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State Employees' Credit Union Voluntarily Adopts Sarbanes Oxley Act – Leading credit union movement by example

Raleigh, NC – The Board of Directors of State Employees' Credit Union (SECU) has voluntarily committed to adopt the full intent and core provisions of the Sarbanes Oxley Act (SOX). While compliance with SOX is mandatory for all publicly held companies, it is currently not required of private companies, non-profit organizations and credit unions.

“While many public companies consider the newly enacted rules and provisions of SOX to be costly and burdensome, SECU has always thrived in this environment, and we consider most of the SOX provisions to be best practices”, said Randy Partin, Senior VP of Internal Audit at SECU. “In the credit union community and elsewhere, SECU is considered an ideal business model with a sterling reputation for integrity. In order to enhance our business model and “white hat” reputation, we wanted to formally adopt the core provisions of Sarbanes Oxley simply because good corporate governance is the right thing to do.”

Partin stated that SECU has always followed the principles of ethical conduct in a controlled business environment, long before the SOX Act was implemented. Formally adopting the intent and provisions of SOX required only a few minor changes, and most were completed in April:

- The Board's first step was to formally approve a Corporate Governance Policies & Practices document, which they did in April.
- The next steps were to add some compliance language to the Audit Committee Charter and the Employee Code of Ethics.
- The final step was to implement the “whistle blower hotline” provision of SOX. SECU has contracted this function to **Global Compliance Services** www.globalcompliance.com, a third party provider specializing in this service to assure confidentiality and anonymity to its 3,500 employees.

“We will continue to enhance and strengthen our corporate governance policies and transparency of operations and financial reporting whether or not legislative action requires us to do so”, said Mr. Partin.

About SECU

SECU is a non-profit financial cooperative owned by its members. SECU has been providing the employees of the State of North Carolina and their families with consumer financial services for over 65 years. With more than \$12 billion in assets and over one million members, SECU is the second largest credit union in the United States. SECU provides services to members through 183 branch offices, over 850 ATMs, a call center and a website – www.ncsecu.org.