

ANNUAL REPORT 2010



San Diego County
 *Credit Union®*



Our Mission Statement

Provide sound financial services
to our members any where,
any way, any time.










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Moving Forward

San Diego County Credit Union continues to look to the future to find new ways of ensuring that our members have the best products and services available. You have our commitment for continued efforts to provide sound financial services to our members and to remain a trusted financial partner in the communities we serve. In addition, we will continue to strive for convenience that enables members to conveniently conduct their financial business with SDCCU® any where, any way, any time. Continued advances in technology allow the credit union to offer the latest eServices with 24/7 access to accounts and funds, while benefitting from strong security measures for member protection. We take pride in being able to serve each member and help them achieve their financial goals and dreams during each stage of life, and in helping them build and prepare for their futures.

 <p>Teresa Halleck President & CEO</p>	 <p>Allan Shaw Chair</p>	 <p>Shirley Jackson Vice Chair</p>
 <p>Chuck White Secretary/Treasurer</p>	 <p>Ilan Awerbuch Director</p>	 <p>Rod Calvao Director</p>
 <p>Richard Collins Director</p>	 <p>Steven C. Reuel Director</p>	 <p>Peggyanne G. Smith Director</p>

2010 Board Of Directors

San Diego County Credit Union is committed to taking the banking needs of our members into consideration when building plans for our future products, services and growth in the communities we serve. The fact that we ended the year on a strong note with over 212,000 members and approximately \$5 billion in assets, shows that we remain a well-respected financial institution that Southern Californians continue to trust as their financial partner.

In August of this year, we were pleased to welcome our new President & CEO, Teresa Halleck. With more than 20 years in the financial industry, Teresa brings with her a wealth of experience to SDCCU which will be very advantageous as we continue to grow. She has already introduced new and innovative ways to advance our mission of providing sound financial services to our members any where, any way, any time.

Additionally, we were all overwhelmed with pride when we learned that the community at large voted SDCCU BEST Credit Union for the 11th year in a row in the *San Diego Union-Tribune Readers Poll*. This year, we were also honored with the top slots as BEST in the Financial Planning, Home Loan Provider and Place To Work categories. We would like to thank all of our members for continuing to vote for us. We also know that SDCCU wouldn't be the BEST without the superior member service provided by our solid team of employees.

Looking ahead to 2011, we envision another year of new opportunities with additional products and services that increase the convenience being offered to our ever-growing membership in San Diego, Riverside and Orange Counties. We anticipate many more years of continued success and growth.



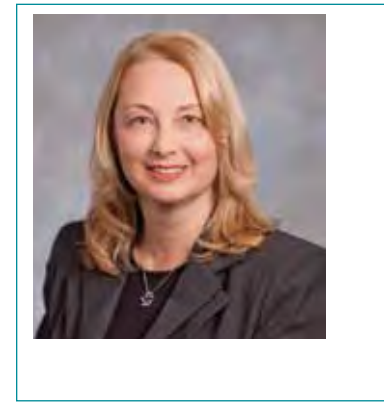
Allan P. Shaw

Chair



Chair's Report

Allan Shaw



President's Report

Teresa Halleck

San Diego County Credit Union continues to focus on outstanding service, competitive products and services and convenience. We recognize our members have many choices in the financial services arena and we strive to be the provider of choice. With approximately \$5 billion in assets, the credit union remains the largest locally-owned financial institution in San Diego County. We now serve over 212,000 members throughout Southern California's finest communities.

Our growth remains steady as we opened two new branches, one in Kearny Mesa and the other in Oceanside. In an effort to expand service delivery convenience to our members, we also added several new eServices this year, including person-to-person payments, SDCCUdirect™, Live Chat and MoneyTracker™, all of which are designed to make your banking life easier. In addition, deposit-taking ATMs have been installed in select locations to enhance member convenience. We truly want every member to be able to access their accounts any where, any way, any time, and proactively seek ways to help our members save time and money.

Financial literacy is recognized as an important tool for personal financial success, and the credit union strives to help our members in this arena. During 2010, several free financial education workshops were offered to members and the communities we serve. These workshops help our members develop prudent financial management skills which, when shared with family and friends, can help improve the lives of those living and working in the communities we serve. In addition, our partnership with LPL Financial, a full-service brokerage firm, has continued to gain in popularity with members. LPL registered Financial Consultants are available to meet with members and help build a personalized plan to work toward reaching their financial goals.

Thank you for your continued support and confidence in San Diego County Credit Union. We remain committed to enriching the lives of our members and we strive to serve you well. The future will bring new opportunities and, as we continue to grow, we will keep our focus on remaining the trusted financial partner you rely upon. We appreciate your business and the trust you place in the credit union, and we will continue to do all we can to remain your trusted financial partner.



Teresa A. Halleck

President & CEO



San Diego County Credit Union continues to remain financially sound and secure despite the economic recessionary storm of the last few years. Every individual and financial institution has been affected in one way or another by the recent challenges resulting from the economic downturn and, through it all, SDCCU has remained financially strong and responsive to the needs of our members.

SDCCU has maintained attractive loan rates, which helped generate \$1.3 billion in new loans. We were also able to once again show positive operating results by keeping operating costs low. Total assets grew to nearly \$5 billion and our branches in San Diego, Riverside and Orange Counties, which serve our over 212,000 members, grew to 28 with the opening of our new Kearny Mesa and Oceanside Branches.

The Board of Directors and senior management team have worked together closely to ensure that we remain a well-capitalized credit union with a net worth to total assets ratio of 11.78% as of December 31, 2010. This ratio, established by the National Credit Union Administration, sets the regulatory standard for the minimum allowable capital level for “well-capitalized credit unions” at 7.00%. As a result of prudent practices, SDCCU continues to far exceed this requirement.

San Diego County Credit Union holds the best interests of our members in high regard and remains competitive while continuing a long history of giving back to our members and the communities that we serve. Recognizing the diverse needs of our members, our plans for the future include offering a wide variety of additional new and innovative products and services. We are confident that SDCCU will continue to grow and prosper in the coming years.



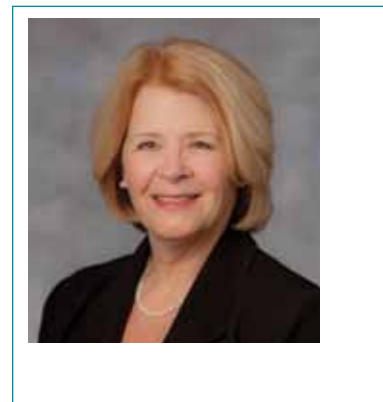
Chuck White

Secretary/Treasurer



Treasurer's Report

Chuck White



Supervisory Committee's Report

Patricia Honeycutt

The Supervisory Committee at San Diego County Credit Union ensures that an independent audit is performed annually and the account balances of the membership are verified. The Committee is also responsible for ensuring adequate policies and procedures exist to adequately protect credit union resources, for providing reasonable assurance that governing regulations and policies and procedures are properly followed, and ensuring that the financial statements reflect the credit union's results of operation. To carry out these responsibilities, the Committee is made up of five volunteer members who independently evaluate the strength and soundness of SDCCU's operations and activities.

The Committee works with internal auditors, the Board of Directors, the President & CEO and employees of SDCCU to ensure that the assets are safeguarded by upholding applicable regulatory policies and procedures. The Supervisory Committee retained the services of McGladrey & Pullen, LLP, a national CPA firm to perform an audit of the credit union's financial statements. The accounting firm of McGladrey & Pullen, LLP, performs an annual audit of the credit union's financial statements to ensure they represent fairly, in all material respects, the financial position and results of operations of San Diego County Credit Union in conformity with U.S. Generally Accepted Accounting Principles.

We wish to express our appreciation to the Board of Directors, management and staff for their continued cooperation.



Patricia Honeycutt

Chair

Consolidated Statement Of Financial Condition

December 31, 2010 (unaudited)

ASSETS

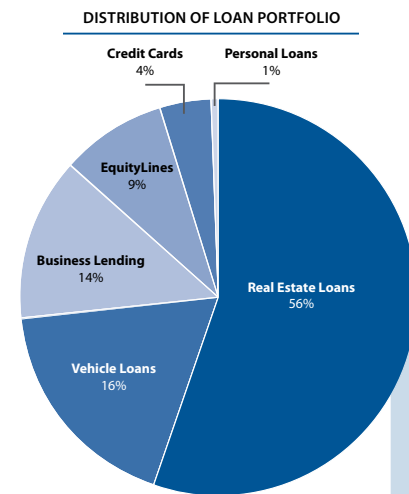
Cash and cash equivalents	\$ 374,285,415
Investments	
Available-for-sale	60,535,273
Held-to-maturity	1,223,674,223
Non-SFAS 115 investments	27,980,500
Loans and Leases to members, net	3,137,503,391
Accrued interest receivable	17,502,439
Property and equipment	50,139,680
National Credit Union Share Insurance Fund deposit	41,620,087
Other assets	34,851,772
Total Assets	\$ 4,968,092,780

LIABILITIES AND MEMBERS' EQUITY

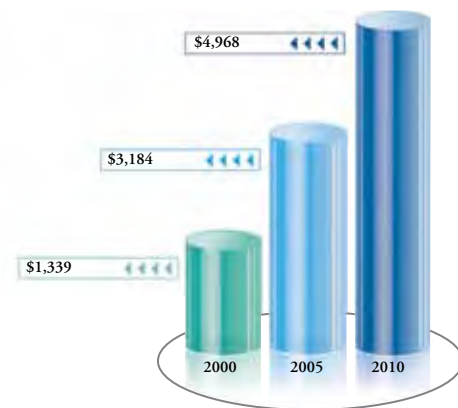
Liabilities	
Members' shares	\$ 4,232,536,998
Borrowed funds	125,000,000
Accrued expenses and other liabilities	24,954,025
Total Liabilities	\$ 4,382,491,023

Commitments and contingent liabilities

Members' Equity	
Retained earnings, substantially restricted	\$ 585,429,413
Accumulated other comprehensive income	172,344
Total Members' Equity	\$ 585,601,757
Total Liabilities and Members' Equity	\$ 4,968,092,780



ASSETS (IN MILLIONS)



GROSS LOANS (IN MILLIONS)



Consolidated Statement Of Income And Comprehensive Income

December 31, 2010 (unaudited)

INTEREST INCOME

Interest on loans and leases to members	\$ 186,865,770
Interest on investments and cash equivalents	7,692,491
	\$ 194,558,261

INTEREST EXPENSE

Dividends on members' shares	\$ 39,137,291
Interest on borrowed funds	2,496,615
	\$ 41,633,906

NET INTEREST INCOME \$ 152,924,355

PROVISION FOR LOAN AND LEASE LOSSES 51,313,078

NET INTEREST INCOME AFTER PROVISION FOR LOAN AND LEASE LOSSES 101,611,277

NON-INTEREST INCOME

Fees and other income	42,099,476
	\$ 143,710,753

GENERAL AND ADMINISTRATIVE EXPENSES

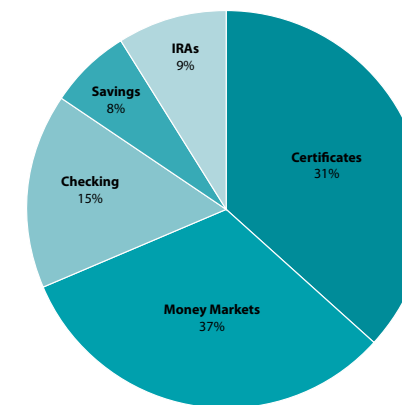
Salaries and benefits	\$ 34,391,143
Other general and administrative expenses	12,041,146
NCUSIF & Corporate Stabilization Assessments	10,785,602
Professional and outside services	10,227,598
Occupancy	9,566,991
Marketing, promotional and dues	6,613,616
Loan processing	3,143,621
	\$ 86,769,717

NET INCOME \$ 56,941,036

OTHER COMPREHENSIVE INCOME

Unrealized holding losses on investments classified as available-for-sale	(143,921)
Comprehensive Income	\$ 56,797,115

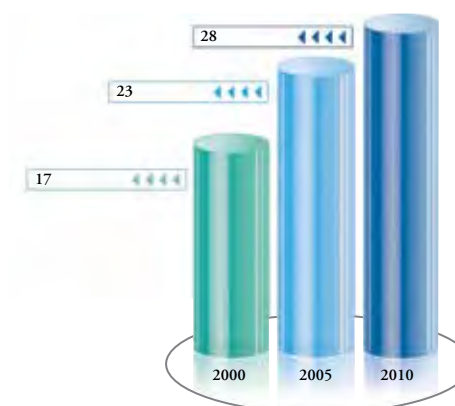
DISTRIBUTION OF DEPOSIT PORTFOLIO



DEPOSITS (IN MILLIONS)



NUMBER OF BRANCHES



Year In Review

A Year Of Continued Success

2010 was a year of change, growth and positive accomplishments for San Diego County Credit Union. Despite the continuing economic downturn, the credit union was able to grow and expand to meet the financial needs of its members. Total locations grew to include 28 branches servicing three counties, membership increased to more than 212,000 and assets grew to nearly \$5 billion. We are proud to be the largest locally-owned financial institution in San Diego and to have been voted BEST Credit Union for eleven years straight in the 2010 *San Diego Union-Tribune Readers Poll*.

Sound Lending Practices

Historically, low interest rates have provided some members an opportunity to refinance their home and enjoy lower payments. During the year, San Diego County Credit Union was able to help almost 3,300 members with home loans. The low interest rate environment allowed for lower payments and the option of paying homes off faster.

According to industry reports, the credit union has achieved status as one of California's top home loan lenders out of more than 270 credit unions with respect to mortgages and home equity loans and lines of credit. In addition, our outstanding real estate services were recognized when SDCCU was voted BEST Home Loan Provider in the 2010 *San Diego Union-Tribune Readers Poll*.

2010 continued to be a challenging year in the commercial real estate sector and the credit union conservatively moved forward in this arena with competitive rates and programs. Business accounts grew by 11% to over 9,900 accounts at year-end. The business deposit portfolio grew by approximately 7%, exceeding \$88 million. SDCCU maintains a strong performing business loan portfolio of over \$447 million.

SDCCU's concierge auto buying service, Auto Express Sales & Leasing, delivered cars to over 450 members. Many members also took advantage of our competitive auto loan rates and terms and our great leasing program that offers a generous mileage allowance and flexible terms with no security deposit.

SDCCU launched an updated Visa® product in 2010 as well as a new Fly Miles Plus™ Reward Program website highlighting new and easier ways to redeem rewards. Included in the improvements were charity and green options with the removal of restrictions on travel.

Enhanced Products And Services

SDCCU launched redesigned and enhanced account and Visa statements printed on Forest Stewardship Council-certified paper early in the year. The redesigned statements offer a new look and feel and an improved graphic design that is easier to read.

To keep up with technological trends and offer our members increased convenience, the following new products and services were introduced this year:

Check Card Overdraft Service – an optional overdraft protection service, launched to offer members peace of mind.

Live Chat - allows members to chat live online with a SDCCU representative during normal business hours.

MoneyTracker – this budgeting tool provides members the opportunity to view accounts from all of their financial institutions within our convenient and secure Internet Branch.

QuickBooks - business members can now quickly and easily download their transaction data from Internet Branch to QuickBooks®, with the click of a mouse.

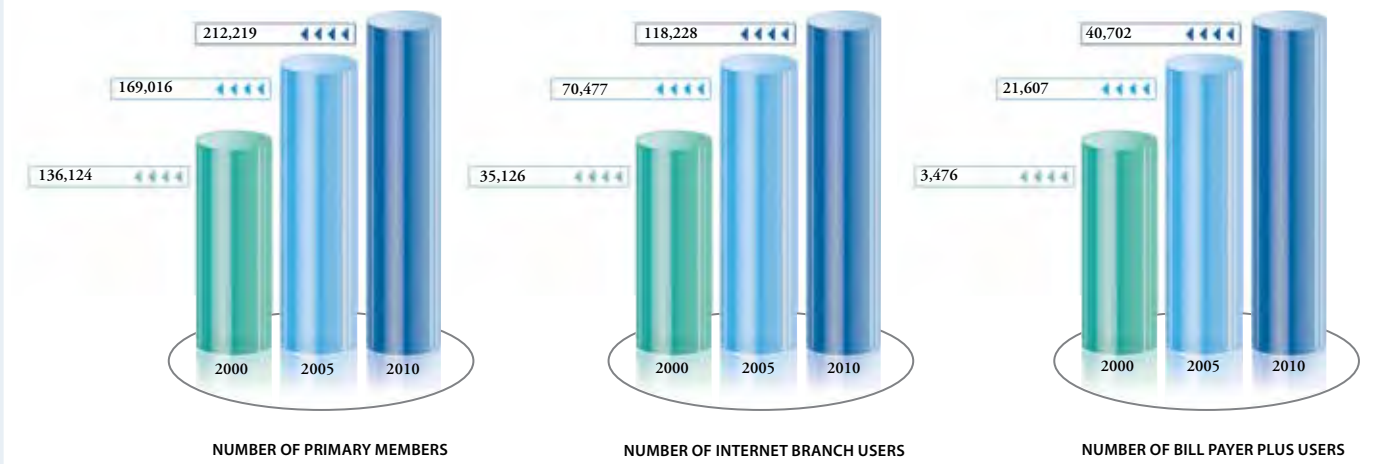
SDCCUdirect - enables members to directly transfer funds between their external accounts and those at SDCCU.

ZashPay - members can now pay people directly from Bill Payer Plus™, using the recipient's email address or mobile phone number to facilitate such action.

Keeping true to our mission of providing sound financial services to our members any where, any way, any time, we also deployed upgraded ATMs with envelope-free deposit and cash acceptance capabilities at several branch locations.

Member Education

We continued our series of Managing Your Money seminars featuring local financial expert, George Chamberlin. Mr. Chamberlin also provides a Managing Your Money section on our website that brings our members the best in financial news and events. The section includes questions and answers, articles and videos. Other educational seminars were also held and educational tutorials are now available on sdccu.com.





Coming In 2011

Moving Forward Into The Future

During 2011, the credit union will continue to focus on outstanding service and convenience for our members. SDCCU recently opened two new branches to bring personalized service to prospective and current members in the Kearny Mesa and Oceanside communities.

The credit union also remains focused on the latest advances in technology and security for our members' protection. Some of the upcoming eServices that we plan to introduce in the near future include eDocuments for our real estate loans, online certificate account renewals, SMS text banking, mobile deposits and account alerts. As part of our ongoing green initiative, we also plan to install signature pads at teller windows to enable members to sign receipts electronically. Members can then opt out of taking a printed receipt since it will be stored electronically and available for review through online banking.

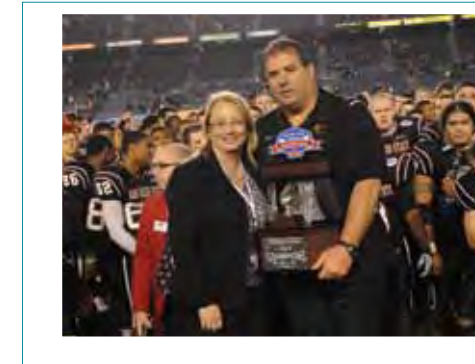
As we move into 2011 and beyond, we look forward to continuing to serve our members with cutting-edge technologies and the best service available. We would like to extend a big thank you to all of our loyal members who have referred their friends and family to open accounts with us over the years. We appreciate the vote of confidence and are honored that you have chosen San Diego County Credit Union as your primary financial institution.

In The Community

San Diego County Credit Union continues to be a well-respected leader and caring corporate citizen in the communities we serve. SDCCU makes a difference by supporting more than 75 nonprofit organizations, including many health and human service agencies. These nonprofits provide much-needed services and enhance the quality of life for hundreds of thousands of Southern Californians each year.

SDCCU is proud of our longtime support of two nonprofit organizations that embody the spirit of community, the San Diego Blood Bank and the Scripps Hospital Foundation. Just like SDCCU, the Blood Bank and Scripps have been making a difference in the lives of individuals throughout the areas we serve. SDCCU has increased its community focus to both public education and the environment and we hope to continue our expanded involvement in these areas in the coming years.

Many other distinguished nonprofit organizations, including the National Multiple Sclerosis Society, The Make-A-Wish Foundation® of San Diego, Rady Children's Hospital, Susan G. Komen for the Cure®, Valley Blood Services and San Diego County Crime Stoppers, are supported by SDCCU. As the credit union continues to grow, we will continue to invest in our communities and maintain our position as a responsible corporate leader.



Member Services

ACCOUNTS

- Certificates
- Checking
- IRAs – Traditional, Roth And Coverdell
- Money Market
- Savings
- teenFIRST®

ACCOUNT SERVICES

- Courtesy Clearing
- Direct Deposit
- Overdraft Protection
- Photo Visa Credit And Check Cards
- Visa Credit And Check Cards
- Visa Reward Program

VEHICLE LOANS AND LEASES

- Auto Buying Services
- Auto Leases
- Motorcycle Loans
- New And Used Auto Loans
- Preferred Dealer Network
- Recreational Sports Vehicle Program (RSVP) Loans
- RV/Boat Loans

HOME AND PERSONAL LOANS

- Home Equity Loans
- Home Equity Lines
- Home Loans
- Signature Loans
- Visa Credit Cards

eSERVICES

- eNotices And eTax Forms
- eStatements
- External Transfers
- Live Chat
- Loan Application
- Mobile Banking
- New Account Application
- Online Banking
- Online Bill Pay
- Personal Finance Manager
- Person-To-Person Payments
- Telephone Banking

BUSINESS SERVICES

- ADP® Payroll Services
- Certificates
- Checking
- Commercial Real Estate Loans
- Equipment Loans
- First Data® Merchant Card Services
- Money Market
- QuickBooks
- Savings
- SBA 504 Loans
- Sweep Savings
- Vehicle Loans And Leases
- Visa Credit And Check Cards

INSURANCE

- Accidental Death And Dismemberment Insurance
- Mechanical Breakdown Insurance (MBI)

PAYMENT AND PRODUCT PROTECTION

- Credit Life Protection
- Credit Disability Protection
- Disability Payment Protection
- Guaranteed Asset Protection (GAP)
- Life Payment Protection
- LoJack®
- Unemployment Payment Protection

ADDITIONAL PRODUCTS AND SERVICES

- Educational Seminars
- Financial Counseling
- LPL Financial Investment Services¹
- Member Discount Program
- Real Estate Services
- Safe Deposit Boxes
- TurboTax® OnlineSM
- Visa Gift Cards
- Visa TravelMoney®

ACCESS

- 24/7 Online And Mobile Banking Access
- 28 Full-Service Branch Locations
- Convenient Weekday Hours, With Most Branches Open Saturday From 9 a.m. To 4 p.m.
- Free Withdrawals At Over 28,000 CO-OP ATMs Nationwide

¹Securities and Insurance products offered through LPL Financial and its affiliates, member FINRA/SIPC. San Diego County Credit Union is not a registered broker/dealer, nor are they affiliated with LPL Financial.

Not NCUA Insured

No Credit Union Guarantee

May Lose Value

Federally insured by NCUA.



Branch Locations

SAN DIEGO COUNTY

Carlsbad
2530 El Camino Real
Carlsbad, CA 92008

Carmel Mountain
12330 Carmel Mountain Road
Suite C-1
San Diego, CA 92128

Chula Vista
303-1 H Street
Chula Vista, CA 91910

EastLake
2280 Otay Lakes Road
Chula Vista, CA 91915

El Cajon
312 West Main Street
El Cajon, CA 92020

Encinitas
501 North El Camino Real
Encinitas, CA 92024

Escondido
1600 South Escondido Boulevard
Escondido, CA 92025

Escondido Civic Center
150 East Valley Parkway
Escondido, CA 92025

Kearny Mesa
5500 Overland Avenue
Suite 190
San Diego, CA 92123

La Jolla Colony/UC
7708 Regents Road
San Diego, CA 92122

La Mesa
8555 Fletcher Parkway
Suite 101
La Mesa, CA 91942

Mira Mesa
6705 Mira Mesa Boulevard
San Diego, CA 92121

Mission Valley
2245 Fenton Parkway
Suite 107
San Diego, CA 92108

Oceanside
625 College Boulevard
Oceanside, CA 92057

Pacific Beach
1650-A Garnet Avenue
San Diego, CA 92109

Point Loma
1004 Rosecrans Street
San Diego, CA 92106

Poway
14099 Stowe Drive
Poway, CA 92064

San Diego
5555 Mildred Street
San Diego, CA 92110

San Marcos
790 West San Marcos Boulevard
San Marcos, CA 92078

Santee
286 Town Center Parkway
Santee, CA 92071

Solana Beach
665 San Rodolfo Drive
Suite 110
Solana Beach, CA 92075

Sorrento Valley
10715 Sorrento Valley Road
San Diego, CA 92121

Torrey Pines
3366 North Torrey Pines Court
Suite 100
La Jolla, CA 92037

Vista
1475 West Vista Way
Vista, CA 92083

RIVERSIDE COUNTY

Murrieta
25165 Madison Avenue
Murrieta, CA 92562

Temecula
31693 Temecula Parkway
Temecula, CA 92592

Temecula North
29097 Overland Drive
Temecula, CA 92591

ORANGE COUNTY

Laguna Niguel
32341 Golden Lantern
Suite A
Laguna Niguel, CA 92677

