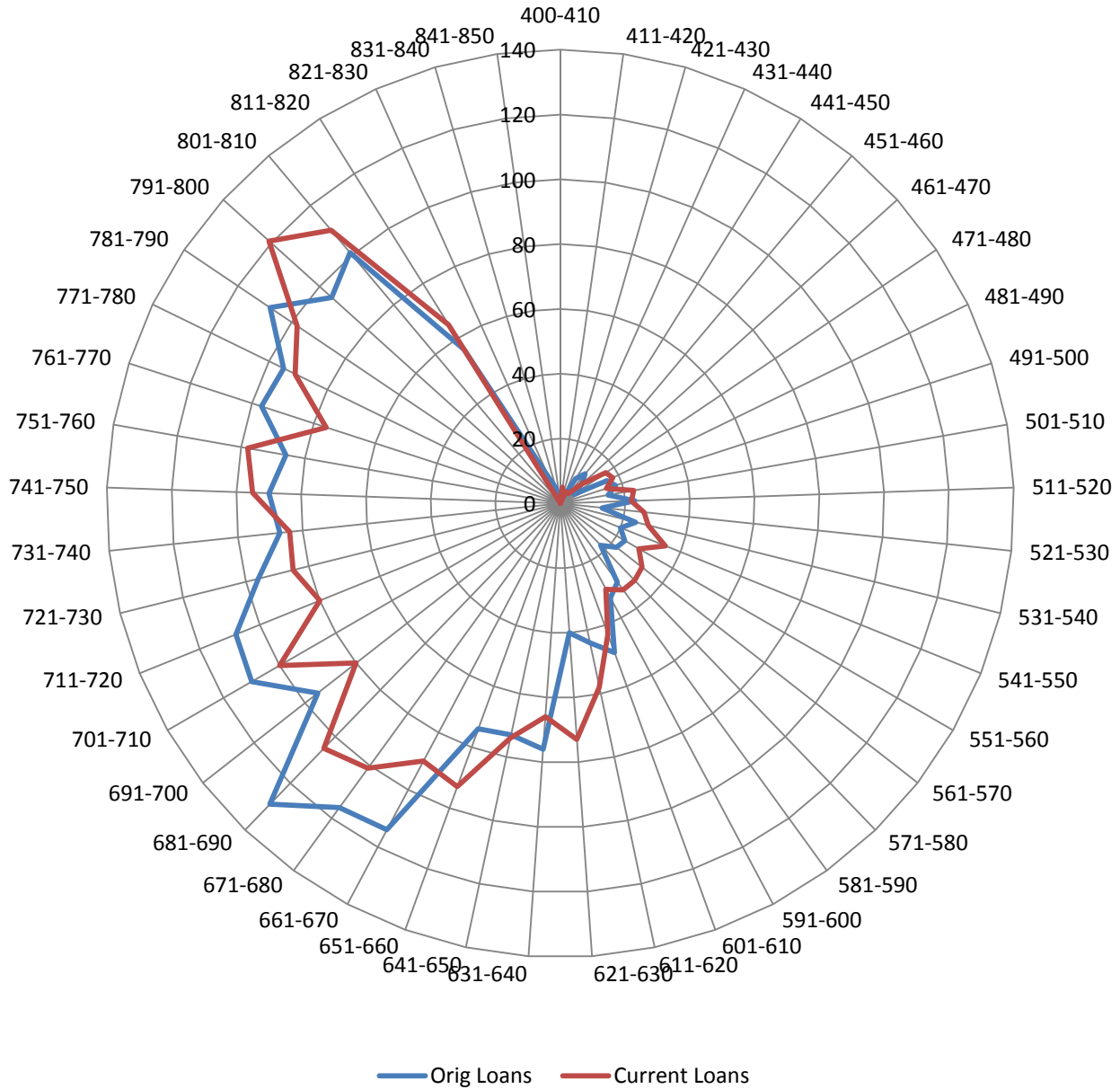


The above chart is a comparison of the current FICO scores from the loan origination. This chart shows that the loans with an originating score of 650 – 750 have seen the greatest negative trending of total loans outstanding, while loans the total loans with a credit score of less than 660 have seen the greatest increase in total number of loans.

Federal Credit Union
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Credit Risk – continued

Consumer Loan Portfolio FICO Profile



The above chart is a comparison of the current FICO scores from the loan origination. This chart shows that the loans with an originating score of 650 – 740 have seen the greatest negative trending of total loans outstanding, while loans the total loans with a credit score of less than 650 and greater than 790 have seen the greatest increase in total number of loans.

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Credit Risk – continued

As part of our procedures we considered the direction of the credit risk within the portfolio. This is measured by the current FICO score as compared to the original score provided. Based on this criterion, 3,131 FICO scores improved while 4,218 FICO scores declined. The following chart shows the degree of change based on the individual members and the current balance for the loan portfolio:

| | Number of Loans | Current Balance | % of Loans | % of Balance |
|------------------------|-----------------|--------------------|--------------|--------------|
| 5 - 10 Imp | 567 | 13,047,091 | 3.9% | 4.8% |
| 10 - 20 Imp | 776 | 19,139,956 | 5.4% | 7.0% |
| 20 - 30 Imp | 583 | 13,778,399 | 4.0% | 5.0% |
| > 30 Imp | 1,205 | 27,552,703 | 8.4% | 10.0% |
| Total Improving | 3,131 | 73,518,149 | 21.7% | 26.8% |
| 5 - 10 Dec | 642 | 14,503,266 | 4.4% | 5.3% |
| 10 - 20 Dec | 830 | 14,957,171 | 5.8% | 5.5% |
| 20 - 30 Dec | 703 | 14,719,377 | 4.9% | 5.4% |
| >30 Dec | 2,043 | 45,118,721 | 14.2% | 16.5% |
| Total Declining | 4,218 | 89,298,535 | 29.2% | 32.6% |
| No Change | 6,213 | 97,478,994 | 43.1% | 35.5% |
| NR | 868 | 13,920,904 | 6.0% | 5.1% |
| Total Loans | 14,430 | 274,216,582 | | |

The credit union's average credit score for the loan portfolio was 700 at origination as compared to the current average score of 693. The scores compare favorably to the national average of 680 and the state average for South Carolina of 674.

For the members where their credit score has migrated more than 30 points, the average improvement was 58 points as compared to the average decline of 76 points. The following tables illustrate the key characteristics of the members that experienced a change greater than 30 points:

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Credit Risk – continued

Greater than 30 point improvement

| | Number of Loans | Current Balance | Average Orig FICO | Average Curr FICO | Average CLTV | Average Default Score | Average Default Profile |
|--------------------------|-----------------|-----------------|-------------------|-------------------|--------------|-----------------------|-------------------------|
| Con - Unsecured | 23 | 68,310 | 691 | 749 | NR | 1.9 | LOW |
| Con - Unsecured LOC | 399 | 518,307 | 626 | 685 | NR | 2.9 | LOW |
| Con - Share / CD Secured | 7 | 45,781 | 634 | 692 | 100.0% | 5.9 | LOW |
| Con - Sec NV Assigned | 32 | 504,509 | 683 | 741 | NR | 1.8 | LOW |
| Auto - Direct New | 17 | 281,324 | 693 | 748 | 75.1% | 3.8 | LOW |
| Auto - Direct Used | 165 | 1,587,874 | 680 | 736 | 63.0% | 3.6 | LOW |
| Auto - Indirect New | 60 | 1,227,842 | 669 | 731 | 106.0% | 5.4 | LOW |
| Auto - Indirect Used | 149 | 2,127,963 | 673 | 730 | 90.1% | 4.6 | LOW |
| RE - HELOC | 112 | 2,949,515 | 673 | 731 | 81.2% | 4.4 | LOW |
| RE - Second Mtg | 165 | 7,787,064 | 667 | 723 | 78.4% | 4.4 | LOW |
| RE - Lot Loan | 4 | 371,319 | 707 | 761 | 63.9% | 3.0 | LOW |
| RE - First Mtg | 72 | 10,082,894 | 664 | 723 | 69.0% | 4.5 | LOW |
| Grand Total | 1,205 | 27,552,703 | 658 | 716 | | 3.8 | |

Greater than 30 point decline

| | Number of Loans | Current Balance | Average Orig FICO | Average Curr FICO | Average CLTV | Average Default Score | Average Default Profile |
|--------------------------|-----------------|-----------------|-------------------|-------------------|--------------|-----------------------|-------------------------|
| Con - Unsecured | 75 | 222,728 | 721 | 649 | NR | 6.9 | MED |
| Con - Unsecured LOC | 397 | 702,090 | 687 | 614 | NR | 7.7 | MED |
| Con - Share / CD Secured | 7 | 40,202 | 693 | 599 | 100.0% | 12.3 | HIGH |
| Con - Sec NV Assigned | 56 | 957,926 | 721 | 648 | NR | 6.8 | MED |
| Auto - Direct New | 40 | 759,448 | 714 | 632 | 87.4% | 10.4 | MED |
| Auto - Direct Used | 327 | 3,474,536 | 712 | 640 | 67.9% | 9.0 | MED |
| Auto - Indirect New | 173 | 3,786,799 | 707 | 629 | 111.4% | 11.2 | MED |
| Auto - Indirect Used | 563 | 8,331,063 | 715 | 637 | 99.4% | 10.7 | MED |
| RE - HELOC | 124 | 5,377,271 | 727 | 648 | 84.1% | 9.5 | MED |
| RE - Second Mtg | 192 | 9,140,261 | 721 | 644 | 84.5% | 9.6 | MED |
| RE - Lot Loan | 5 | 246,520 | 702 | 647 | 65.8% | 7.8 | MED |
| RE - First Mtg | 84 | 12,079,878 | 711 | 627 | 75.0% | 10.1 | MED |
| Grand Total | 2,043 | 45,118,721 | 710 | 634 | | 9.4 | |

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Risk of Loss

As part of our procedures we considered concentrations of risk as it relates to the potential losses within the portfolio, based on the combined default risk profile and the current collateral values, we assessed the risk of loss within the portfolio as follows:

| | Risk of Loss Low | % of Total Portfolio | Risk of Loss Med | % of Total Portfolio | Risk of Loss High | % of Total Portfolio |
|--------------------------|---------------------|-------------------------|---------------------|-------------------------|----------------------|-------------------------|
| Real Estate | | | | | | |
| RE - HELOC | 23,563,702 | 8.6% | 2,492,882 | 0.9% | 356,151 | 0.1% |
| RE - Second Mtg | 51,774,957 | 18.9% | 3,578,235 | 1.3% | 88,288 | 0.0% |
| RE - Lot Loan | 14,253,916 | 5.2% | 12,518 | 0.0% | 0 | 0.0% |
| RE - First Mtg | 69,696,938 | 25.4% | 1,660,734 | 0.6% | 104,763 | 0.0% |
| Total Real Estate | 159,289,512 | 58.1% | 7,744,369 | 2.8% | 549,202 | 0.2% |
| Auto | | | | | | |
| Auto - Direct New | 4,239,447 | 1.5% | 267,131 | 0.1% | 25,729 | 0.0% |
| Auto - Direct Used | 19,040,373 | 6.9% | 565,265 | 0.2% | 71,535 | 0.0% |
| Auto - Indirect New | 20,353,156 | 7.4% | 3,373,781 | 1.2% | 320,169 | 0.1% |
| Auto - Indirect Used | 38,296,123 | 14.0% | 5,257,733 | 1.9% | 340,736 | 0.1% |
| Total Auto | 81,929,099 | 29.9% | 9,463,909 | 3.5% | 758,170 | 0.3% |
| Consumer | | | | | | |
| Con - Unsecured | 953,825 | 0.3% | 150,690 | 0.1% | 52,422 | 0.0% |
| Con - Unsecured LOC | 2,427,387 | 0.9% | 595,746 | 0.2% | 181,493 | 0.1% |
| Con - Share / CD Secured | 3,711,022 | 1.4% | 30,436 | 0.0% | 0 | 0.0% |
| Con - Sec NV Assigned | 5,499,104 | 2.0% | 716,784 | 0.3% | 163,411 | 0.1% |
| Total Consumer | 12,591,338 | 4.6% | 1,493,657 | 0.5% | 397,325 | 0.1% |
| Total Portfolio | 253,809,949 | 92.6% | 18,701,935 | 6.8% | 1,704,697 | 0.6% |

Risk of Loss – continued

Risk of Loss is a measurement of the probability of expected losses within the portfolio. These potential losses are measured by considering the loans with the highest probability of default, based on the information included in this analysis and the current deficiency in collateral values securing these loans.

Included in the Risk of Loss High balance is \$163,411 in total balances, excluding unsecured consumer loans that we did not obtain current collateral values, had we obtained these collateral values the Risk of Loss High balance would have been lower.

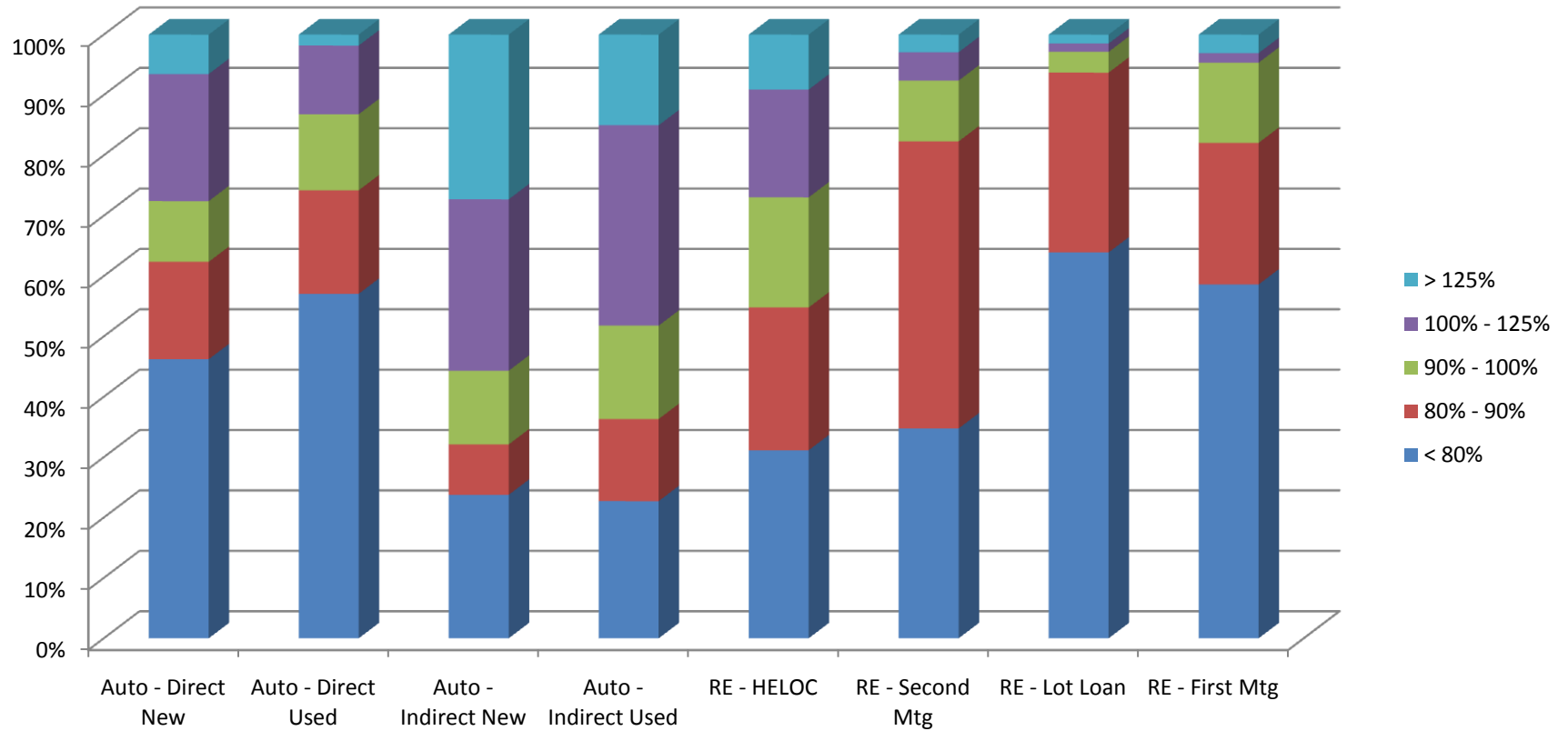
Included in the Risk of Loss Med balance is \$716,784 in total balances, excluding unsecured consumer loans that we did not obtain current collateral values, had we obtained these collateral values the Risk of Loss Med balance would have been lower.

These losses are a measurement of expected losses over the life of the current portfolio and do not represent an allowance requirement as defined by current Generally Accepted Accounting Principles ("GAAP"), however, these expected losses should be considered as part of the concentration risk within the portfolio and considered by management in their evaluation of the performance of the real estate portfolio.

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CLTV Grouping by Loan Type

The following graph shows the fully funded CLTV for all loans included in our analysis by loan type:



CLTV below or equal to 70%

CLTV more than 70% and less than or equal to 80%

CLTV more than 80% and less than or equal to 100%

CLTV more than 100% and less than or equal to 120%

CLTV more than 120%

A

B

C

D

E

Federal Credit Union
Loan Portfolio Analysis

CLTV Grouping by Loan Type – Continued

The table below includes the account balances by loan type and CLTV that were used to complete the graph above.

| | < 80% | 80% - 90% | 90% - 100% | 100% - 125% | > 125% | Grand Total |
|----------------------|-------------|------------|------------|-------------|------------|-------------|
| Auto - Direct New | 2,095,142 | 731,355 | 455,638 | 954,319 | 295,852 | 4,532,307 |
| Auto - Direct Used | 11,228,630 | 3,373,266 | 2,479,902 | 2,239,062 | 356,314 | 19,677,174 |
| Auto - Indirect New | 5,715,524 | 2,006,045 | 2,935,282 | 6,827,955 | 6,562,300 | 24,047,106 |
| Auto - Indirect Used | 9,974,217 | 5,969,277 | 6,790,335 | 14,568,823 | 6,591,940 | 43,894,592 |
| RE - HELOC | 8,228,112 | 6,245,295 | 4,817,578 | 4,716,302 | 2,405,447 | 26,412,734 |
| RE - Second Mtg | 19,274,002 | 26,359,779 | 5,583,285 | 2,607,510 | 1,616,904 | 55,441,480 |
| RE - Lot Loan | 9,118,579 | 4,249,422 | 492,193 | 195,987 | 210,253 | 14,266,434 |
| RE - First Mtg | 41,889,355 | 16,760,313 | 9,487,919 | 1,136,522 | 2,188,326 | 71,462,436 |
| Grand Total | 107,523,561 | 65,694,751 | 33,042,132 | 33,246,480 | 20,227,337 | 259,734,262 |

Currently \$206.2 million or 79.4% of the collateralized loans have a CLTV below 100%. The remaining \$53.4 million or 20.6% of loans with a CLTV greater than 100% are most sensitive to small changes in the economy or economic events.

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Loan Portfolio Analysis

CLTV Grouping by Loan Type – Continued

The following charts show the current CLTV based on loan grouping balance and exposure by the year of origination:

Residential Real Estate Loan Grouping

By Current Balance

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | Grand Total |
|-------------|-----------|-----------|------------|------------|------------|------------|------------|-------------|
| < 80% | 2,080,782 | 6,982,539 | 5,384,353 | 8,939,505 | 14,263,750 | 23,498,711 | 17,360,408 | 78,510,048 |
| 80% - 90% | 62,425 | 1,680,162 | 3,095,831 | 8,685,768 | 12,066,524 | 10,042,092 | 17,982,006 | 53,614,808 |
| 90% - 100% | 49,473 | 0 | 1,883,068 | 8,819,471 | 5,654,457 | 221,237 | 3,753,270 | 20,380,975 |
| 100% - 125% | 78,050 | 52,783 | 1,370,155 | 2,996,769 | 2,091,849 | 841,170 | 1,225,547 | 8,656,322 |
| > 125% | 61,380 | 260,457 | 1,799,480 | 2,475,167 | 564,004 | 595,705 | 664,738 | 6,420,931 |
| Grand Total | 2,332,109 | 8,975,941 | 13,532,887 | 31,916,680 | 34,640,583 | 35,198,916 | 40,985,968 | 167,583,084 |

By Balance Exposure

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | Total |
|-------------|----------|----------|-----------|-------------|-----------|-----------|-----------|-------------|
| < 80% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 80% - 90% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 90% - 100% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 100% - 125% | (16,842) | 0 | (54,062) | (433,464) | (141,681) | (428,205) | (310,246) | (1,384,499) |
| > 125% | (24,320) | (96,326) | (875,174) | (1,144,097) | (217,946) | (515,032) | (383,730) | (3,256,624) |
| Grand Total | (41,162) | (96,326) | (929,236) | (1,577,561) | (359,626) | (943,236) | (693,976) | (4,641,124) |

Loans made prior to 2004 are included in the totals for 2004.

As can be noted from the information provided above, the balance exposure as a percentage of loans was approximately 5.5% for loans originating during 2006 and 2007, as compared to all other years at 1.7%.

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CLTV Grouping by Loan Type – Continued

The following charts show the current CLTV based on loan grouping balance and exposure by the year of origination:

Auto Loan Grouping

By Current Balance

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | Grand Total |
|-------------|---------|-----------|-----------|-----------|------------|------------|------------|-------------|
| < 80% | 247,843 | 1,908,979 | 2,162,032 | 4,108,775 | 7,862,642 | 7,754,371 | 4,968,870 | 29,013,513 |
| 80% - 90% | 0 | 56,209 | 137,847 | 958,775 | 3,140,546 | 4,201,240 | 3,585,326 | 12,079,943 |
| 90% - 100% | 8,972 | 96,868 | 116,308 | 780,559 | 3,643,969 | 3,752,056 | 4,262,426 | 12,661,157 |
| 100% - 125% | 6,230 | 76,122 | 71,781 | 1,233,474 | 6,440,639 | 7,119,263 | 9,642,650 | 24,590,159 |
| > 125% | 22,272 | 22,991 | 39,558 | 882,564 | 3,350,503 | 4,687,150 | 4,801,368 | 13,806,406 |
| Grand Total | 285,317 | 2,161,168 | 2,527,526 | 7,964,147 | 24,438,299 | 27,514,081 | 27,260,639 | 92,151,178 |

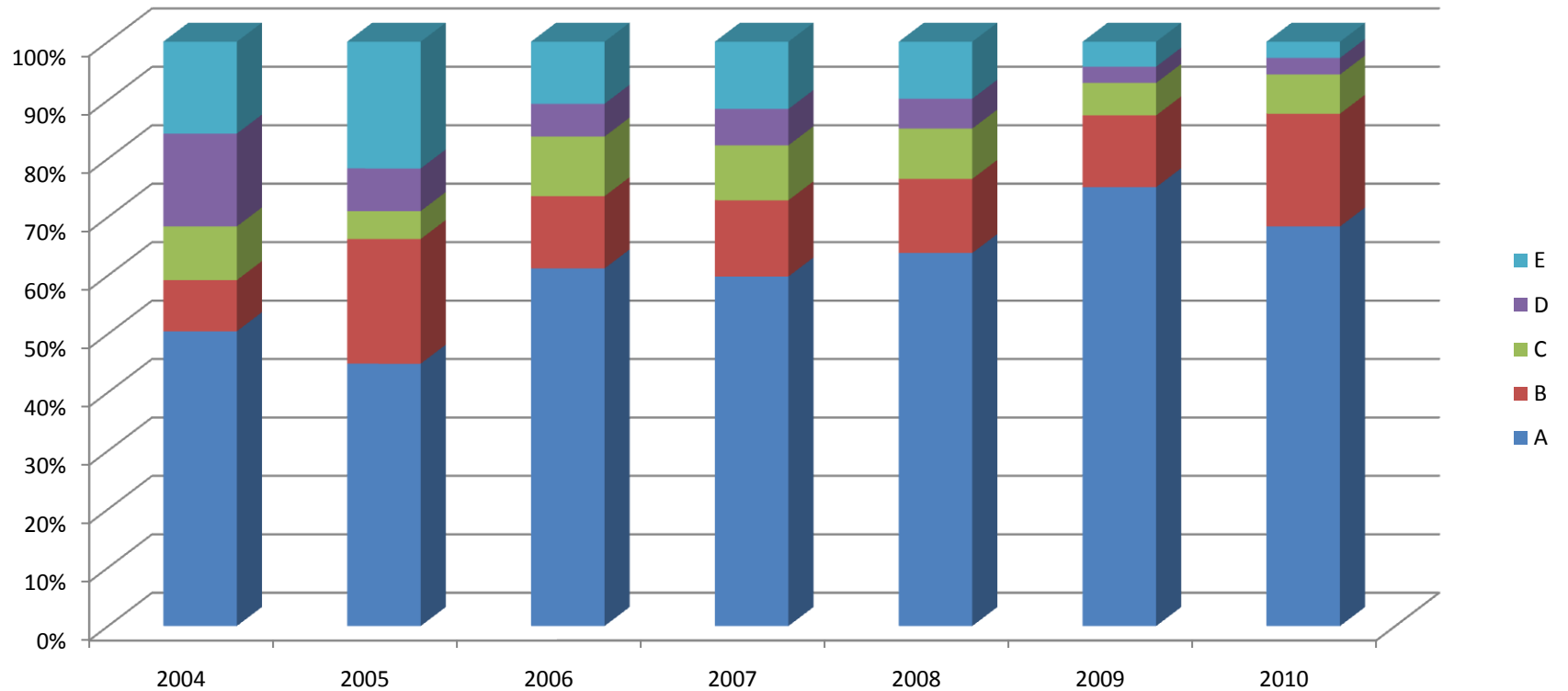
By Balance Exposure

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | Total |
|-------------|---------|----------|----------|-----------|-------------|-------------|-------------|-------------|
| < 80% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 80% - 90% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 90% - 100% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 100% - 125% | (625) | (7,802) | (7,718) | (118,342) | (646,878) | (670,796) | (940,134) | (2,392,295) |
| > 125% | (6,522) | (5,608) | (12,887) | (276,841) | (953,294) | (1,383,249) | (1,329,407) | (3,967,808) |
| Grand Total | (7,148) | (13,410) | (20,606) | (395,182) | (1,600,172) | (2,054,045) | (2,269,541) | (6,360,103) |

Federal Credit Union
Loan Portfolio Analysis

FICO Scoring by Origination Year

The following graph shows the latest FICO Grade of all loans included in our analysis by year of origination. All loans made prior to 2004 have been included in the totals for the year 2004:



| | | |
|----------------------|---------|----|
| FICO grade above | 680 | A |
| FICO grade | 641-680 | B |
| FICO grade | 601-640 | C |
| FICO grade | 561-600 | D |
| FICO grade below | 561 | E |
| FICO grade Not Rated | | NR |

Federal Credit Union
 Loan Portfolio Analysis

FICO Scoring by Origination Year – Continued

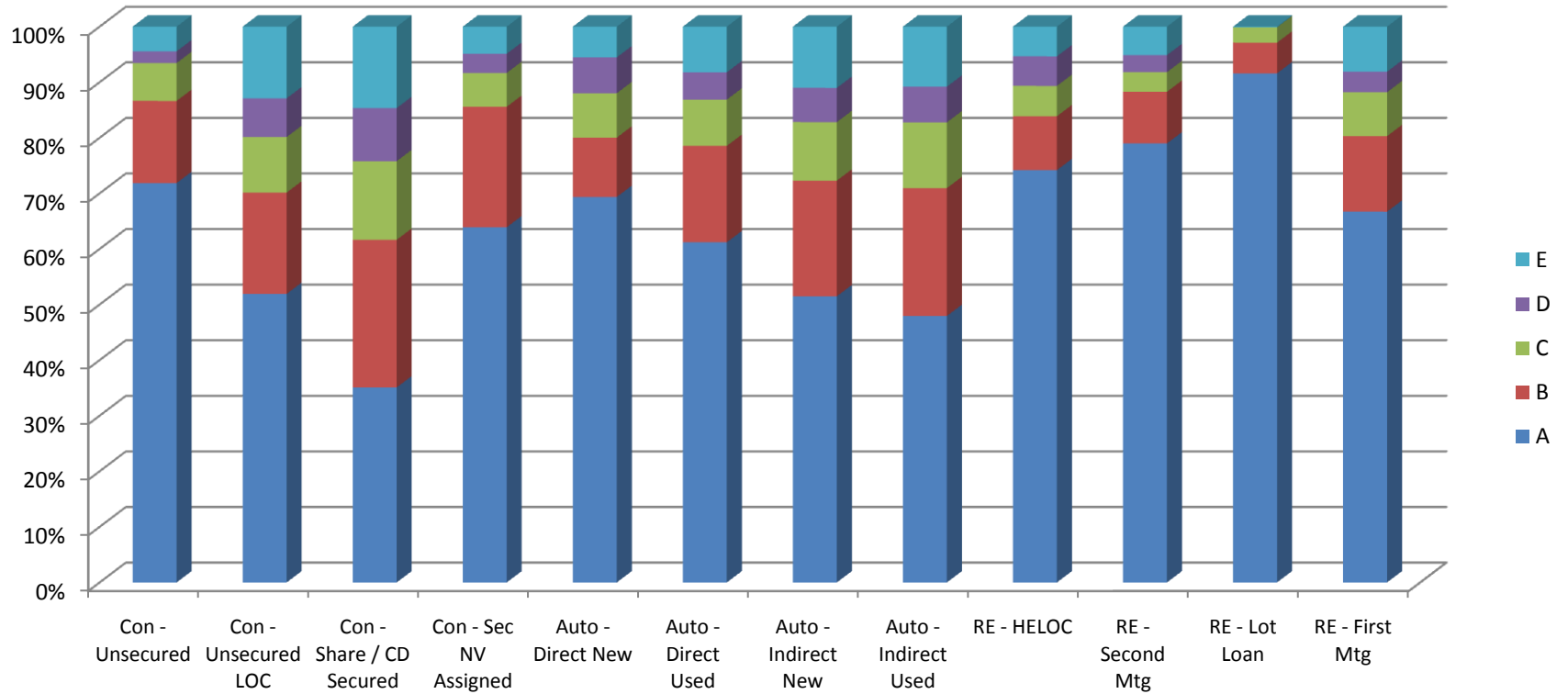
The table below includes the account balances by origination year and FICO grade that was used to complete the graph above:

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | Total |
|-------|-----------|------------|------------|------------|------------|------------|------------|-------------|
| A | 1,789,632 | 4,868,851 | 8,464,037 | 23,750,427 | 38,163,111 | 48,512,120 | 46,494,708 | 172,042,887 |
| B | 310,485 | 2,314,347 | 1,709,629 | 5,179,585 | 7,583,192 | 7,937,429 | 13,126,303 | 38,160,970 |
| C | 325,814 | 517,947 | 1,410,188 | 3,733,003 | 5,147,324 | 3,586,373 | 4,557,383 | 19,278,031 |
| D | 563,721 | 791,461 | 777,478 | 2,468,611 | 3,052,744 | 1,798,209 | 1,930,883 | 11,383,107 |
| E | 558,138 | 2,352,371 | 1,468,565 | 4,572,391 | 5,832,406 | 2,759,103 | 1,887,709 | 19,430,683 |
| NR | 661,461 | 687,051 | 2,823,823 | 1,722,524 | 1,606,244 | 902,414 | 5,517,388 | 13,920,904 |
| Total | 4,209,250 | 11,532,028 | 16,653,719 | 41,426,542 | 61,385,020 | 65,495,648 | 73,514,375 | 274,216,582 |

Federal Credit Union
Loan Portfolio Analysis

FICO Scoring by Loan Type

The following graph shows the latest FICO grade of all loans included in our analysis by loan type:



| | | |
|----------------------|---------|----|
| FICO grade above | 680 | A |
| FICO grade | 641-680 | B |
| FICO grade | 601-640 | C |
| FICO grade | 561-600 | D |
| FICO grade below | 561 | E |
| FICO grade Not Rated | | NR |

Federal Credit Union
Loan Portfolio Analysis

FICO Scoring by Loan Type – Continued

The table below includes the latest FICO grade of all loans that was used to complete the graph above:

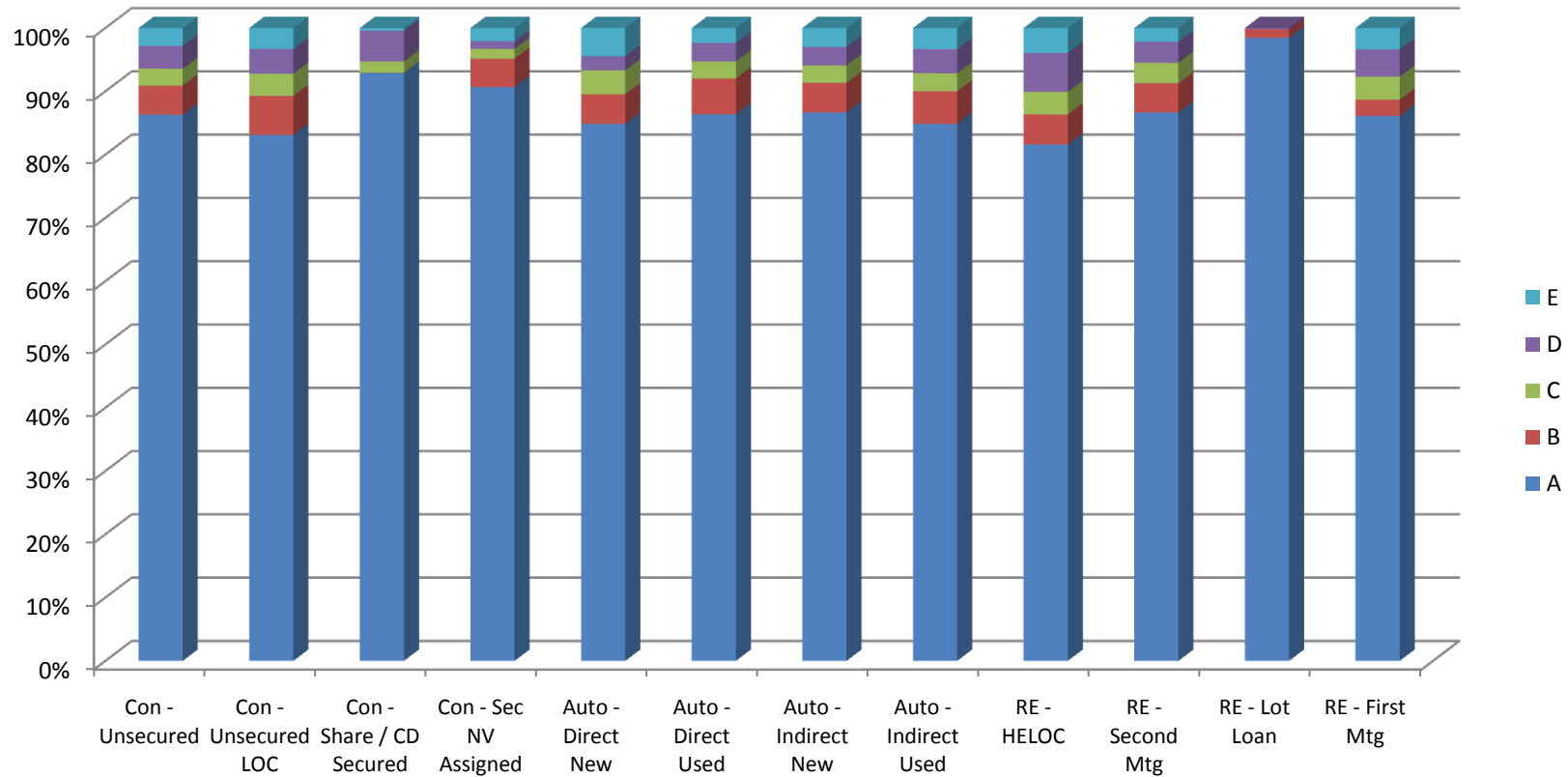
| | A | B | C | D | E | NR | Total |
|--------------------------|-------------|------------|------------|------------|------------|------------|-------------|
| Con - Unsecured | 820,022 | 168,621 | 77,701 | 24,103 | 50,672 | 15,818 | 1,156,937 |
| Con - Unsecured LOC | 1,655,967 | 581,387 | 318,597 | 222,366 | 411,187 | 15,122 | 3,204,626 |
| Con - Share / CD Secured | 198,708 | 150,408 | 80,095 | 54,132 | 82,949 | 3,175,165 | 3,741,457 |
| Con - Sec NV Assigned | 4,053,767 | 1,375,092 | 386,215 | 218,584 | 309,570 | 36,070 | 6,379,298 |
| Auto - Direct New | 3,083,840 | 474,689 | 354,808 | 287,067 | 245,739 | 86,163 | 4,532,306 |
| Auto - Direct Used | 11,875,399 | 3,364,834 | 1,615,819 | 954,788 | 1,592,761 | 273,572 | 19,677,173 |
| Auto - Indirect New | 12,304,826 | 4,971,884 | 2,515,673 | 1,471,808 | 2,632,945 | 149,970 | 24,047,106 |
| Auto - Indirect Used | 20,925,544 | 10,039,932 | 5,163,064 | 2,801,602 | 4,715,767 | 248,684 | 43,894,593 |
| RE - HELOC | 17,118,442 | 2,237,173 | 1,260,106 | 1,228,199 | 1,232,316 | 3,336,498 | 26,412,734 |
| RE - Second Mtg | 43,561,175 | 5,123,748 | 1,945,925 | 1,694,808 | 2,823,719 | 292,106 | 55,441,481 |
| RE - Lot Loan | 12,707,200 | 765,635 | 382,646 | 0 | 17,582 | 393,371 | 14,266,434 |
| RE - First Mtg | 43,737,998 | 8,907,566 | 5,177,382 | 2,425,651 | 5,315,475 | 5,898,364 | 71,462,436 |
| Grand Total | 172,042,887 | 38,160,970 | 19,278,031 | 11,383,107 | 19,430,683 | 13,920,904 | 274,216,582 |

It should be noted that \$30.8 million or 11.2% of the rated portfolio has a current FICO grade of D or E; these grades represent those loans where current member's credit score is 600 or below.

Federal Credit Union
Loan Portfolio Analysis

Migration of Credit Risk by Loan Type

The following graph shows the migration of all loans included in our analysis by loan type:



Negative migration:

- less than 40
- greater than or equal to 40 and less than 60
- greater than or equal to 60 and less than 80
- greater than or equal to 80 and less than 120
- greater than or equal to 120
- Not Rated

- A
- B
- C
- D
- E
- NR

Federal Credit Union
Loan Portfolio Analysis

Migration of Credit Risk by Loan Type - Continued

The table below includes the account balances by loan type and the FICO migration grade that was used to complete the graph above:

| | A | B | C | D | E | NR | Total |
|--------------------------|-------------|------------|-----------|-----------|-----------|------------|-------------|
| Con - Unsecured | 985,091 | 52,091 | 30,821 | 40,937 | 32,178 | 15,818 | 1,156,936 |
| Con - Unsecured LOC | 2,651,041 | 196,408 | 112,048 | 124,525 | 105,482 | 15,122 | 3,204,626 |
| Con - Share / CD Secured | 526,091 | 230 | 10,056 | 27,590 | 2,326 | 3,175,165 | 3,741,458 |
| Con - Sec NV Assigned | 5,751,775 | 284,988 | 98,012 | 76,954 | 131,499 | 36,070 | 6,379,298 |
| Auto - Direct New | 3,773,038 | 207,847 | 168,559 | 99,429 | 197,271 | 86,163 | 4,532,307 |
| Auto - Direct Used | 16,762,349 | 1,093,848 | 522,076 | 569,353 | 455,976 | 273,572 | 19,677,174 |
| Auto - Indirect New | 20,711,511 | 1,115,471 | 656,267 | 706,318 | 707,569 | 149,970 | 24,047,106 |
| Auto - Indirect Used | 37,036,703 | 2,248,060 | 1,244,315 | 1,665,794 | 1,451,036 | 248,684 | 43,894,592 |
| RE - HELOC | 18,831,292 | 1,097,751 | 826,621 | 1,414,311 | 906,261 | 3,336,498 | 26,412,734 |
| RE - Second Mtg | 47,800,218 | 2,544,323 | 1,778,675 | 1,825,825 | 1,200,333 | 292,106 | 55,441,480 |
| RE - Lot Loan | 13,659,798 | 185,420 | 0 | 27,845 | 0 | 393,371 | 14,266,434 |
| RE - First Mtg | 56,474,331 | 1,680,815 | 2,381,607 | 2,808,703 | 2,218,615 | 5,898,364 | 71,462,435 |
| Grand Total | 224,963,238 | 10,707,254 | 7,829,057 | 9,387,584 | 7,408,545 | 13,920,904 | 274,216,582 |

It should be noted that \$16.7 million or 6.1% of the rated portfolio has a FICO Migration grade of D or E; these grades represent those loans where current member's credit score has deteriorated greater than 80 points from origination.

Federal Credit Union
Loan Portfolio Analysis

Migration of Credit Risk by Origination Year

All loans made prior to 2004 have been included in the totals for the year 2004.

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | Total |
|-------|-----------|------------|------------|------------|------------|------------|------------|-------------|
| A | 3,017,490 | 8,724,610 | 12,447,993 | 34,108,540 | 52,899,160 | 53,748,429 | 60,017,016 | 224,963,238 |
| B | 87,790 | 520,661 | 247,556 | 1,201,453 | 1,054,196 | 3,891,373 | 3,704,224 | 10,707,254 |
| C | 144,868 | 357,312 | 366,854 | 1,336,551 | 1,674,228 | 2,346,619 | 1,602,626 | 7,829,057 |
| D | 268,461 | 641,697 | 465,218 | 1,610,331 | 2,222,310 | 2,273,683 | 1,905,885 | 9,387,584 |
| E | 29,180 | 600,696 | 302,275 | 1,447,145 | 1,928,882 | 2,333,131 | 767,235 | 7,408,545 |
| NR | 661,461 | 687,051 | 2,823,823 | 1,722,524 | 1,606,244 | 902,414 | 5,517,388 | 13,920,904 |
| Total | 4,209,250 | 11,532,028 | 16,653,719 | 41,426,542 | 61,385,020 | 65,495,648 | 73,514,375 | 274,216,582 |

The overall migration of credit scores is deepest in 2008 and 2009, where the total percentage of the credit scores that have migrated more than 80 points is approximated 52.1% of all loans with a score migrating more than 80 down; these loans account for approximately 3.2% of the total portfolio.

The following table shows the risk of default by the year of loan origination:

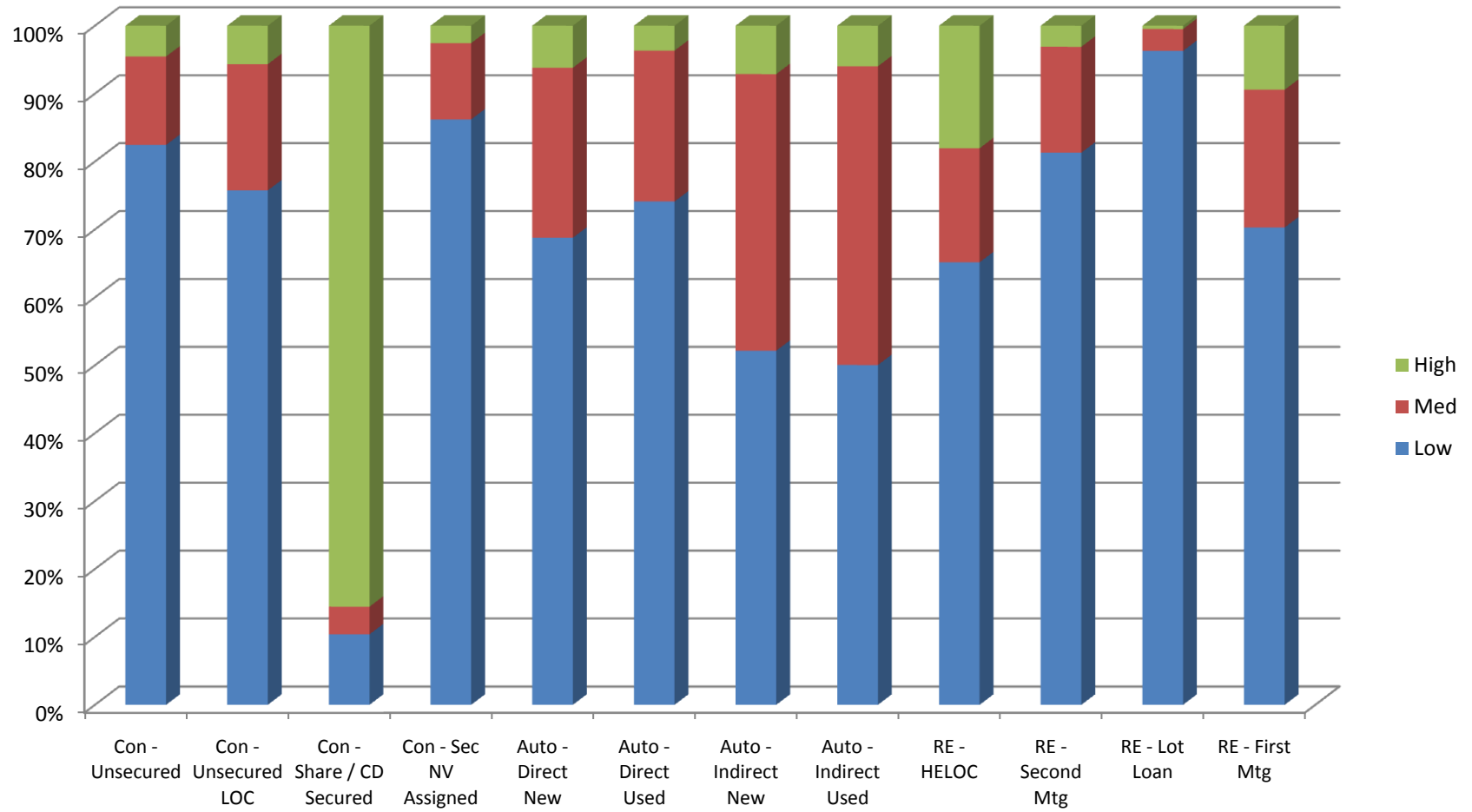
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | Total |
|-------|-----------|------------|------------|------------|------------|------------|------------|-------------|
| LOW | 2,731,064 | 7,127,851 | 10,193,689 | 26,530,022 | 42,753,257 | 48,292,038 | 50,109,156 | 187,737,077 |
| MED | 1,074,079 | 3,521,127 | 3,141,992 | 10,976,329 | 14,903,506 | 13,221,184 | 17,414,469 | 64,252,685 |
| HIGH | 404,107 | 883,050 | 3,318,038 | 3,920,192 | 3,728,257 | 3,982,426 | 5,990,750 | 22,226,819 |
| Total | 4,209,250 | 11,532,028 | 16,653,719 | 41,426,542 | 61,385,020 | 65,495,648 | 73,514,375 | 274,216,582 |

Loans originating in 2005 account for approximately 4.0% of the total High Risk loans; whereas loans that originated in 2010 account for approximately 24.5% of the total High Risk loans. Loans originating in 2006 have the highest proportion of High Risk loans, with approximately 19.9% of loans issued in 2006 being high risk. Only 8.1% of loans issued in 2010 are classified as High Risk.

Federal Credit Union
Loan Portfolio Analysis

Combined Default Risk Level by Loan Type

The following graph shows the Combined Default Risk Level for all categories of loans included in our analysis:



Federal Credit Union
 Loan Portfolio Analysis

Combined Default Risk Level by Loan Type – Continued

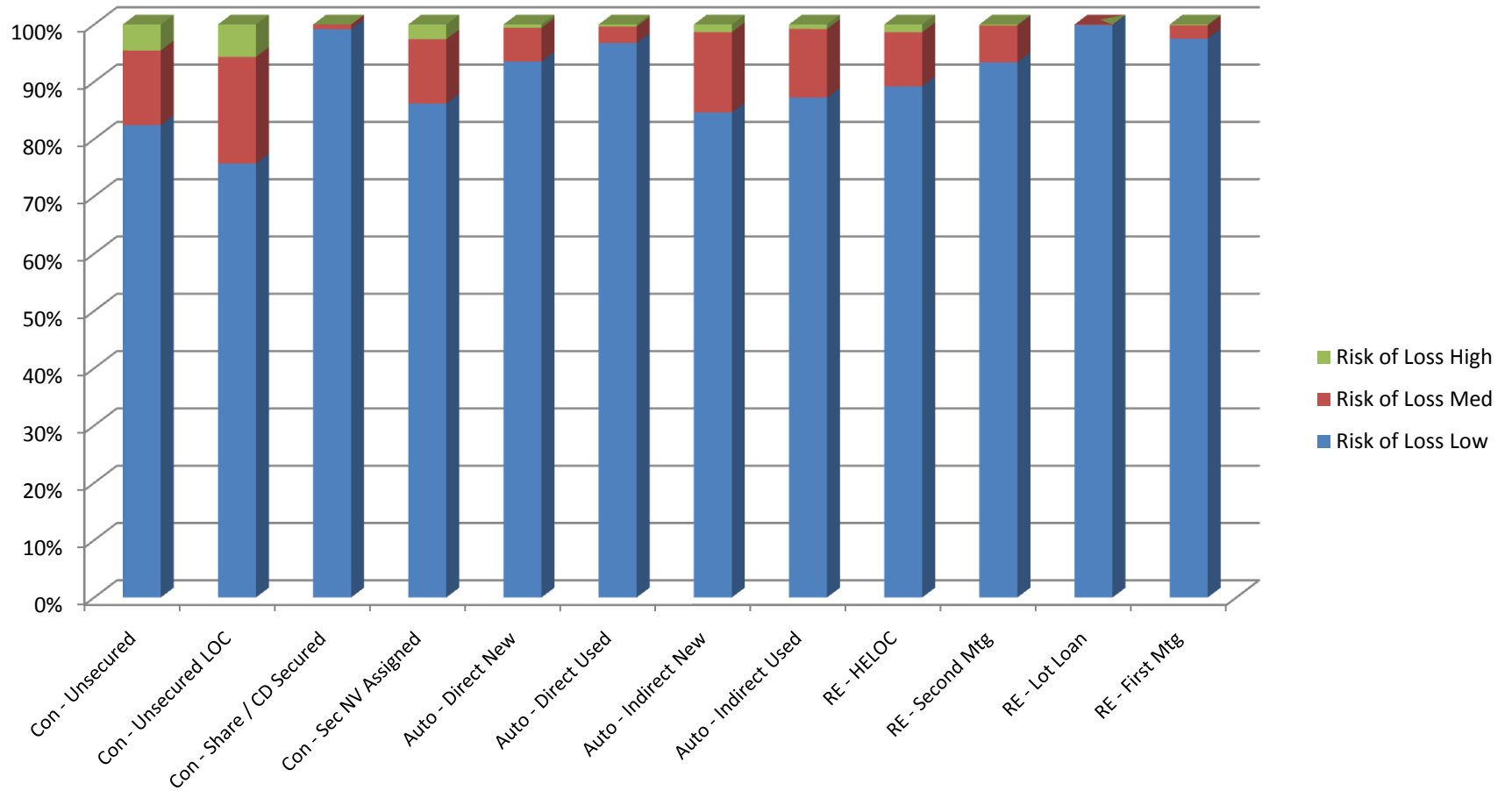
The table below includes the account balances by loan type and risk level that was used to complete the graph above:

| | Low | Med | High | Grand Total |
|--------------------------|-------------|------------|------------|-------------|
| Con - Unsecured | 953,825 | 150,690 | 52,422 | 1,156,937 |
| Con - Unsecured LOC | 2,427,387 | 595,746 | 181,493 | 3,204,626 |
| Con - Share / CD Secured | 388,425 | 152,181 | 3,200,853 | 3,741,459 |
| Con - Sec NV Assigned | 5,499,104 | 716,784 | 163,411 | 6,379,299 |
| Auto - Direct New | 3,117,242 | 1,134,514 | 280,550 | 4,532,306 |
| Auto - Direct Used | 14,584,046 | 4,371,796 | 721,331 | 19,677,173 |
| Auto - Indirect New | 12,539,027 | 9,794,693 | 1,713,385 | 24,047,105 |
| Auto - Indirect Used | 21,964,786 | 19,308,214 | 2,621,593 | 43,894,593 |
| RE - HELOC | 17,212,132 | 4,434,572 | 4,766,031 | 26,412,735 |
| RE - Second Mtg | 45,076,326 | 8,645,132 | 1,720,022 | 55,441,480 |
| RE - Lot Loan | 13,736,620 | 459,656 | 70,158 | 14,266,434 |
| RE - First Mtg | 50,238,159 | 14,488,706 | 6,735,571 | 71,462,436 |
| Grand Total | 187,737,078 | 64,252,685 | 22,226,819 | 274,216,582 |

Federal Credit Union
Loan Portfolio Analysis

Risk of Loss by Loan Type

The following graph shows the Risk of Loss for all categories of loans included in our analysis:



Federal Credit Union
Loan Portfolio Analysis

Risk of Loss by Loan Type - Continued

The table below includes the account balances by loan type and the current risk of loss used to complete the graph above:

| | Risk of Loss Low | Risk of Loss Med | Risk of Loss High | Total |
|--------------------------|------------------|------------------|-------------------|-------------|
| Con - Unsecured | 953,825 | 150,690 | 52,422 | 1,156,937 |
| Con - Unsecured LOC | 2,427,387 | 595,746 | 181,493 | 3,204,626 |
| Con - Share / CD Secured | 3,711,022 | 30,436 | 0 | 3,741,458 |
| Con - Sec NV Assigned | 5,499,104 | 716,784 | 163,411 | 6,379,299 |
| Auto - Direct New | 4,239,447 | 267,131 | 25,729 | 4,532,307 |
| Auto - Direct Used | 19,040,373 | 565,265 | 71,535 | 19,677,173 |
| Auto - Indirect New | 20,353,156 | 3,373,781 | 320,169 | 24,047,106 |
| Auto - Indirect Used | 38,296,123 | 5,257,733 | 340,736 | 43,894,592 |
| RE - HELOC | 23,563,702 | 2,492,882 | 356,151 | 26,412,735 |
| RE - Second Mtg | 51,774,957 | 3,578,235 | 88,288 | 55,441,480 |
| RE - Lot Loan | 14,253,916 | 12,518 | 0 | 14,266,434 |
| RE - First Mtg | 69,696,939 | 1,660,734 | 104,763 | 71,462,436 |
| Grand Total | 253,809,950 | 18,701,935 | 1,704,697 | 274,216,582 |

Risk of loss is defined as the current risk of default coupled with the current collateral deficiency. For loans where there is a high risk of default we consider the current collateral position. If the loan is fully collateralized then there is no risk of loss on a high default risk.

Federal Credit Union
Loan Portfolio Analysis

Payment Status by Loan Type

Payment Status by Current Balance

| | Current | 15 - 30 | 30 - 60 | 60 - 90 | 90 + | Grand Total |
|--------------------------|-------------|---------|---------|---------|-----------|-------------|
| Con - Unsecured | 1,156,937 | 0 | 0 | 0 | 0 | 1,156,937 |
| Con - Unsecured LOC | 3,189,278 | 12,862 | 1,128 | 458 | 899 | 3,204,626 |
| Con - Share / CD Secured | 3,738,671 | 2,787 | 0 | 0 | 0 | 3,741,458 |
| Con - Sec NV Assigned | 6,360,528 | 18,771 | 0 | 0 | 0 | 6,379,299 |
| Auto - Direct New | 4,523,537 | 0 | 8,770 | 0 | 0 | 4,532,307 |
| Auto - Direct Used | 19,599,383 | 18,614 | 0 | 53,740 | 5,436 | 19,677,174 |
| Auto - Indirect New | 23,798,294 | 148,133 | 89,682 | 10,997 | 0 | 24,047,106 |
| Auto - Indirect Used | 43,544,530 | 271,519 | 56,831 | 11,921 | 9,791 | 43,894,592 |
| RE - HELOC | 26,340,345 | 0 | 28,475 | 0 | 43,914 | 26,412,734 |
| RE - Second Mtg | 55,182,211 | 0 | 94,579 | 0 | 164,691 | 55,441,480 |
| RE - Lot Loan | 14,215,521 | 50,913 | 0 | 0 | 0 | 14,266,434 |
| RE - First Mtg | 69,912,716 | 0 | 229,019 | 36,524 | 1,284,176 | 71,462,436 |
| Grand Total | 271,561,950 | 523,600 | 508,484 | 113,641 | 1,508,908 | 274,216,582 |

As of the date of this analysis 98.8% of the total loans were paid current.

Federal Credit Union
Loan Portfolio Analysis

Interest Rate Profile

The following charts are provided to assist management in their understanding of how the loan products are currently priced:

Current Rate by Loan Product

| | Number of Loans | Current Balance | Average Rate | Average CLTV | Average FICO Score |
|--------------------------|-----------------|-----------------|--------------|--------------|--------------------|
| Con - Unsecured | 389 | 1,156,937 | 12.5% | 0.0% | 698 |
| Con - Unsecured LOC | 2,362 | 3,204,626 | 14.2% | 0.0% | 694 |
| Con - Share / CD Secured | 599 | 3,741,458 | 3.2% | 100.0% | 677 |
| Con - Sec NV Assigned | 453 | 6,379,299 | 7.9% | 0.0% | 702 |
| Auto - Direct New | 353 | 4,532,307 | 6.1% | 64.1% | 721 |
| Auto - Direct Used | 2,218 | 19,677,174 | 6.8% | 62.1% | 694 |
| Auto - Indirect New | 1,619 | 24,047,106 | 7.7% | 84.2% | 682 |
| Auto - Indirect Used | 3,614 | 43,894,592 | 8.7% | 86.4% | 670 |
| RE - HELOC | 832 | 26,412,734 | 4.2% | 80.8% | 735 |
| RE - Second Mtg | 1,236 | 55,441,480 | 7.2% | 81.2% | 722 |
| RE - Lot Loan | 168 | 14,266,434 | 7.1% | 71.6% | 748 |
| RE - First Mtg | 587 | 71,462,435 | 5.5% | 59.6% | 710 |
| Total | 14,430 | 274,216,582 | 8.4% | 78.7% | 693 |

Current Rate by Default risk Profile

| | Number of Loans | Current Balance | Average Rate | Average CLTV | Average FICO Score |
|-------|-----------------|-----------------|--------------|--------------|--------------------|
| LOW | 9,815 | 187,737,077 | 8.5% | 69.1% | 727 |
| MED | 3,423 | 64,252,685 | 9.0% | 94.7% | 615 |
| HIGH | 1,192 | 22,226,820 | 6.8% | 101.6% | 543 |
| Total | 14,430 | 274,216,582 | 8.4% | 78.7% | 693 |

Federal Credit Union
Loan Portfolio Analysis

Interest Rate Profile - Continued

| Original FICO Grouping | Average Change in FICO | Average Curr FICO | Current Balance | Average Rate | Average Default Risk Score |
|------------------------|---------------------------|----------------------|--------------------|-----------------|-------------------------------|
| 400-410 | (24) | 430 | 37,279 | 11.8% | 8.2 |
| 411-420 | (35) | 451 | 49,616 | 12.7% | 8.8 |
| 421-430 | (43) | 468 | 21,428 | 12.1% | 6.6 |
| 431-440 | (3) | 439 | 229,607 | 10.2% | 9.1 |
| 441-450 | (30) | 476 | 385,719 | 10.7% | 8.0 |
| 451-460 | (12) | 468 | 317,791 | 10.7% | 8.2 |
| 461-470 | (12) | 477 | 527,003 | 10.1% | 8.5 |
| 471-480 | (10) | 486 | 529,572 | 10.3% | 8.4 |
| 481-490 | (16) | 502 | 507,252 | 11.2% | 8.4 |
| 491-500 | (14) | 509 | 1,294,335 | 10.1% | 8.2 |
| 501-510 | (6) | 512 | 1,362,540 | 10.0% | 8.7 |
| 511-520 | 0 | 516 | 1,253,854 | 10.1% | 8.5 |
| 521-530 | (6) | 532 | 1,435,378 | 9.6% | 8.7 |
| 531-540 | (4) | 540 | 1,587,301 | 10.1% | 8.4 |
| 541-550 | (8) | 554 | 2,161,313 | 10.0% | 8.3 |
| 551-560 | (6) | 561 | 1,674,650 | 9.6% | 8.6 |
| 561-570 | (6) | 572 | 2,084,171 | 9.6% | 7.6 |
| 571-580 | (5) | 580 | 1,603,353 | 9.8% | 7.5 |
| 581-590 | (1) | 587 | 2,073,930 | 10.3% | 7.6 |
| 591-600 | 1 | 594 | 2,363,360 | 10.4% | 7.7 |
| 601-610 | (6) | 612 | 2,196,408 | 10.5% | 6.7 |
| 611-620 | 1 | 614 | 2,996,396 | 10.3% | 6.7 |
| 621-630 | 5 | 621 | 4,193,995 | 9.9% | 7.0 |
| 631-640 | 5 | 631 | 6,107,439 | 9.9% | 6.9 |
| 641-650 | 7 | 638 | 5,813,011 | 9.9% | 6.5 |
| 651-660 | 7 | 649 | 9,121,662 | 9.2% | 6.5 |
| 661-670 | 8 | 657 | 12,569,113 | 9.0% | 6.5 |
| 671-680 | 11 | 664 | 13,645,369 | 8.8% | 6.6 |
| 681-690 | 12 | 673 | 12,728,774 | 9.0% | 6.2 |
| 691-700 | 7 | 688 | 13,875,030 | 8.6% | 5.7 |
| 701-710 | 7 | 698 | 12,011,356 | 8.8% | 5.5 |
| 711-720 | 6 | 709 | 12,858,187 | 8.4% | 5.3 |
| 721-730 | 6 | 719 | 12,152,158 | 8.3% | 5.1 |
| 731-740 | 9 | 726 | 12,608,489 | 8.3% | 5.3 |
| 741-750 | 9 | 736 | 12,229,138 | 8.1% | 5.1 |
| 751-760 | 11 | 745 | 11,133,458 | 7.8% | 5.1 |
| 761-770 | 7 | 759 | 13,976,740 | 7.7% | 4.8 |
| 771-780 | 7 | 769 | 14,584,284 | 7.6% | 4.7 |
| 781-790 | 8 | 778 | 15,321,225 | 7.6% | 4.7 |
| 791-800 | 8 | 788 | 14,657,660 | 7.4% | 4.5 |
| 801-810 | 10 | 795 | 13,603,107 | 7.8% | 4.6 |
| 811-820 | 12 | 802 | 7,788,099 | 7.4% | 4.9 |
| 821-830 | 28 | 796 | 1,646,619 | 6.8% | 6.0 |
| 831-840 | 36 | 799 | 707,225 | 6.9% | 6.1 |
| 841-850 | 67 | 779 | 169,365 | 6.9% | 8.5 |
| 851-860 | 51 | 806 | 48,551 | 7.3% | 8.5 |
| 861-870 | 75 | 790 | 28,805 | 6.3% | 8.5 |
| 871-880 | 67 | 812 | 24,564 | 6.8% | 8.5 |
| NR | NR | 0 | 13,920,904 | 5.2% | 13.2 |
| Total | 7 | 693 | 274,216,582 | 8.4% | 6.3 |

Federal Credit Union
Loan Portfolio Analysis

Allowance for Loan and Lease Losses

| | Direct Auto | Indirect Auto | First Mortgage | HELOC | Second Mortgage | Unsecured / LOC | Consumer Other | Share Secured | Total Loans |
|------------------------------------|-------------|---------------|----------------|-------------|-----------------|-----------------|----------------|---------------|--------------|
| Balance 10/31/2010 | 24,209,480 | 67,941,698 | 85,728,869 | 26,412,734 | 55,441,480 | 4,361,563 | 6,379,299 | 3,741,458 | 274,216,582 |
| Balance 9/30/2009 | 28,031,474 | 68,667,774 | 79,480,504 | 25,671,979 | 53,886,604 | 4,135,846 | 6,596,649 | 3,868,605 | 270,339,435 |
| Average Balance | 26,120,477 | 68,304,736 | 82,604,687 | 26,042,357 | 54,664,042 | 4,248,704 | 6,487,974 | 3,805,032 | 272,278,009 |
| Current Exposed Balance | (478,124) | (5,881,979) | (822,137) | (1,309,215) | (2,059,914) | (4,361,563) | (440,287) | 0 | (15,353,219) |
| Average Exposure | 2.1% | 8.7% | 0.9% | 4.9% | 3.7% | 100.0% | 7.0% | 0.0% | 5.6% |
| Percent Exposed at 10/31/2010 | 2.0% | 8.7% | 1.0% | 5.0% | 3.7% | 100.0% | 6.9% | 0.0% | 5.6% |
| Average Exposure | (515,175) | (5,913,367) | (796,164) | (1,297,840) | (2,042,016) | (4,305,134) | (447,757) | 0 | (15,261,898) |
| Effective Charge-offs | 135,173 | 1,730,569 | 686,362 | 1,433,085 | 900,645 | 188,099 | 268,537 | 0 | 5,342,470 |
| % Charge-off as % of Exposure | 26.2% | 29.3% | 86.2% | 110.4% | 44.1% | 4.4% | 60.0% | 0.0% | 35.0% |
| Net ALLL Balance - Exposure | (125,452) | (1,721,383) | (708,753) | (1,445,646) | (908,539) | (190,564) | (264,058) | 0 | (5,364,394) |
| Mortgage TDR Reserve | | | | | | | | | (150,000) |
| Total ALLL Required | | | | | | | | | (5,514,394) |
| Recovery Factor | | | | | | | | | 6.8% |
| Total ALLL | | | | | | | | | (5,139,416) |
| Effective Loss Ratio | 0.5583% | 2.5471% | 0.8006% | 5.4257% | 1.6245% | 4.3126% | 4.2095% | 0.0000% | 1.9483% |
| 1 Year Loss Ratio | 0.5175% | 2.5336% | 0.8309% | 5.5029% | 1.6476% | 4.4272% | 4.1390% | 0.0000% | 1.9621% |
| Allowance at 10/31/2010 | 5,432,717 | | | | | | | | |
| Calculated Allowance at 10/31/2010 | 5,139,416 | | | | | | | | |
| Over (Short) | 293,301 | | | | | | | | |
| Percent Variance | 5.4% | | | | | | | | |

Federal Credit Union
Loan Portfolio Analysis

Static Results

| | Total Loans | Current Balance | Current Balance Exposed | Available Credit | Exposure on Avail Credit | Risk of Loss Low | Risk of Loss Med | Risk of Loss High | Low Default Risk | Med Default Risk | High Default Risk |
|--------------------------|---------------|--------------------|-------------------------|-------------------|--------------------------|--------------------|-------------------|-------------------|------------------|------------------|-------------------|
| Real Estate | | | | | | | | | | | |
| RE - HELOC | 832 | 26,412,734 | (1,615,477) | 24,671,783 | (4,023,164) | 23,563,702 | 2,492,882 | 356,151 | 630 | 113 | 89 |
| RE - Second Mtg | 1,236 | 55,441,480 | (2,120,423) | 0 | 0 | 51,774,957 | 3,578,235 | 88,288 | 1,001 | 200 | 35 |
| RE - Lot Loan | 168 | 14,266,434 | (60,313) | 0 | 0 | 14,253,916 | 12,518 | 0 | 152 | 14 | 2 |
| RE - First Mtg | 587 | 71,462,436 | (844,911) | 0 | 0 | 69,696,938 | 1,660,734 | 104,763 | 364 | 180 | 43 |
| Total Real Estate | 2,823 | 167,583,084 | (4,641,124) | 24,671,783 | (4,023,164) | 159,289,512 | 7,744,369 | 549,202 | 2,147 | 507 | 169 |
| Auto | | | | | | | | | | | |
| Auto - Direct New | 353 | 4,532,307 | (176,639) | 0 | 0 | 4,239,447 | 267,131 | 25,729 | 275 | 63 | 15 |
| Auto - Direct Used | 2,218 | 19,677,174 | (301,485) | 0 | 0 | 19,040,373 | 565,265 | 71,535 | 1,748 | 420 | 50 |
| Auto - Indirect New | 1,619 | 24,047,106 | (2,652,204) | 0 | 0 | 20,353,156 | 3,373,781 | 320,169 | 1,011 | 531 | 77 |
| Auto - Indirect Used | 3,614 | 43,894,592 | (3,229,775) | 0 | 0 | 38,296,123 | 5,257,733 | 340,736 | 2,053 | 1,395 | 166 |
| Total Auto | 7,804 | 92,151,178 | (6,360,103) | 0 | 0 | 81,929,099 | 9,463,909 | 758,170 | 5,087 | 2,409 | 308 |
| Consumer | | | | | | | | | | | |
| Con - Unsecured | 389 | 1,156,937 | (1,156,937) | 0 | 0 | 953,825 | 150,690 | 52,422 | 302 | 67 | 20 |
| Con - Unsecured LOC | 2,362 | 3,204,626 | (3,204,626) | 3,754,607 | (3,754,607) | 2,427,387 | 595,746 | 181,493 | 1,841 | 360 | 161 |
| Con - Share / CD Secured | 599 | 3,741,458 | 0 | 0 | 0 | 3,711,022 | 30,436 | 0 | 59 | 24 | 516 |
| Con - Sec NV Assigned | 453 | 6,379,299 | (6,379,299) | 0 | 0 | 5,499,104 | 716,784 | 163,411 | 379 | 56 | 18 |
| Total Consumer | 3,803 | 14,482,320 | (10,740,862) | 3,754,607 | (3,754,607) | 12,591,338 | 1,493,657 | 397,325 | 2,581 | 507 | 715 |
| Total Portfolio | 14,430 | 274,216,582 | (21,742,089) | 28,426,390 | (7,777,771) | 253,809,949 | 18,701,935 | 1,704,697 | 9,815 | 3,423 | 1,192 |

Federal Credit Union
Loan Portfolio Analysis

Stress Analysis – 5% Improvement in Collateral and Credit Quality

The following chart shows the difference in the portfolio based on a 5% improvement in collateral values for Real Estate and Vehicles and a 10 point improvement in average FICO scores:

| | Current Balance Exposed | Available Credit | Exposure on Avail Credit | Risk of Loss Low | Risk of Loss Med | Risk of Loss High | Low Default Risk | Med Default Risk | High Default Risk |
|--------------------------|-------------------------|------------------|--------------------------|------------------|--------------------|-------------------|------------------|------------------|-------------------|
| Real Estate | | | | | | | | | |
| RE - HELOC | 358,693 | 0 | 894,381 | 988,191 | (877,335) | (110,856) | 29 | (22) | (7) |
| RE - Second Mtg | 436,921 | 0 | 0 | 1,465,857 | (1,443,340) | (22,517) | 51 | (44) | (7) |
| RE - Lot Loan | 16,250 | 0 | 0 | 5,630 | (5,630) | 0 | 3 | (3) | 0 |
| RE - First Mtg | 123,177 | 0 | 0 | 535,198 | (516,618) | (18,581) | 27 | (17) | (10) |
| Total Real Estate | 935,041 | 0 | 894,381 | 2,994,877 | (2,842,923) | (151,954) | 110 | (86) | (24) |
| Auto | | | | | | | | | |
| Auto - Direct New | 48,640 | 0 | 0 | 116,854 | (109,858) | (6,996) | 25 | (22) | (3) |
| Auto - Direct Used | 97,528 | 0 | 0 | 254,644 | (238,387) | (16,257) | 171 | (163) | (8) |
| Auto - Indirect New | 501,473 | 0 | 0 | 1,332,964 | (1,178,781) | (154,183) | 221 | (194) | (27) |
| Auto - Indirect Used | 806,437 | 0 | 0 | 2,048,438 | (1,931,062) | (117,376) | 579 | (537) | (42) |
| Total Auto | 1,454,078 | 0 | 0 | 3,752,899 | (3,458,088) | (294,811) | 996 | (916) | (80) |
| Consumer | | | | | | | | | |
| Con - Unsecured | 0 | 0 | 0 | 41,658 | (36,139) | (5,519) | 16 | (13) | (3) |
| Con - Unsecured LOC | 0 | 0 | 0 | 75,894 | (45,103) | (30,791) | 53 | (33) | (20) |
| Con - Share / CD Secured | 0 | 0 | 0 | 2,138 | (2,138) | 0 | 7 | (5) | (2) |
| Con - Sec NV Assigned | 0 | 0 | 0 | 384,532 | (349,572) | (34,960) | 30 | (28) | (2) |
| Total Consumer | 0 | 0 | 0 | 504,222 | (432,952) | (71,270) | 106 | (79) | (27) |
| Total Portfolio | 2,389,119 | 0 | 894,381 | 7,251,998 | (6,733,963) | (518,036) | 1,212 | (1,081) | (131) |

Federal Credit Union
Loan Portfolio Analysis

Stress Analysis – 5% Improvement in Collateral and Credit Quality- Continued

The following chart shows the difference in the Loan Loss Allowance based on a 5% improvement in collateral values for Real Estate and Vehicles and a 10 point improvement in average FICO scores:

| | |
|--------------------------------------|-----------|
| Allowance for Loan Loss @ 10/31/2010 | 5,432,717 |
| Calculated Allowance @ 10/31/2010 | 5,139,416 |
| Difference Over (Under) | 293,301 |
| Percent Variance | 5.4% |
| Calculated Allowance - Stress | 4,733,121 |
| Difference Over (Under) | 699,596 |
| Percent Variance | 12.9% |

Federal Credit Union
Loan Portfolio Analysis

Stress Analysis – 5% Deterioration in Collateral and Credit Quality

The following chart shows the difference in the portfolio based on a 5% deterioration in collateral values for Real Estate and Vehicles and a 10 point deterioration in average FICO scores:

| | Current Balance Exposed | Available Credit | Exposure on Avail Credit | Risk of Loss Low | Risk of Loss Med | Risk of Loss High | Low Default Risk | Med Default Risk | High Default Risk |
|--------------------------|-------------------------|------------------|--------------------------|--------------------|------------------|-------------------|------------------|------------------|-------------------|
| Real Estate | | | | | | | | | |
| RE - HELOC | (502,246) | 0 | (1,142,972) | (1,183,815) | 902,219 | 281,596 | (41) | 40 | 1 |
| RE - Second Mtg | (664,187) | 0 | 0 | (2,423,190) | 2,252,647 | 170,544 | (72) | 60 | 12 |
| RE - Lot Loan | (19,592) | 0 | 0 | (130,437) | 130,437 | 0 | (12) | 12 | 0 |
| RE - First Mtg | (176,120) | 0 | 0 | (930,894) | 873,841 | 57,053 | (25) | 13 | 12 |
| Total Real Estate | (1,362,147) | 0 | (1,142,972) | (4,668,336) | 4,159,144 | 509,193 | (150) | 125 | 25 |
| Auto | | | | | | | | | |
| Auto - Direct New | (59,882) | 0 | 0 | (122,509) | 110,317 | 12,192 | (24) | 21 | 3 |
| Auto - Direct Used | (142,895) | 0 | 0 | (430,464) | 406,336 | 24,128 | (228) | 209 | 19 |
| Auto - Indirect New | (584,641) | 0 | 0 | (1,318,717) | 1,022,917 | 295,800 | (234) | 182 | 52 |
| Auto - Indirect Used | (985,964) | 0 | 0 | (2,386,118) | 1,988,519 | 397,600 | (598) | 485 | 113 |
| Total Auto | (1,773,382) | 0 | 0 | (4,257,809) | 3,528,089 | 729,720 | (1,084) | 897 | 187 |
| Consumer | | | | | | | | | |
| Con - Unsecured | 0 | 0 | 0 | (55,685) | 53,442 | 2,243 | (29) | 27 | 2 |
| Con - Unsecured LOC | 0 | 0 | 0 | (130,760) | 94,805 | 35,955 | (97) | 73 | 24 |
| Con - Share / CD Secured | 0 | 0 | 0 | (5,290) | 5,290 | 0 | (12) | 12 | 0 |
| Con - Sec NV Assigned | 0 | 0 | 0 | (622,695) | 571,125 | 51,570 | (37) | 33 | 4 |
| Total Consumer | 0 | 0 | 0 | (814,429) | 724,661 | 89,768 | (175) | 145 | 30 |
| Total Portfolio | (3,135,529) | 0 | (1,142,972) | (9,740,575) | 8,411,894 | 1,328,681 | (1,409) | 1,167 | 242 |

Federal Credit Union
Loan Portfolio Analysis

Stress Analysis – 5% Deterioration in Collateral and Credit Quality- Continued

The following chart shows the difference in the Loan Loss Allowance based on a 5% deterioration in collateral values for Real Estate and Vehicles and a 10 point deterioration in average FICO scores:

| | |
|--------------------------------------|-----------|
| Allowance for Loan Loss @ 10/31/2010 | 5,432,717 |
| Calculated Allowance @ 10/31/2010 | 5,139,416 |
| Difference Over (Under) | 293,301 |
| Percent Variance | 5.4% |
| Calculated Allowance - Stress | 5,572,748 |
| Difference Over (Under) | -140,031 |
| Percent Variance | -2.6% |

Federal Credit Union
Loan Portfolio Analysis

About Us

Twenty Twenty Analytics is a dedicated group of financial consulting professionals and certified public accountants with over 60 years of collective experience related to financial institutions, mortgage lending and loan analysis.

Steve Miller, CPA

Director of Operations

Steve started his career with Coopers & Lybrand in Birmingham, Alabama as a member of their Financial Institutions Group. Since that time Steve has worked almost exclusively on providing consulting, due diligence and auditing services to financial institutions. As a one of the founding members of Twenty Twenty Analytics, Steve has been and continues to be, heavily involved in the development and customization of the models used by Twenty Twenty, for our clients throughout the United States.

Steve received his Bachelor of Business Administration Degree in Accounting from the University of Montevallo in Alabama.

Dan J. Johnson, CPA

Managing Director

Dan spent ten years with Arthur Andersen, LLP in Tampa and Chicago. He has extensive experience in providing consulting, due diligence and audit services to credit unions, financial institutions and credit union service organizations. Dan is one of the founding members of Twenty Twenty Analytics and he was heavily involved in the development of the consulting models created by the Company.

Dan received his Bachelor of Science Degree in Accounting and Finance from Augustana College in Rock Island, Illinois.

Joaquin Urquiola, CPA, CFFA

Managing Director

Joaquin R. Urquiola, CPA/CFFA has over 20 years of experience primarily serving financial institutions. Joaquin has an extensive background in internal and external auditing and he has served as a consulting expert and an expert witness in several litigation cases throughout his career. Joaquin earned his Bachelor of Accounting degree from Florida International University.

He is a Certified Public Accountant and a Certified Forensic Financial Analyst. He is a member of the Board of Directors of Pacific National Bank and is Treasurer and Board Member of Switchboard of Miami.