

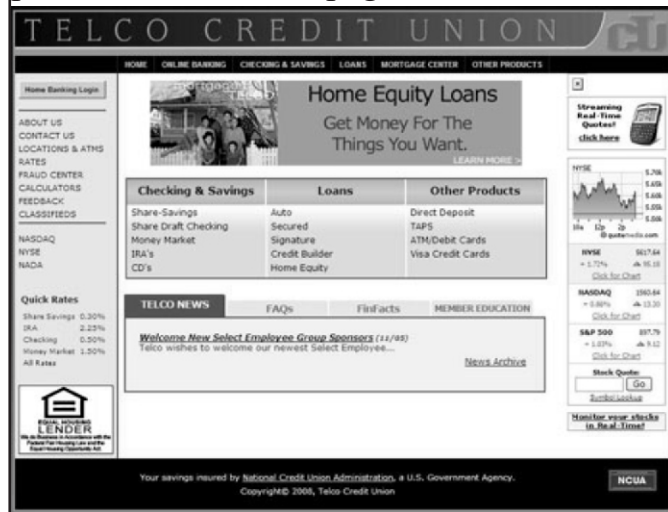
We at Telco appreciate the opportunity to serve you.

Our members are the foundation of our business and we appreciate the confidence you have placed in us.

We hope the 2009 New Year brings you much happiness and prosperity. Please stop by or call if we can do anything to help you in anyway.

New Website

Plans are underway to revamp Telco's existing website. Keep checking our on-line branch for the newly updated version of the website. Completion is scheduled for the first quarter of 2009. Following is a sneak peek of the new homepage.



Car Dealers are Dealing, We are Lending

Right now, new car inventory is high for many models. Some car dealers have three months' or more supply available.



That makes for a buyer's market - prime time for you to find a sweet new-car deal.

Come see us for a low-interest loan and you'll have the best of both worlds.

TELCO CREDIT UNION

P.O. Box 4002 * 1720 Barlow Road
Tarboro, NC 27886-6002
Toll Free Phone 1-800-682-8688
Local Phone (252) 823-0119
Fax (252) 823-1001
www.telcu.com

SERVICES

- Shares
- Certificates of Deposit
- Individual Retirement Accounts
- Share Draft (Checking) Accounts
- Loans
- VISA Credit Card
- ATM/Debit Card
- Audio Response (TAPS)
- Bill Pay
- Credit Disability Insurance (Member Pay)
- Direct Deposit
- Drive-Thru Window
- Family Membership
- Financial Planning Service
- Money Market Club Accounts
- Night Depository Box
- Notary
- On-Line Banking
- Money Orders
- Savings Bond Redemption

Management & Staff

Charles L. Johnson, Jr.
President/CEO

Fate Tolston

Director of Information Technology/Marketing

June G. Carlisle,

Director of Member Services

Edna N. Rackley,

Manager of Mortgage Lending

Pam W. Forehand,

Member Relations Supervisor

- | | |
|-------------------|-----------------------|
| Elaine C. Lane | Zina A. Avery |
| Lora H. Willis | Sue D. Fussell |
| Carmen C. Andrews | Beth R. Dennie |
| Angela P. Harris | Janie V. Dail |
| Rebecca S. Coker | Janet W. Leggett |
| Chiquita C. Baker | Ashley B. Schweberger |
| Nancy N. Mills | Paschasia N. Basemore |
| Clara B. Harrell | |

LOAN TYPES AND INTEREST RATES

Unsecured (signature/co-maker).....	10.75% - 16.00%
New Vehicles.....	5.45% - 16.00%
Used Vehicles.....	5.65% - 16.00%
New Motorcycles.....	4.95% - 7.10%
Used Motorcycles.....	5.50% - 8.80%
New ATV's.....	4.95% - 7.10%
Used ATV's.....	5.50% - 8.80%
New Boats & Jet Skis.....	4.95% - 8.00%
Used Boats & Jet Skis.....	6.50% - 8.50%
New RVs & Campers.....	4.95% - 8.00%
Used RVs & Campers.....	5.50% - 9.00%
CD Secured Loans.....	8.00%
Stock Secured.....	6.50%
Share Secured-up to 5 year repayment.....	2.30%
Share Secured-61-120 months repayment.....	2.80%
Insurance Secured.....	9.00%
Visa Credit Card.....	11.99%
Overdraft Line of Credit.....	16.00%
Home Equity Line of.....	Credit Variable
First Mortgage.....	Fixed & Variable

FINANCIAL CONDITION

October, 2008

Assets

Total Cash & Investments.....	\$27,870,565
Loans to Members (Net).....	\$36,567,765
Property & Equipment.....	\$ 637,826
Other Assests.....	\$ 963,809
TOTALASSETS.....	\$66,039,965

Liabilities & Reserves

Shares & Certificates.....	\$ 44,503,548
IRAs.....	\$ 5,005,810
Share Draft Accounts.....	\$ 1,949,701
Reserves & Undivided Earnings.....	\$14,534,503
Other Liabilities.....	\$ 46,403
Total Liabilities & Reserves.....	\$66,039,965

Board of Directors

- Carol F. Ruffin,
Chairman
- W. Eugene Godwin
Vice Chairman
- Charles L. Johnson, Jr.
Secretary & Treasurer
- John D. Pierce
- Roger S. Davis
- Charles Ainsley
- Barbara F. Knox

Credit Committee

- Elizabeth W. Bland
Chairman
- Teri G. Williamson
- Susan C. Hoke
- Ken E. Lewis
- Kathy B. Jones

Your savings federally insured to \$250,000

NCUA

National Credit Union Association.
A U.S. Government agency

FinFacts

Quarterly Newsletter From Telco

T E L C O



CREDIT UNION

Volume 19

4th Quarter 2008

Number 4

Telco Staff Changes

Congratulations to Edna Rackley who has assumed the new position of Manager of Mortgage Lending. Edna is now responsible for implementing and enhancing Home Equity lines of credit. Edna has 38 years service with Telco Credit Union with experience in the lending arena as well as Member Services.

Congratulations to June Carlisle for being promoted to Director of Member Services. In her new role, June will manage Member Services and Lending. June has 34 years service with Telco Credit Union and has served in various capacities in the areas of Member Services, Data, Finance, and Compliance.

Congratulations Edna and June on your new positions.



The Edgecombe County Relay for Life Committee has announced the 2009 Relay for Life event. Mark your calendar for Friday, May 1st and Saturday May 2nd, 2009. This will be an all night fun-

filled event. Last year Telco was awarded a plaque for raising the most money for a newly formed team. Telco's 2009 Relay for Life team is busy brainstorming new ideas to raise money to support the fight against cancer. Your suggestions are welcome and we appreciate your participation.

Telco Annual Meeting

Telco's Annual Meeting will be held on January 30, 2009 at 2:00 P.M.

The meeting will be held in Telco's Board Room at the Barlow Road location.

All members are invited to attend.

Share Insurance Limit Increases to \$250,000

In these challenging days for the national economy, we can relieve you of one potential concern, and that is the safety of the money in your Telco accounts.

First, your accounts are backed by the National Credit Union Share Insurance Fund (NCUSIF), a fund maintained by the U.S. Treasury and administered by the National Credit Union Administration (NCUA). Federal insurance protects your money in share savings, share draft/checking, money market, share certificate, trust, and retirement accounts.

NCUA coverage is to credit unions as FDIC, or Federal Deposit Insurance Corporation, coverage is to banks. Both funds are backed by the full faith and credit of the U.S. government.

Passage of the Emergency Economic Stabilization Act of 2008 increased NCUA coverage from \$100,000 to \$250,000. The increase is temporary, taking effect from October 3, 2008 until December 31, 2009. Funds may be insured for even more than \$250,000, depending on how you establish your accounts. If you have questions concerning the way your accounts are set up, please call Telco.

Welcome New Select Employee Group Sponsors

Telco wishes to welcome our newest Select Employee Group Sponsors to the Telco Credit Union family:

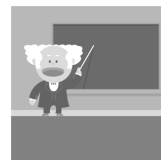
Ameriprise Financials - Robert Wells
Edgecombe Community College - Employees
Greenville Toyota
Headway Resources
Rountree & Boyette, Attorneys at Law
Superior Essex

Thank you for your sponsorship. Telco now has 125 Select Employee Group Sponsors. We look forward to providing the benefits of credit union membership to the employees and immediate family members of all our sponsor groups.

Edgecombe Community College Students and Staff



Along with adopting a special program for the students of Edgecombe Community College, Telco has also partnered with the employees. If you are a student or a staff member of Edgecombe Community College, you can now join Telco and enjoy the benefits of credit union membership. Call to inquire about the advantages of joining Telco.



Welcome ECC students and staff!
We look forward to serving you.

Fayetteville and Tarboro Area Retirees Meet

On October 29th, Fayetteville area Telco Retirees met at the Western Sizzlin in Fayetteville and on December 4th, Tarboro area Retirees met at Stack's Restaurant in Tarboro. At both meetings information was shared on what's happening at Telco and on ways to protect their Telco accounts and how they can better maximize their earnings.

Ricky Thompson from Edward Jones Investments provided insight to the meaning of a "Recession". He discussed with both groups "Average Recession Start and End Dates" and how the events of the past 11 recessions played out. The events typically play out as follows. The stock market falls. The economy falls and the recession begins. Historically the stock market bottoms out 5 1/2 months after the recession begins. The stock market goes up. The recession ends, on average, about 10 months later.

When the market has recovered, historically it's been dramatic, sudden and unexpected. Instead of fearing recession, many investors with long-term goals view the current economic slowdown as an opportunity. Recessions can benefit long-term investors because they provide an opportunity to add quality investments to their portfolios, if appropriate, when stock prices are down.

Now is a good time to review your strategy with your financial advisor to see what, if any, changes you may need to make to your portfolio. Also call Pam Forehand or Rebecca Coker for assistance with your Telco accounts.

Want To Save Some Money?

Even though savings account rates have decreased over the past several months, there are other ways to save money. For instance, if you currently have a loan financed with a financial institution other than Telco Credit Union, we may be able to help you reduce your monthly payments by refinancing with Telco. Please call a loan officer or send us via email the details of your current loan. We may be able to help.

Loan Applications Now Online!



You can now apply for a loan on-line. Follow these simple instructions:

Once logged into Online Banking, click on the Applications tab. Next click on Loan Application, and a new window will open showing the Loan application. Fill out as much information as you can provide and then submit. The application will be reviewed by a loan officer and you will be notified if further documentation is necessary. All information entered is sent to Telco via a secured web connection.

Holiday Closing

Please note the following Holiday Closing Schedule:

EASTER
April 10, 2009

Please keep in mind that during the holidays, you will still have access to TAPS, On-Line Banking & CashPoint ATM locations which are always available 24 hours per day seven days per week.

Remember: Telco Members incur no fees at CashPoint ATMs.

What Are Our Retirees Doing?



Telco is planning to "Feature a Retiree" in future issues of FinFacts. Our retirees constantly ask "Wonder what 'John/Jane Doe' are doing since they retired?"

In an effort to stay connected, FinFacts will feature a retiree in each issue. Retirees, please help us by sending us the following information:

Name: _____ Address: _____ City/State/Zip _____

Email address: _____ Phone #: _____ (Do not

provide any information you do not want printed)

Where were you working when you retired?

What was your job function/title?

What do you miss most since you retired?

What are you doing now?

Tell us about your children and/or grandchildren.

Do you have a hobby or special interest?

Tell us anything you think your fellow retirees would be interested in hearing.

Do you have a funny story that you would like to share?

Send the information via US mail to

Telco...Attention:

Rebecca Coker, P.O. Box 4002,

Tarboro, N.C. 27886

or via email to

rcoker@telcu.com or pforehand@telcu.com

We look forward to staying connected!

