

year in review



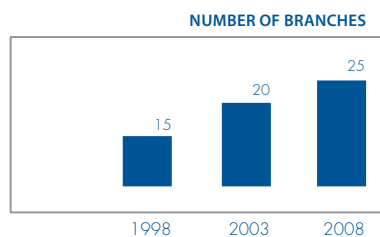
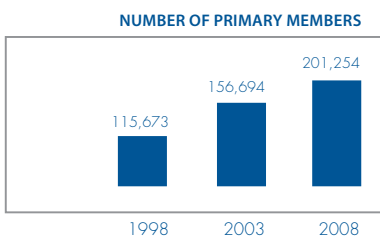
Sailing Into The Sunset Of 2008

San Diego County Credit Union has continually grown into a full-service financial institution featuring 25 branches and servicing San Diego, Riverside and Orange Counties. Over 70 years ago, SDCCU was founded by a small group of local government employees who were challenged by their inability to obtain affordable loans from established banks. Small loans and basic banking services were offered by our newly formed credit union. Then, as our reputation for having stellar services grew, so did our membership base and selection of products and services. Today, SDCCU is a dynamic, progressive financial institution. We are proud to be the largest locally based financial institution in San Diego and to have been voted BEST Credit Union for nine years straight in the *San Diego Union-Tribune Readers Poll*.

Even in a volatile financial year, SDCCU was able to sail through, achieving another year of growth. We have achieved an impressive asset base of \$4.5 billion and are honored to call over 200,000 Southern Californians members. SDCCU is a strong, well capitalized financial institution and we are looking forward to many more years of secure growth in the enterprising marketplace that Southern California has become.

Looking back over the year, it is impossible to overlook the ever-changing economy and difficulties that our entire nation has been faced with. Despite the financial challenges and the outlook for some financial institutions, SDCCU has weathered the storm and come out ahead yet again. Thanks to our loyal members and employees in San Diego, Riverside and Orange Counties, we were able to not only maintain, but expand our product and service offerings in 2008.

During International Credit Union Week in October, we celebrated our members with our annual Member Appreciation Week. Members were invited to attend an Identity Theft Prevention Seminar in addition to a Shred Day at six of our branches. In November, we asked our members and the community to help us reach 200,000 members by referring friends and family to open an account – with your help we were able to surpass our goal!

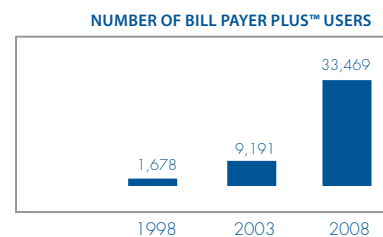
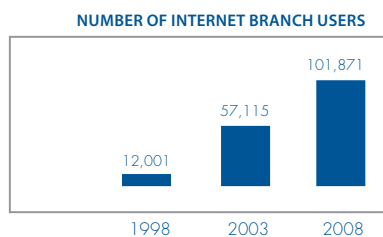


We had a record year in Commercial Real Estate Loans with over \$150 million funded, contributing to our business portfolio surpassing \$483 million this year. Business members have been able to enjoy the convenience of Business Visa® Credit Cards since they were introduced earlier in the year. Business accounts continue to be a popular product with strong growth in both the number of accounts and account balances. Business Checking grew to over 2,500 accounts and approximately \$13 million in balances; Business Savings (Savings, Money Markets and Certificates) surpassed 5,000 accounts and \$49 million in balances. Both merchant card processing and payroll services, offered through our partnerships with First Data™ Corporation and ADP®, continue to be popular with our business members.

We were able to avoid the real estate market trend that affected many Southern Californians this year and help more members than ever before get into affordable Home Loans. We proudly assisted members in getting out of competitors' poor home loans. We funded an unprecedented dollar volume with 3,200 Home Loans this year. The increase in business is largely attributable to many members buying homes because of the most affordable home values in years. Member education on "Ways to Avoid Foreclosure" was introduced mid-year to help members that were set back by the recession stay in their homes.

SDCCU launched a Real Estate Services program this year. The program places homebuyers with service-oriented, ethical, experienced real estate agents and a dedicated Member Advocate to guide them through their transaction. Members receive a 20% rebate of the agent's commission, discounts on home buying services and advice they can trust. We also hosted a well attended First Time Homebuyer Seminar in May. All of these services combined helped us to be voted one of the Best Mortgage Companies in the *San Diego Union-Tribune Readers Poll*.

We partnered with The Bob Baker Automotive Group, Penske Automotive Group, Inc. and Sunroad Automotive Group for three New & Used Car Sales in 2008. In addition, Penske Automotive Group, Inc. teamed up with SDCCU to successfully host



three one-day Used Car Super Sales. Our Auto Express Department's auspicious Car Of The Month program thrived this year and our auto buying/leasing service helped approximately 700 members drive off in their new vehicles. AdvanceChecks continued to be a popular and convenient method for purchasing a vehicle at Southern California dealerships. This year we have welcomed an additional 2,100 members to SDCCU due to our Indirect automobile lending relationships.

SDCCU members (and non-members) were able to take advantage of our Real Estate and Identity Theft Prevention educational seminars in 2008, along with a new product offering – Great Rate Savings, which offers high rates and liquidity with no strings attached. In addition, enhancements to account statements printed on environmentally friendly Forest Stewardship Council-certified paper were rolled out. myOwn Card™ Photo Visa was introduced late in 2008, allowing members the chance to design their own SDCCU Visa Credit or Check Card.

With the growing number of Internet users comes a call for increased security. In order to keep up with the demand, SDCCU implemented enhanced security features, which seamlessly partnered with the outstanding security features already in place. We also introduced eNotices and eTax Forms to enable members to view their account correspondence from us online through Internet Branch, thus further reducing risky and wasteful paper trails.

Technology is dynamic and to keep up with the expanding online marketplace, SDCCU implemented some new features, including electronic signatures on membership applications in our branches, upgraded telephone banking systems and ATM deposit processing at select branches. Behind the scenes, we consolidated many network servers in an effort to conserve power and energy. Further, we employed a fraud monitoring system for PIN based transactions and had above industry average Information Technology compliance, security assessments and penetration tests executed by a third party.