

## Chairman & President's Letter

You cannot be in this business without a sincere desire to want to help people.

For 40 years, Allegacy has been helping members manage their money, buy their first homes, send their children to college, save for retirement, and achieve their vision of the good life.

Last year, we initiated a series of internal processes and improvements called Allegacy Synergy. We are proud to say that, in 2007, this process has positively and directly impacted our ability to service members.

The most indelible component of Synergy so far is the new Performance Management Program. Not only does the program recognize accountability throughout our organization, it also led us to formalize our first company-wide Succession Plan.

Recognizing the emerging Hispanic market, we introduced a new Intercultural Markets Department that is focused on diversity training and on serving the unique needs of the growing Latino population.

Finally, to drive us to maintain the high standards of the Synergy process, we hired the company's first Organizational Culture and Change Manager.

We are excited to see the momentum this process has brought to our organization. It is particularly rewarding to see how this has improved our ability to deliver on our mission to help members make smart financial choices.

We have had to make smart financial choices as well.