

## Chair /President's Message

Since our inception in 1949, Central Coast Federal Credit Union has been dedicated to serving the financial needs of our local community. This has never been more evident than with the shake up in 2008, a history making year on the political and economical front, as well as our national and global economy still feeling the "pain" as we are approaching into 2009. However, it is with distinct pleasure to report that Central Coast Federal Credit Union took the turbulent times of 2008 and remained steady and stable.

We are currently serving well over 10,000 friends and neighbors in our ever-expanding community of member-owners and will continue to produce many new services and products for 2009 and beyond. Keeping our awareness of our history, involvement in our community and a commitment to employee satisfaction has all made a positive impact. Central Coast Federal Credit Union remained well capitalized at the end of 2008 at 13.2%, added over \$9.8 million in loans to its portfolio, grew assets by 6.9%, as well as keeping its office operations and occupancy below last year and budgeted projections. Our branches run with the dedication and professionalism of all our managers, staff employees, and the welcoming smiles of our members. In these times where other businesses are having to reduce staff, Central Coast Federal Credit Union is working in such a streamlined and cost efficient manner, that employee turnover is virtually at zero and we have not reduced any staff support.

Central Coast's core values, mission and vision statements are evident in each experience every time you enter one of our branches. It is rooted in the training and emphasized with genuine care with each greeting, every transaction and each extra mile given. We welcome our members with a pleasant banking experience, a keen eye on the financial horizon, looking towards the future, and aiming for success. Our goal is to achieve steady, sustainable growth which is directly linked to the dynamic relationship between employee satisfaction and outstanding member service. With the events of 2008, our local community continues to feel the "pains" of a growing unemployment and the drastic decline in house values, thus resulting in a higher provision for our loan losses. Rest assured your Credit Union has taken all the necessary steps to work with our members in these turbulent times.

Giving back to our community is still at the core of our existence. Our employees and members have been very generous with their time and money to insure that our Credit Union continues to serve those in need. We have countless hours supporting the different organizations that go above and beyond the norm to help others. We take pride in admiring our staff for going that extra mile in promoting these organizations and their events.

It is with sincere thanks to Central Coast's volunteer Board of Directors and Supervisory Committee that we are where we are today. Their gracious donations of time and expert guidance ensure that the long history of financial responsibility, exemplary ethics and shared core values with the organization are preserved.

We would also like to acknowledge the extraordinary contributions of the Management Team and dedicated employees who continue to provide the highest quality care, focus and friendly service to our increasing membership. Finally, to our loyal and supportive members, for your continual dedication to Central Coast Federal Credit Union- rich in history, a solid presence in the community, and a financial and formidable force for years to come.

- Juanita Casiano-Ferrante, Chair

- Leinette Limtiaco, President CEO

## Vice President's Message

Given the economic challenges and concerns in the financial services sector, it is imperative for us to maintain our focus on the fundamentally sound financial decisions that have made CCFCU the "Safe Place" for more than 10,000 of our Community members. We are committed to consistently delivering well designed products with a personal touch that add value to the lives of our members and ultimately increase the quality of life for everyone that we touch.

It is from the investment of time, energy, and resources that our staff, board, and members contribute to the Community that has truly made an impact on the people of Monterey County. As locally owned financial institutions continue to become scarce, it is incumbent upon us to maintain a strong connection with the Community and give back to the people who have given us so much over the past 60 years. For us, "Community Minded" is not just a slogan, it is a promise.

-Bruce K. Adams, Vice President

## Loan Manager's Message

During this critical time, your credit union continues to make sound lending decisions keeping the foundation of our lending portfolio secure and sound. We do this by not looking only in one direction, but take a 360 degree look at lending. This approach allows us to research programs and policies that have positive impact on the lives of our individual members.

The Credit Rebuilder Loan and Credit Enhancement Program slowed down slightly in 2008, but educating members regarding credit still remains a priority to our lending staff. Our Indirect Consultant works closely with the dealership, keeping the respected name of Central Coast Federal Credit Union active in the dealership arena, but we are not aggressively pursuing that product. The focus for 2008 was building growth and relations by direct member contact. The "Dreams Do Come True" promotion was highly successful to the members and credit union. Mortgage loans continued to be challenging in the "wait and see" environment. But comfort can be taken in the fact that we have always taken a conservation approach to mortgage lending.

The lending staff remains committed to offering excellent member service, and educating our members on the importance of credit. - Mary Nunez, Loan Manager



# 2008 Annual Report

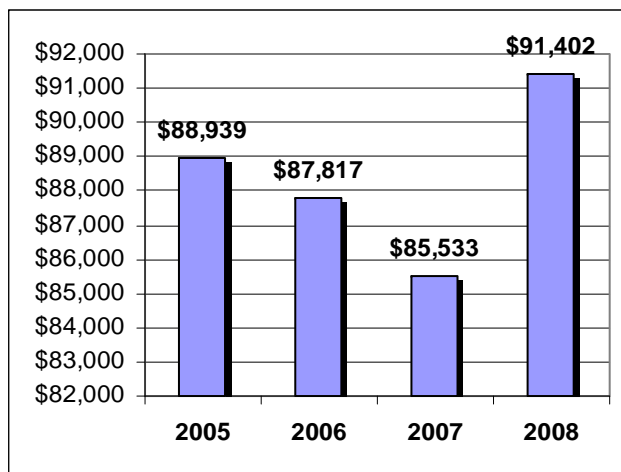


**Serving the People of  
Monterey County Since 1949**

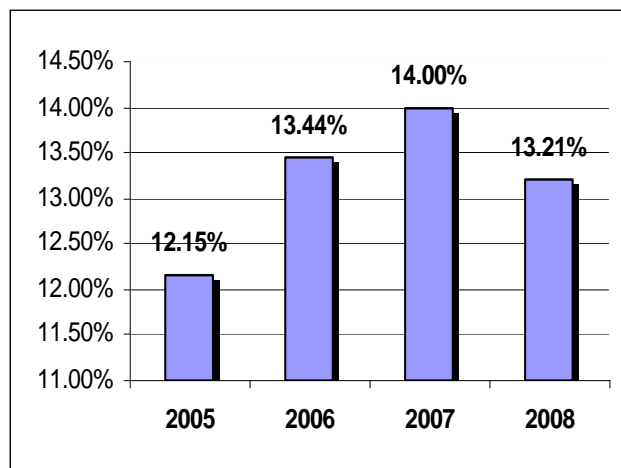
Community  
Minded.  
Just like you

Tel: (831) 393-3480  
www.centcoastfcu.com  
Email: info@centcoastfcu.com

## Assets (in thousands)



## Reserves to Assets



### Board of Directors

Juanita Casiano-Ferrante, *Chair*  
 Gary Bever, *Vice Chair*  
 Joan Johnson, *Secretary*  
 LTC. Tom Hendricks (USA Ret.)  
 COL. John Turner (USA Ret.)  
 Vince Ferrante  
 Joe Gunter

## Statement of Financial Condition December 31, 2008

	2007	2008
<b>ASSETS</b>		
Loans-Net	\$ 37,545,304	\$ 37,639,133
Cash	\$ 2,544,928	\$ 2,520,186
Investments	\$ 42,897,323	\$ 48,006,941
Fixed Assets- Net	\$ 1,107,870	\$ 1,072,275
Other assets	\$ 1,437,465	\$ 2,163,230
	<u>\$ 85,532,890</u>	<u>\$ 91,401,765</u>
<b>LIABILITIES</b>		
Accounts Payable	\$ 23,784	\$ 40,705
Accrued Dividends	\$ 69,116	\$ 37,527
Other Liabilities	\$ (18,190)	\$ 6,548
<b>EQUITY</b>		
Shares	\$ 24,779,264	\$ 28,321,582
Money Market	\$ 2,581,710	\$ 4,584,253
IRA's	\$ 9,019,261	\$ 9,682,433
Term Certificates	\$ 28,959,179	\$ 28,402,946
Share Drafts	\$ 8,147,543	\$ 8,249,892
Undivided Earnings & Reserves	\$ 11,971,222	\$ 12,075,879
	<u>\$ 85,532,890</u>	<u>\$ 91,401,765</u>
<b>OPERATING STATEMENT</b>		
	2007	2008
<b>GROSS INCOME</b>		
Interest on Loans	\$ 2,688,785	\$ 2,570,579
Investment Income	\$ 2,077,931	\$ 2,086,446
Other Income	\$ 966,811	\$ 1,095,768
<b>TOTAL GROSS INCOME</b>	<u>\$ 5,733,527</u>	<u>\$ 5,752,793</u>
<b>EXPENSES</b>		
Operating Expenses	\$ 3,129,412	\$ 3,277,208
Provision for Loan Losses	\$ 304,300	\$ 766,665
	<u>\$ 3,433,712</u>	<u>\$ 4,043,873</u>
Income from Operations	\$ 2,299,815	\$ 1,708,920
Gain (Loss) on Disposition of Assets & Investments	\$ 1,905	\$ 241
Shareholder Dividends	\$ 1,922,420	\$ 1,705,651
<b>TOTAL NET INCOME</b>	<u>\$ 379,300</u>	<u>\$ 3,028</u>