



Treasurer's Report

"We are your financial partner, helping you plan for a successful future while better managing your money today."

Many experts are calling 2008 one of the most difficult years in our financial history. The economic crisis of this past year was fueled by skyrocketing costs, declining incomes, a volatile housing market, a mortgage lending fiasco and a credit crunch. Unemployment jumped with the net loss of 2.4 million jobs. If you were in the stock market you lost close to half of your investment value with the Dow Jones Industrial Average dropping more than 4,500 points from the close of 2007. Is there any good news about 2008? Yes. During this time your credit union continued to grow and become financially stronger due to your support and the use of our services by our more than 100,000 members.

We at Tyndall Federal Credit Union are your financial partner, helping you plan for a successful future while better managing your money today. In this regard, a major focus in 2008 was maintaining the financial strength of our credit union while returning as much to members as possible through higher dividend rates on deposits and lower loan rates.

Here is how we stand in achieving these and other financial goals for 2008:

- ★ Assets reached \$909.6 million, a 7.69% increase of \$65 million.
- ★ Payment of \$22.4 million in dividends to members. This figure, along with our low loan rates and fees, helped Tyndall rank in the **Top Five Credit Unions in America** for "Return to Members."
- ★ Net loans grew by 3.71% representing \$222 million in growth to \$621.4 million in loans outstanding. Members saw the advantages of the special rates we offered throughout the year and came to our Credit Union for vehicle, mortgage and home equity loans. Our members increased their use of our credit card services, such as our special 3.99% VISA Gold and Platinum cards. By offering excellent loan rates and operating with fair loan underwriting standards, our loan portfolio is solid and growing.
- ★ Through providing our members with competitive loans that meet their financial needs, our loan to share ratio is 80.35%.
- ★ Member deposits increased by 5.39% or \$39.5 million to a total of \$773.4 million. The largest gain was realized in the certificate of deposit area which was \$36.4 million of this growth.
- ★ Federal regulators consider an 8% capital ratio, a measure of financial soundness, to be excellent. Tyndall stands at 11.84%.
- ★ On total revenue of \$58.3 million, Tyndall generated net income of \$3.9 million.

As you can see by these figures, Tyndall is rock solid and strong. Since our founding in 1956, we have operated your credit union on the principal of offering competitive savings opportunities to our members and placing as much of these funds as possible back in the hands of our members in the form of loans. We were successful in both these endeavors in 2008.

Your Board of Directors, management and staff gave considerable attention throughout 2008 to positioning your credit union to meet the challenges that lie ahead and take advantage of every opportunity presented to benefit you, the member. With a solid foundation for future growth, we are prepared for the future and thank each and every member for helping this occur through your support, confidence and service utilization.

On behalf of your Board of Directors, thank you for making 2008 a successful year. We are proud of our accomplishments but we will not rest and will continue working hard to take Tyndall in the direction that best benefits our members and their families.

Harold L. Beyer
Treasurer, Board of Directors

2008 Financials

Unaudited

Statement of Financial Condition as of December 31, 2008

Assets	
Loans-Net	618,075,214
Cash	25,620,694
Investments	205,984,106
Property & Equipment	28,997,509
Other Assets	30,945,060
Total Assets	909,622,583

Liabilities & Equity

Notes Payable	20,000,000
Accounts Payable	2,384,759
Dividends Payable	461,963
Other Liabilities	5,700,118
Total Liabilities	28,546,840
Members' Shares	773,352,602
Regular Reserve	16,313,434
Unrealized Gain/(Loss)	(308,257)
Undividend Earnings	91,717,964
Total Equity	881,075,743
Total Liabilities & Equity	909,622,583

Statement of Operations For Year Ended December 31, 2008

Interest Income	45,661,590
Dividends	(22,441,305)
Int. on Borrowed Funds	(542,815)
Net Interest Income	22,677,470
Provision for Loan Loss	(3,300,000)
Net After Provision for Loan Loss	19,377,470
Non-Interest Income	11,744,501
Operating Expenses	(27,465,734)
Net before Non-Operating Expense	3,656,237
Non-Operating Expense	249,412
Net Income	3,905,649



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Chairman's Report

"Tyndall Federal Credit Union is where the bad news ends and the good news begins."

Today, the economy is characterized by declining growth and rising unemployment, low consumer confidence and a recession. It seems almost impossible to be reading anything positive today about an institution in the financial industry. Your credit union is the exception and has a good story to tell.

Where do we stand amidst the turmoil in our world today? Tyndall is where the bad news ends and the good news begins. We are rock solid, safe and sound. With your help, we met the challenges presented and achieved solid financial results. You supported the programs we offer and used our services. More and more members made us their primary financial institution. As a result, the one statistic that best represents our strength is our 11.84% capital ratio. A level of 8% is considered outstanding so you see where we stand. The confidence our members have shown in us is reflected in our healthy balance sheet, liquidity and net worth.

The safety of the deposits you entrust at Tyndall is also an important issue. Not only do our financials provide you the confidence you need, your deposits are now insured to \$250,000 by the National Credit Union Administration, which is backed by the full faith and credit of the U.S. Government. No credit union member has ever lost deposits insured by NCUA and U.S. taxpayers have never had to bail out a federally insured credit union.

Many of you are suffering from wage freezes, job loss, a cut back in your business, a declining home value and a dramatic plummet in the value of stocks. For 2008 the Dow Jones was down 34% and we still don't know if it has hit bottom. The economy has negatively affected nearly every aspect of your life. However, there is light at the end of the tunnel. Our employees are trained to assist members experiencing financial challenges and tailor arrangements to meet member circumstances. Call on us for any help you may need. We aspire to continue making Tyndall the best credit union in the nation. To that end, our primary goal is to first make our members as financially secure and successful as possible. We are here to help you in these challenging times and to make a difference in your life. Now is a great time to be a Tyndall Member.

Tyndall is different from banks. As a financial cooperative our focus is on improving your bottom line - not ours. You own us. Our motive is service, not profit for stockholders. We also realize you have a choice when it comes to financial services and we thank you for choosing Tyndall.

Your volunteer Board of Directors has worked diligently to present products and provide direction and policies to ensure that Tyndall remains strong and dynamic. In everything we do, every action we take, we are mindful that you are an owner, not just a customer. On behalf of the Board, I would like to thank each of you for the contribution you made to strengthen the Tyndall foundation which we will build on into the future. I also wish to thank the entire Tyndall management team and staff for a job well done.

Joseph T. Manning
Chairman, Board of Directors



President's Report

"Against the backdrop of a weak economy, we took immediate and decisive action."

You may have read or heard me say many times that Tyndall is "well positioned financially and prepared to meet whatever challenges and opportunities the future presents." In 2008 this statement was certainly put to the test. However, I am pleased to report that we weathered the financial storms of this past year and today we are financially strong, growing, and our business model has proven to be exceptionally sound. Our values of honesty, fair play and loyalty to our members have not changed. This is what helped us prosper during this new era of economic uncertainty.

The financial world was turned upside down in 2008. Millions of jobs were lost and the economy continued on a downward spiral. The housing market collapsed and there was a credit crunch that is projected to continue throughout 2009. Banks closed or were merged after suffering losses due in no small part to their participation in the subprime mortgage crisis that resulted in huge write-downs on assets linked to subprime mortgages. Tyndall did not and will not make risky subprime loans which are based on unsound loan underwriting standards. We did not have to cut back on lending due to the credit crunch. We are open for loan business and stand ready to assist members wishing to finance homes, vehicles and other purchases.

As a member-owned institution, much of our focus in 2008 was on telling our story of Great Rates & Convenience. Against the backdrop of a weak economy, we took immediate and decisive action to help Tyndall members. The hard-earned money members deposit at Tyndall earns a very competitive return while also making it possible for those who want to borrow to do so at competitive rates. Loan rates are priced appropriately and underwritten correctly. Deposit rates are set so members can earn the maximum amount we can pay while maintaining a strong reserve fund. In the following pages you will find our financial reports. I direct you to the net income listing of \$3.9 million. Why was this 15.4% less than the figure for 2007? It wasn't the economy that dictated this decrease. It was our policy of "pricing" loan rates as low as possible and savings rates as high as possible.

In the service delivery arena, several initiatives were undertaken to broaden our convenience factor. We opened our new Thomas Drive and Chibley branches and expanded our Marianna branch. These facilities bring us closer to the members who live and work in these areas and enable us to provide more convenient service.

In the financial section of this report you will also find the figures that represent our overall growth for the year. I am pleased to report that we are now over \$900 million in assets with a growth of \$65 million last year alone. Consider that this growth was achieved during the worst financial crisis in the last 70 years.

While other lenders in 2008 eliminated or curtailed their programs, members came to us in record numbers. The resulting 3.71% increase in loans over 2007 amounted to a growth in loans outstanding to members of \$222 million. On the savings side of our business, members saw the value in the competitive rates we paid and invested \$39.5 million more at Tyndall which brought our total deposit figure to \$773.4 million.

Thank you for your business, your membership and your continued confidence in Tyndall. We never forget that you own us and we exist solely for you and your family.

James M. Warren - President, CEO



Supervisory Committee's Report

"Tyndall Federal Credit Union is a financially strong and well-managed financial institution."

Your Supervisory Committee is composed of three volunteer members appointed by the Board of Directors who are responsible for conducting a thorough review of all credit union activities on behalf of all Tyndall members. It is the duty of this Committee to ensure that the credit union's practices, policies and procedures safeguard members' assets at all times and to make certain that the financial condition of Tyndall is accurately presented in financial statements.

In our fulfillment of this obligation, the Committee retains the services of an accounting firm to perform an independent and comprehensive audit and to assess the accuracy of member account statements, financial statements, and compliance with federal regulations and Board policy. I am pleased to report on behalf of the Committee that in January, the firm of Nearman, Maynard, Vallez, CPAs & Consultants was employed and completed the audit with no material exceptions noted.

As a federally chartered financial institution with member deposits being federally insured, Tyndall is also annually examined by the National Credit Union Administration (NCUA), an agency of the federal government. Following its audit this past year, the NCUA reported the credit union continues to operate under sound financial practices.

Your Supervisory Committee meets on a regular basis throughout the year and a member of our Committee is present at meetings of the Board of Directors. The Committee also meets with the Internal Audit staff to review the completion of tasks and to monitor internal controls and compliance with statutes and regulations.

In our opinion, Tyndall Federal Credit Union is a financially strong and well-managed financial institution, the credit union's assets are being properly protected, policies and procedures are being followed, and the financial statements included in this report accurately reflect the financial position of this credit union.

We on the Supervisory Committee are proud to dedicate our time and talents to Tyndall and we wish to thank the Board of Directors, Management and Staff for their support, assistance and cooperation.

These financials are not final based on accounting rulings that may still be forthcoming from NCUA.

Harry W. Johnson
Chairman, Supervisory Committee

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