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ASCEND FEDERAL CREDIT UNION RESPONDS TO NCUA'S CORPORATE STABILIZATION PLAN

The National Credit Union Administration (NCUA) has made a decision that will require all credit unions to cooperatively infuse \$1 billion into U.S. Central Corporate Federal Credit Union. This mandate is designed to shore up corporate credit unions and the National Credit Union Share Insurance Fund (NCUSIF), which has never suffered a loss.

Corporate credit unions provide investment and liquidity services to consumer-owned natural-person credit unions like Ascend Federal Credit Union.

This requirement causes an additional expense for Ascend of approximately \$7 million. However, after absorbing more than 60 percent of the requirement, Ascend has still realized a return on assets (ROA) of .70 percent. For credit unions nationwide, the average ROA is only .53 percent. Likewise, Ascend's capital ratio is still an extremely strong 17.59 percent, almost double the national credit union average of 9.99 percent.

"A capital ratio of just 7 percent would categorize us as 'well capitalized,'" Ascend President and CEO Caren Gabriel said. "Our capital ratio is strong for an event such as this, and we will still be stronger than the average billion-dollar credit union after we satisfy this mandate.

"Our goal is not to allow this to impact our members. Our plan is to continue moving forward in the market with additional new products, competitive rates and the quality service our members expect. Despite this requirement by our federal regulator, we remain a very strong and sound credit union."

Gabriel said it is exactly because Ascend is so financially sound that the impact of the NCUA's decision will sting less than it will for other credit unions. And, while the NCUA ruling is unexpected, it speaks to the cooperative nature of the industry.

"Credit unions were founded on the philosophy of people helping people," she said. "The NCUA is not turning to the federal government and regular taxpayers to bail out corporate credit unions. Instead, it is relying on the strength of the credit union movement for support during these difficult economic times. The trust our members have in Ascend has placed us in the enviable position of being able to absorb this impact to our bottom line. We will be a stronger credit union on the other side of this."

Ascend Federal Credit Union is a full-service financial institution with 16 locations in Middle Tennessee. Federally insured by the NCUA, membership is limited.

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