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Glendale, CA 91203

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(800) 240-4629
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REAL ESTATE
(877) CCU-4URE
(1-877-228-4873)

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A LEGACY
OF TRUST



TRUSTED PARTNER OF THE EDUCATION COMMUNITY 07

Dr. Clifford Allen Retires from CCU Board of Directors after 40 Years of Service

After serving as a volunteer with California Credit Union for more than 40 years, Dr. Clifford Allen retired from the CCU Board of Directors in 2007. Dr. Allen served as a member of the CCU Supervisory Committee from 1967 to 1973. From 1973 to 2007, Dr. Allen was a member of CCU's Board of Directors, holding several positions, including Chairman of the Board. Dr. Allen helped lead a series of initiatives that made it possible for California Credit Union to provide educators throughout California with exceptional financial services. At the time of his retirement, the Board of Directors officially designated Dr. Allen a "Director Emeritus." We thank Dr. Allen for his many years of valued service.



Dr. Francis Nakano, Dr. Clifford Allen, Mr. Hal Barney, Mr. James A. Figueroa

A LEGACY OF TRUST

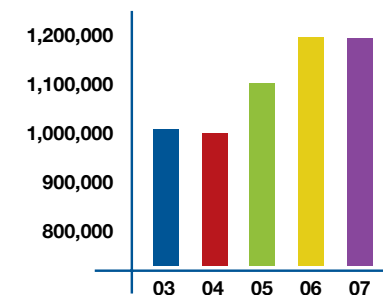
In 1933, when California Credit Union founder Georgia Parsons joined 10 other educators to charter the Los Angeles Teachers Credit Union, her goal was simple - to create a financial resource that her fellow teachers could trust to be there for themselves and their families. Now, as California Credit Union, we've been earning the trust of educators and families throughout our community.

It is trust that has turned that tiny group of educators into what is now a membership of more than 71,000. It is trust that has nurtured the growth of our assets from just \$55 to now almost \$1.2 billion. Trust has built branches, expanded product lines, created convenience and closed the gaps of accessibility in all corners of our community. Trust has made dreams come true and has seen goals achieved.

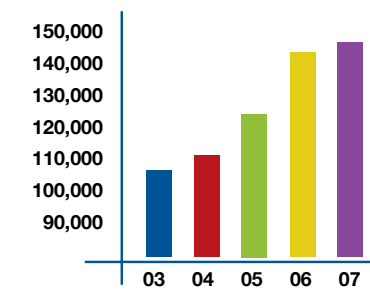
California Credit Union was founded on trust, and on trust we have grown, building a phenomenal legacy of service to our members. The trust that our members bestow upon California Credit Union makes our credit union that much stronger each and every year. So thank you, CCU members - for all that you entrust in us. And thank you, Georgia Parsons.

Financial Highlights (in thousands)

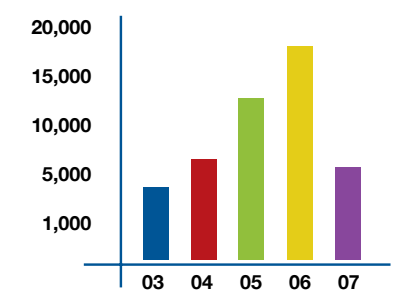
ASSETS (In Thousands)



CAPITAL (In Thousands)



NET INCOME (In Thousands)





Standing, L to R: The Honorable Scott J. Svonkin, Dr. Reginald T. Murphy, Ms. Surviva Mendoza, Mr. Walton Greene
Seated, L to R: Mr. Mario C. Florio, Mr. James A. Figueroa, Mr. Fredric Nigro

Board of Directors

- Board of Directors
- Mr. James A. Figueroa
Chairman
- The Honorable Scott J. Svonkin
Vice Chairman
- Mr. Walton Greene
Secretary/Treasurer
- Mr. Mario C. Florio
Director
- Ms. Surviva Mendoza
Director
- Dr. Reginald T. Murphy
Director
- Mr. Fredric Nigro
Director



Standing, L to R: Mr. Guilbert Hentschke, Mr. Lawrence Serot, Ms. Marcia Wade
Seated, L to R: Mr. E. Ted Fujimoto, Mr. Victor Hanson, Mr. Jones Low
Not pictured: Ms. Pamela Fees

Supervisory Committee

- Mr. Victor Hanson
Chairman
- Mr. E. Ted Fujimoto
Secretary
- Ms. Pamela Fees
Committee Member
- Mr. Guilbert Hentschke
Committee Member
- Mr. Jones Low
Committee Member
- Mr. Lawrence Serot
Committee Member
- Ms. Marcia Wade
Committee Member

Senior Management

- | | |
|---|--|
| Ronald L. McDaniel
President/Chief Executive Officer | Don Pistulka
Chief Financial Officer |
| Stephen R. O'Connell
EVP/Chief Operating Officer | Ron Stratman
Chief Marketing Officer |
| Patrick Carey
General Counsel/Chief Administrative Officer | John Brettbauer
Chief Lending Officer |
| | Chris Kerecman
SVP Business & Community Development |

REPORT of the Chairman of the Board

I am pleased to be delivering my first report as Chairman of the Board. It is phenomenal to be a part of something that plays such an integral and important role in people's lives. I am so honored to begin my service as Chairman with such a noble history upon which to build – and I thank my predecessors, Dr. Francis Nakano, who retired from his position as Chairman of the Board this year, and Dr. Clifford Allen, for his 40 years of valued service to our credit union, for their parts in helping CCU build such a great legacy.

This legacy of trust is not merely acquired – it is actively earned. Earned by being a valuable part of our community. California Credit Union strives to be a responsible contributor to the welfare of our community's educational system, educators, students and families in every way possible, actively seeking out opportunities to serve.

To serve our education community, California Credit Union provides financial support to enable school districts to bring employees together in the fall to discuss their focus for the school year – including the large Los Angeles Unified School District and Los Angeles County Office of Education meetings, as well as smaller events hosting only a few schools. In addition, our CCU 4 Schools program continues to give back to schools in our community, providing rebates to schools with every purchase made using the CCU 4 Schools Visa® Rewards credit cards. The beneficiary schools can then use these funds to help purchase supplies, computers, buses, and more. California Credit Union recently awarded Century Charter School \$5,866 in rebates, raised in only one year through our CCU 4 Schools Rewards Visa program.

Educators founded our credit union – so we owe educators a great debt of service. As the Platinum Apple sponsor of the Los Angeles County Teacher of the Year program, California Credit Union helps to provide positive, public recognition to outstanding public school teachers. In order to better understand these outstanding educators, as well as the complexities of school management, California Credit Union branch managers again participated in the Principal for a Day program in 2007, spending time observing the learning process in action.

In 2007, California Credit Union was again the largest corporate sponsor of the L.A. County academic decathlons, which turns out school teams that have long dominated state and national competitions. Our commitment goes beyond financial, with many CCU employees donating hundreds of hours of time to support the program as judges and essay proctors.

Our scholarship program continues to provide students in our community with much-needed funding for college expenses. In 2007, we awarded 35 scholarships of \$1,000 each to graduating high school seniors and community college transfer students. For 2008, California Credit Union will be increasing the number of scholarships to 75. We have also supported scholarships for adult education students through the Adult Education Scholarship Association.

Students in our community also benefited from our participation in programs like the United We Paint Coalition, which in 2007 gave a fresh coat of paint to Franklin Community Day School, a school serving 7th and 8th graders being given a last chance to modify behavioral challenges or face being moved to a more restrictive learning environment. Additional efforts benefiting students included a raffle designed to raise funds for the Environmental Charter High School's Green Ambassadors, helping these students' journey with eight inner-city children to Brazil to study wildlife, culture and language.

Education doesn't stop at our schools – financial education is a must for all families in our community. California Credit Union provides access to free, one-on-one budget counseling to every member of our credit union, as well as online literacy tools, workshops, and more.

We are glad to see that these efforts, in conjunction with our low-cost products and personal service, are resulting in positive feedback from our members. California Credit Union enjoys a high overall satisfaction rating of 61.7%.

We should all be proud of where we have come throughout our history. I know I am. And what a history it has been. Since our official incorporation date of July 10, 1933, this credit union has prospered through 75 years of continuous service to the members as LA Teachers and more recently as California Credit Union. I thank our members, all of you, for the essential part in our success that you have played. We are nothing, after all, without our members. I also thank our volunteers for the dedication you give to this cause. Thanks also go out from our entire Board of Directors to our senior management and staff for your continued, excellent service and hard work. Together, we continue to build upon this great legacy of trust.

James Figueroa
Chairman of the Board



REPORT of the President & CEO

When a partnership stands the test of many years, it is truly time to celebrate. California Credit Union is such a partnership, and here we are, celebrating a long tradition of service. This, like all successes worth celebrating, is the result of years of effort, diligence, and our members' trust.

With an aggressive branch network expansion plan in place, California Credit Union continued to make major improvements to our branch footprint, making locations more accessible and convenient. We relocated our Cahuenga Pass branch to our new North Hollywood branch location. We also opened a new branch on the LACOE campus in Downey, offering LACOE employees easy access to a full range of financial services right where they work. Three more branches are slated to open in 2008 in Carson, Covina and Santa Clarita, helping us reach our ambitious goal of doubling our branch network footprint from what it was just three years ago.

In keeping with this progress, California Credit Union initiated a core system conversion in 2007, allowing us to enhance the quality of the products and service we offer. This ambitious upgrade, conducted in late summer 2007, helped CCU make the necessary changes in order to improve the speed, efficiency and security of data management, which is integral to the operations of running our credit union in the best manner possible.

Another great success is the development of a new suite of products for our business banking members, which was fine-tuned in 2007 and is launching in 2008. This new array of services will provide our neighboring schools and businesses with a full-featured line of products designed to facilitate business success. Just like our consumer products and services, this business line will focus on providing low-cost but high-value financial services.

Even the face of California Credit Union was improved in 2007, as we launched a new logo and tagline. The undertaking was much more than simply having a new logo designed – it was the result of hours of testing and research, as we studied ways to convey the importance of our relationship to the education community. The classic book and apple icons clearly associate us with the educators with whom we have forged such close bonds, while the contemporary styling helps us position ourselves as a credit union of the future. Additionally, the new tagline, "Trusted Partner of the Education Community," clearly defines our allegiance to our members. We are proud of the result and are pleased to hear such positive feedback from our members and the education community.

Your trust has been well placed in California Credit Union, a financial cooperative that is more financially sound than ever. Our net worth ratio reached a new height of 12.60% – and with 7% being considered "well capitalized" by credit union regulators, we can all appreciate how that number translates into success. Likewise, our total reserves increased 3.3% to more than \$147 million. We also ended the year 2007 with strong numbers in assets totaling nearly \$1.2 billion.

Though we celebrate such a long tradition of member service, it really feels as though we are starting on a new path of excellence – with so many improvements accomplished and so many great plans ahead of us. So when we take just a moment to appreciate how far we have come, we can also stop to thank those who have contributed in so many ways to our success. I thank all our members; the true heart of our credit union, for keeping us motivated each year to strive for bigger and better things. To our staff, I thank all of you for your boundless energy and for living the promise of California Credit Union each day for the benefit of our members. Thank you also to our Board of Directors and Supervisory Committee members, for all the valuable time and resources you donate to the worthy cause of people helping people. That is the premise upon which California Credit Union was founded – and on that foundation, we will continue to build.

Ronald L. McDaniel
President & CEO

Supervisory Committee REPORT

California Credit Union operates in accordance with the Credit Union Sections of the Financial Code of the State of California, supplemented by the Special Credit Union Rules and Regulations of the Department of Financial Institutions.

The Supervisory Committee's responsibilities include communications and interactions with the federal and state regulatory agencies and CCU's internal and external auditors. We review the financial affairs of the Credit Union and ensure the safety and soundness of CCU by monitoring its adherence to established internal controls. The Committee communicates with the Board of Directors through reciprocal attendance at monthly meetings by representatives of each body. It also reports to the membership at the annual meeting.

The Supervisory Committee oversees the annual audit, which examines the business of CCU through the engagement of an independent certified public accounting firm. A component of the annual audit is the confirmation of accounts with members each year.

Based upon our 2007 activities and findings, we believe the business of CCU has been conducted in compliance with the rules of the Department of Financial Institutions and Credit Union Law and the accompanying financial statements of CCU are fairly presented and free of material misstatements.

Victor Hanson
Supervisory Committee Chairman

Financial Statements

Statements of Financial Condition

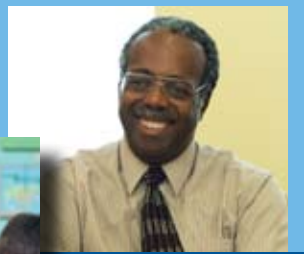
For the Years Ended December 31 (In Thousands)	2006	2007
ASSETS		
Cash and cash equivalents	\$39,191	\$44,862
Investments		
Securities available for sale, at fair value	84,922	29,246
Securities held to maturity (fair value of \$9,986 and \$9,810)	10,000	10,000
Other	59,942	65,837
Loans receivable, net of allowance for loan losses	919,926	957,817
Loans held for sale	586	6,585
Accrued interest receivable	5,159	5,814
Property and equipment, net of accumulated depreciation	12,294	15,151
National Credit Union Share Insurance Fund deposit	8,136	9,098
Other assets	57,040	50,710
Total Assets	\$1,197,196	\$1,195,120
LIABILITIES AND MEMBERS' EQUITY		
Members' shares	\$992,291	\$1,019,792
Borrowed funds	32,000	-
Accrued and other liabilities	30,385	28,033
Total Liabilities	1,054,676	1,047,825
Commitments and contingent liabilities	-	-
Members' equity, substantially restricted	142,520	147,295
Total Liabilities and Members' Equity	\$1,197,196	\$1,195,120

2007 data unaudited

Statements of Income

For the Years Ended December 31 (In Thousands)	2006	2007
Interest Income:		
Interest on Cash Balances	\$ 387,703	\$ 4,402,971
Interest on Loans	56,931,349	65,497,385
Income from Investments	6,310,577	5,025,148
Total Interest Income	63,629,629	74,925,504
Interest on Shares	24,462,943	34,390,667
Interest on Borrowings	2,747,801	1,011,001
Total Interest Expense	27,210,744	35,401,668
Net Interest Income	36,418,885	39,523,836
Provision for Loan Losses	(130,407)	6,198,827
Net Interest Income After Provision for Loan Losses	36,549,292	33,325,009
Non-Interest Income:		
Points Income	140,182	88,551
Net Real Estate Rental Income	1,030,116	426,942
Service Fee Income	6,409,893	7,478,770
Other Income	6,349,358	8,008,295
Non-Interest Income	13,929,549	16,002,558
Non-Interest Expense:		
Employee Compensation	15,737,066	17,076,492
Employee Benefits	5,615,482	5,485,362
Travel & Conference	365,502	434,425
Office Occupancy	3,657,817	3,211,517
Office Operations	7,391,388	9,528,920
Loan Servicing	2,256,295	2,641,208
Assessments	59,108	59,473
Professional Services	691,702	1,289,052
Education & Promotion	2,561,385	3,191,444
Other Operating Expenses	1,885,947	1,057,481
Non-Interest Expense	40,221,692	43,975,374
Net Income Before Extraordinary	10,257,149	5,352,193
Extraordinary Items	8,649,343	-
Net Income	\$ 18,906,492	\$ 5,352,193

2007 data unaudited



Products and Services

CHECKING AND SAVINGS

Checking Accounts
Savings Accounts
Money Market Accounts
Individual Retirement Accounts (IRAs)
Share Certificates

CONSUMER LOANS

Auto, RV, Boat or Personal
Watercraft Loans
Credit Cards
Visa® Traditional/Rewards
CCU 4 Schools Rewards Visa
Personal/Signature Loans
Student Loans
Overdraft Lines of Credit (Share Protection)
Payroll Advance
Share Secured Loans

REAL ESTATE LOANS

Mortgages
Home Equity Loans
Dreamline Home Equity Lines of Credit

COMMERCIAL REAL ESTATE

PARTICIPATION LOANS

SERVICES

Free Online Banking with Free Online Bill Pay
& e-statements
ATM & Debit Cards
Overdraft Protection
Touch Tone Teller
Direct Deposit
Payroll Deduction
ACH Origination (EZ-Connect)
Autoland Car Buying Service
Enterprise Used Car Sales
Insurance (Home, Auto, Term Life)
Financial Planning and Investment Services*
Educator Program
Directo A MéxicoSM
(International Money Remittance)

BUSINESS BANKING SERVICES

Basic Business Checking
Premium Business Checking
Business Analysis Checking
Money Market Accounts
Savings Accounts
Savings Certificates
Business Lending
Real Estate
Working Capital
Lines of Credit
Corporate Credit Cards
Telephone Transfers
Wire Transfers
Online Banking
Cash Management Services
Remote Deposit Image Capture

Branch Locations

BEAUDRY BRANCH

333 S. Beaudry Ave., Suite 215
(Beaudry & 3rd)
Los Angeles, CA 90017

GLENDALE BRANCH

701 North Brand Blvd., Suite 100
(Brand Blvd. & 134 Fwy.)
Glendale, CA 91203

INGLEWOOD BRANCH

2852 Imperial Hwy.
(Imperial & Crenshaw)
Inglewood, CA 90303

LACOE CAMPUS BRANCH

Personnel Commission Building
Downey, CA

NORTH HOLLYWOOD BRANCH

11331 Camarillo Street
(Camarillo & Tujunga)
North Hollywood, CA 91602

NORTH SAN FERNANDO VALLEY BRANCH

9026 Woodley Avenue
(Woodley & Nordhoff)
North Hills, CA 91343

PASADENA BRANCH

95 South Lake Avenue
(Lake & Green)
Pasadena, CA 91101

ROSENELL TERRACE BRANCH

420 North Rosenell Terrace
(Temple & Alvarado)
Los Angeles, CA 90026

TORRANCE BRANCH

22733 Hawthorne Blvd.
(Hawthorne & 227th)
Torrance, CA 90505

WEST LOS ANGELES BRANCH

2215 Westwood Blvd.
(Olympic & Westwood)
Los Angeles, CA 90064

WOODLAND HILLS BRANCH

6037 Topanga Canyon Blvd.
(Topanga Canyon & Oxnard)
Woodland Hills, CA 91367

CARSON

633 E. University Dr., Ste. A
Carson, CA 90746
Coming Soon!

SANTA CLARITA

23626 Valencia Blvd., Ste. H
Santa Clarita, CA 91355
Coming Soon!

COVINA

800 S. Barranca Ave., Ste. 110
Covina, CA 91723
Coming Soon!

Not NCUA Insured	Not Guaranteed by CCU	May Lose Value
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