Our story begins in 1931, during the depths of the Great Depression. It was then that the Elementary Teachers’ Club asked a Los Angeles teacher, Georgia B. Parsons, to represent them at the annual winter convention of public school superintendents being held in Atlantic City, New Jersey. Miss Parsons accepted, but when she approached local lenders asking to borrow money to purchase a wool suit for the trip, she was denied because the institutions “Didn’t favor teachers’ loans.” “This remark, I am sure I misunderstood at the time, but it had its effect all the same,” noted Miss Parsons. The idea was born right then and there. “Some day the teachers will have their own credit union.”

1933

The Los Angeles Teachers Credit Union (today’s California Credit Union) was incorporated on July 10, 1933. Eleven Los Angeles teachers started LATCU with $55. The by-laws were established, shares were priced at $5 each and authorized capital totaled $25,000. Miss Parsons’ vision had become a reality.
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5. Report of the Chairman of the Board and the President & CEO  
7. Supervisory Committee Report  
8. Thank You – CCU Board Members  
9. California Credit Union Cares About the Education Community  
10. Growth Trends  
11. Financial Statements  
13. Products and Services  
14. Branch Locations
We’ve come a long way since our story began in 1933 when Los Angeles teacher Georgia B. Parsons joined with 10 other teachers and administrators to charter the Los Angeles Teachers Credit Union (LATCU). By the end of that first year, membership grew to 82, while deposits climbed to $800. Through the years we have continued that focus of people helping people. Today as California Credit Union (CCU) we are one of the largest credit unions in Southern California serving over 88,000 members and totaling $1.46 billion in assets.

In 2015 CCU saw a strong increase in new membership and loan demand. We were proud to welcome 10,004 new members to the Credit Union. They joined with our existing membership in reaching out to CCU to meet their lending needs. One of the ways we accomplished this was by helping them buy their first home and refinancing their existing home loans to make them more affordable. The Real Estate Lending department financed 673 loans totaling over $234 million. In total, CCU produced over $555 million dollars in loans. This loan demand and year-over-year improvement in asset quality helped CCU produce net income of $9.1 million and maintain a strong net worth ratio of 10.52%.

The past year saw the relocation of the Torrance branch to a more convenient location that will help support future growth. The new branch has a modern look and feel to it with digital displays and touch screen monitors for members to use for online banking. CCU continued its support of the Charter School community by providing for facilities financing, working capital and expansion. A new CCU ATM was placed in the cafeteria inside the Los Angeles Unified School District’s headquarters, expanding the convenience of our ATM network. Members also received new Visa cards with chip technology, adding an additional layer of security. The embedded chip makes data less vulnerable to counterfeit fraud. CCU also began instantly issuing debit cards with chip technology in all branches.

A new Credit Union Service Organization (CUSO) was launched in 2015. The CUSO, known as California Members Title Insurance Company, handles residential and commercial property needs as a full service title insurer and settlement organization. It was created to provide superior service at competitive rates and to ensure every transaction is processed accurately and on time. It will serve our members as well as other credit unions and institution lenders throughout California providing an ongoing source of income for CCU.

CCU has a long tradition of giving back to the education community we serve. The California Credit Union Scholarship awarded 10 students...
$1000 each to help them realize their dream of higher education. Our Teacher Grant Program continued to fund innovative learning opportunities in classrooms throughout Los Angeles County. The CCU School Rewards Visa Program issued rebates to local schools totaling over $43,000. CCU staff continued its support for the Children’s Miracle Network by contributing over $18,000 through the Jeans For A Cause Program.

2015 also saw the creation of two new CCU programs in the education community. The Rookie of the Year Program was designed to recognize “Best First Year” teachers in the Los Angeles Unified School District who exemplify strength, effective practice and a diligence to their school and students. CCU sponsored the celebration of 23 teachers, along with their principals, board members and Superintendent Cortines, with a VIP Day at a Dodgers home game. The CCU Financial Scholars Program was created to bring financial literacy into the classroom and prepare students to be financially responsible adults. In 2015, over 500 students participated in the first semester program which consists of nine interactive learning modules that are integrated into their semester lessons.

Sincerely,

Walton Greene
Chairman,
Board of Directors

Ronald L. McDaniel
President and CEO

2015 was an Outstanding Year
A year of service, growth, and change. Looking ahead, we continue to seek out opportunities to better serve our members and remain your trusted financial partner.

1939
This vintage ad for the Credit Union informs members they can pay their doctor bills “The Credit Union Way,” suggesting they “Save systematically and solve their credit problems through the Credit Union.”

1941
This adorable Credit Union ad features the daughter of one of LATCU’s original members, who also served on the Board of Directors.

Chip Technology
Our chip enabled credit and debit cards add new security features and convenience for our members.

Torrance Branch Moves
With a modern feel and hi-tech features, Torrance is the first branch to showcase CCU’s new look.
It is the primary responsibility of the Supervisory Committee to work with federal and state agencies, as well as the Credit Union’s internal and external auditors, to review and report on the financial position of the Credit Union.

Based upon the Supervisory Committee’s on-going oversight activities, and upon review of the results of the 2015 financial audits and confirmation of member accounts, it is my pleasure to report that California Credit Union continues to be a financially and operationally sound institution.

With positive exam results from our regulators and a positive audit from our independent accounting firm, I can say without a doubt, in addition to its laudable operating performance, California Credit Union remains committed to ethical business practices, honesty, and financial integrity.

Sincerely,
Marcia M. Wade
Chairman,
Supervisory Committee

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**MILESTONES**

**1950**

The Credit Union is in its 18th year and loans have almost doubled from the previous year. Membership is up and the purchase of a microfilm machine is big news. A great benefit to the members is that interest rates for loans “remain the same as before World War II,” while personal loans repaid on the same terms cost from 40% to 50% higher with other banks.

**1958**

LATCU is expanding. Preparations are being made to move into their new building on Rosenell. There will be a total of 17,700 square feet at a cost of $398,000. Business is excellent, up 25% from last year. Assets are past $11,000,000 without any debt.
Thank You – CCU Board Members

Board of Directors

Walton Greene
Chairman

Surviva Mendoza
Vice-Chairman

Dr. Francis Nakano
Director

Fredric Nigro
Director

Victor Hanson
Secretary/Treasurer

Pamela Fees
Director

E. Ted Fujimoto
Director

Ron McDaniel
President, CEO

John Brethhouer
EVP, Chief Operating Officer

Patrick Carey
EVP, Chief and General Counsel

Mark Lovewell
EVP, Chief Financial Officer

1960

The Credit Union has a 25th anniversary and invites members to make full use of its new headquarters on Rosnell. Borrowers are enjoying the lowest interest rates available and next day decisions on most loan applications.

1973

LATCU receives a citation from the city proclaiming “It is now the largest Credit Union in the United States,” with assets of more than $93,000,000 and serving more than 55,000 members. 1973 was a year of consistent growth and impressive gains in loans, savings, membership and assets.
LAUSD Rookie of the Year
CCU created this annual event to honor the “Best First Year” teachers. Each winner and their guest, enjoyed a VIP Day at Dodger’s Stadium and a personalized Dodger jersey.

LACOE Teachers of the Year
Each winning teacher received a $1,000 honorarium donated by CCU. We are honored to support this program that recognizes outstanding teachers in the Los Angeles area.

LAUSD Superintendents’ Meeting
CCU was proud to sponsor LAUSD’s 2015 Superintendents’ Meeting and provide breakfast for the attendees. Los Angeles Superintendent of Schools Ramon C. Cortines addressed members of the Los Angeles Board of Education, and nearly 1,500 principals, assistant principals and District administrators.

1974
LATCU enters the computer age with an IBM computer system. The new system will provide accounting and teleprocessing to improve efficiency and maintain a low cost per account, even with an increased workload.

California Charter Schools Association
COBA Annual Black Child Conference
LACOE Academic Decathlon
LACOE Earth Month
LACOE Teachers of the Year
LAUSD Academic Decathlon
LAUSD New Teacher Summer Institute
LAUSD Pay Card
LAUSD Superintendents’ Meeting
Santa Clarita Valley WiSH Education Foundation
United Teachers of Los Angeles

School Employee Programs
Classroom Supply Loan
Charter School Business Banking
Educator Skip-A-Pay
Gear Up Loan
Mortgage Loan Discount
Relocation Loan
School Employee Summer Savings
Teacher Credential Loan

Scholarships and Grants
CCU Student Scholarship Program
$1,000 Scholarships are awarded in the Spring
CCU Teacher Grant Awards
A total of 20, $500 Grants are awarded in the Spring and in the Fall
1976

The Credit Union’s “Sunday Band Concert” entry in the Pasadena Tournament of Roses Parade, wins the Sweepstakes Award.

1997

Officially “California Credit Union” for more than a year, CCU opens its first new ATMs in convenient locations. New branches open in Pasadena and West LA.
Financial Statements

Statements of Financial Condition

For the Years ended December 31 (In Thousands)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$56,037</td>
<td>$50,932</td>
</tr>
<tr>
<td>Investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Securities available for sale, at fair value</td>
<td>242,314</td>
<td>312,408</td>
</tr>
<tr>
<td>Other</td>
<td>9,284</td>
<td>8,929</td>
</tr>
<tr>
<td>Loans held for sale</td>
<td>3,893</td>
<td>2,725</td>
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<tr>
<td>Loans receivable, net of allowance for loan losses</td>
<td>1,053,905</td>
<td>866,950</td>
</tr>
<tr>
<td>Accrued interest receivable</td>
<td>4,500</td>
<td>3,973</td>
</tr>
<tr>
<td>Property and equipment, net of accumulated depreciation</td>
<td>62,223</td>
<td>54,455</td>
</tr>
<tr>
<td>National Credit Union Share Insurance Fund deposit</td>
<td>10,642</td>
<td>9,682</td>
</tr>
<tr>
<td>Other assets</td>
<td>20,742</td>
<td>24,103</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$1,463,540</td>
<td>$1,334,157</td>
</tr>
</tbody>
</table>

| **LIABILITIES AND MEMBERS’ EQUITY** |          |          |
| Members’ shares          | $1,167,309 | $1,028,679 |
| Borrowed Funds           | 150,000    | 170,000   |
| Accrued expenses and other liabilities | 28,317    | 20,528    |
| **Total Liabilities**   | 1,345,626  | 1,219,207 |
| Members’ equity, substantially restricted: |          |          |
| Regular reserve          | 16,459     | 16,459    |
| Undivided earnings       | 137,551    | 128,493   |
| Accumulated other comprehensive loss | (36,096)  | (30,002)  |
| **Total members’ equity** | 117,914  | 114,950   |

**TOTAL LIABILITIES AND MEMBERS’ EQUITY** $1,463,540 $1,334,157

2015 data unaudited, as presented

1998

In its 65th year, California Credit Union purchases its present headquarters in Glendale to accommodate our expanding company. When renovations are complete in 1999, we move from our Cahuenga location to our new, larger office space.

2004

The Credit Union reaches the $1 billion mark! The milestone was celebrated and employees received commemorative gift bags in appreciation for their dedication and contributions to the growth and continued success of CCU.
## Statements of Income

For the Years Ended December 31 (In Thousands)

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INTEREST INCOME:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash balances</td>
<td>$129</td>
<td>$192</td>
</tr>
<tr>
<td>Loans receivable</td>
<td>41,224</td>
<td>37,155</td>
</tr>
<tr>
<td>Investments</td>
<td>5,771</td>
<td>4,695</td>
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<tr>
<td>Total Interest Income</td>
<td>47,124</td>
<td>42,042</td>
</tr>
<tr>
<td><strong>INTEREST EXPENSE:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Members’ shares</td>
<td>3,774</td>
<td>2,413</td>
</tr>
<tr>
<td>Borrowings</td>
<td>940</td>
<td>529</td>
</tr>
<tr>
<td>Total Interest Expense</td>
<td>4,714</td>
<td>2,942</td>
</tr>
<tr>
<td><strong>NET INTEREST INCOME:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>42,410</td>
<td>39,100</td>
</tr>
<tr>
<td><strong>PROVISION FOR LOAN LOSSES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>541</td>
<td>574</td>
</tr>
<tr>
<td><strong>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES:</strong></td>
<td>41,869</td>
<td>38,526</td>
</tr>
<tr>
<td><strong>NON-INTEREST INCOME:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member fees and service charges</td>
<td>8,980</td>
<td>8,703</td>
</tr>
<tr>
<td>Service income and other</td>
<td>8,378</td>
<td>8,138</td>
</tr>
<tr>
<td>Net gain on sale of real estate</td>
<td>—</td>
<td>8,936</td>
</tr>
<tr>
<td>Net gain on sale of loans</td>
<td>4,362</td>
<td>3,456</td>
</tr>
<tr>
<td>Net gain on sale of investments</td>
<td>340</td>
<td>297</td>
</tr>
<tr>
<td>Net real estate rental income</td>
<td>2,394</td>
<td>2,231</td>
</tr>
<tr>
<td>Total Non-Interest Income</td>
<td>24,454</td>
<td>31,761</td>
</tr>
<tr>
<td><strong>Non-Interest Expense:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensation and benefits</td>
<td>32,188</td>
<td>26,795</td>
</tr>
<tr>
<td>Office occupancy</td>
<td>5,795</td>
<td>5,345</td>
</tr>
<tr>
<td>NCUF premium assessment</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>19,282</td>
<td>16,469</td>
</tr>
<tr>
<td>Total Non-Interest Expense</td>
<td>57,265</td>
<td>48,609</td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td>$9,058</td>
<td>$21,678</td>
</tr>
</tbody>
</table>
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
Visa® Credit Cards
- Premium Visa
- Elite Rewards Visa
- School Rewards Visa
Personal/Signature Loans
Overdraft Lines of Credit (Share Protection)
Share Secured Loans

REAL ESTATE LOANS
Mortgages
Purchases and Refinancing
Fixed Rate
Adjustable Rate Mortgages (ARMs)
- Hybrid ARMs
- Standard ARMs
Home Equity Loans
Home Equity Lines of Credit

SERVICES
Free Online Banking
Free Online Bill Pay
Mobile and Text Banking
ATM & Debit Cards
Overdraft Protection
TouchTone Teller
Direct Deposit
Payroll Deduction
EZ-Connect
New and Used Auto Buying Services
Insurance (Home, Auto, AD&D)
School Employee Program
Financial Planning and Investment Services*

BUSINESS BANKING
Basic Business Checking
Premium Business Checking
Business Analysis Checking
Business Money Market Accounts
Business Lending
- Real Estate
- Working Capital
- Lines of Credit
- Business Premium Visa
- Equipment Purchase
- Facilities Acquisition
Cash Management Services
Online Banking and Bill Pay
Remote Deposit Image Capture
Wire Transfers

2014
2014 was an outstanding year for CCU. We welcomed 7,100 new members and a record number of members took advantage of low real estate rates. New locations were purchased for our Pasadena, Torrance and West LA branches. The new branches will feature our new look, digital displays and hi-tech innovations for a better experience for our members.

* Financial Planning and Investment Services only: Securities offered through LPL Financial, member FINRA/SIPC. Insurance products offered through LPL Financial or its licensed affiliates. California Credit Union and CCU Investment Services are not registered broker/dealer(s) and are not affiliates of LPL Financial.
1. Beaudry Branch
   (LAUSD Headquarters)
   333 S. Beaudry Ave.
   (Beaudry & 3rd)
   Los Angeles, CA 90017

2. Carson Branch
   633 East University Dr.
   (University & Avalon)
   Carson, CA 90746

3. Covina Branch
   800 S. Barranca Ave.
   (Barranca & Workman)
   Covina, CA 91723

4. Downey Branch
   (LACOE Campus)
   9300 East Imperial Hwy.
   (Imperial & Ardis)
   Downey, CA 90242

5. Glendale Branch
   701 North Brand Blvd.
   (Brand & 134 Fwy.)
   Glendale, CA 91203

6. Inglewood Branch
   3550 West Century Blvd.
   (Century & Yukon)
   Inglewood, CA 90303

7. North Hills Branch
   9026 Woodley Ave.
   (Woodley & Nordhoff)
   North Hills, CA 91343

8. North Hollywood Branch
   11331 Camarillo St.
   (Camarillo & Tujunga)
   North Hollywood, CA 91602

9. Pasadena Branch
   95 South Lake Ave.
   (Lake & Green)
   Pasadena, CA 91101

10. Rosenell Terrace Branch
    420 North Rosenell Terr.
    (Temple & Alvarado)
    Los Angeles, CA 90026

11. Torrance Branch
    20016 Hawthorne Blvd.
    (Hawthorne & Del Amo)
    Torrance, CA 90503

12. Valencia Branch
    24343 Magic Mountain Parkway
    (River Oaks Shopping Center, next to Target)
    Santa Clarita, CA 91355

13. West Los Angeles Branch
    2215 Westwood Blvd.
    (Olympic & Westwood)
    Los Angeles, CA 90064
THE TRUSTED PARTNER OF THE EDUCATION COMMUNITY

CaliforniaCU.org
(800) 334-8788