



May 1, 2009

Dear Members:

Recently, we posted a copy of the San Diego County Credit Union 2008 Annual Report which included our unaudited financial statement. Following the distribution of the Annual Report, the National Credit Union Administration (NCUA), which insures shares through the National Credit Union Share Insurance Fund (NCUSIF), announced a Corporate Credit Union Stabilization Program in response to economic concerns involving several corporate credit unions. The Program is designed to add stability to and strengthen the corporate credit unions. Corporate credit unions are considered wholesale entities that provide services only to member retail credit unions, such as SDCCU®, not to individual members.

In response to the Program, all federally insured retail credit unions, including SDCCU, were assessed an amount to be paid into the NCUSIF. The assessment is solely directed at stabilizing corporate credit unions. The NCUA required that the retail credit unions record the assessment on their financial statements either in the 4th quarter of 2008 or the 1st quarter of 2009. SDCCU chose to record this assessment on our 2008 Financial Statement. Accordingly, the payment required by this assessment resulted in a reduction of our 2008 income. You may view the updated Financial Statement on our website at sdccu.com, keyword: Annual Report.

SDCCU remains strong, as our updated capital level, post-assessment, as of December 31, 2008, remains significantly higher, at 10.38%, than the minimum regulatory requirement to be considered well capitalized, which is 7%. Your credit union deposits up to \$250,000 will continue to be fully insured by the NCUSIF. This is the same level that bank accounts are insured to by the FDIC.

We are also pleased to report to you that 2009 has started with positive momentum and San Diego County Credit Union still remains the largest locally based financial institution in San Diego. We will continue to launch state of the art products and services in 2009 and beyond. SDCCU also continues growing in Southern California – with our new Laguna Niguel Branch in Orange County now open and our new Mission Valley Branch coming soon. We have been here for Southern Californians for over 70 years and are proud to have over 200,000 members. The Board of Directors and the entire staff of San Diego County Credit Union thank you for your continued membership and support. We value your membership and look forward to remaining your financial partner for years to come.

Sincerely,

A handwritten signature in black ink that reads "Irene Oberbauer".

Irene Oberbauer
President & CEO

