CHEVRON FEDERAL CREDIT UNION

FINANCIAL STATEMENTS
December 31, 2009 and 2008

CHEVRON FEDERAL CREDIT UNION
Oakland, California

FINANCIAL STATEMENTS
December 31, 2009 and 2008

CONTENTS

Crowe Horwath LLP
Independent Member Crowe Horwath International

REPORT OF INDEPENDENT AUDITORS

Supervisory Committee
Chevron Federal Credit Union
Oakland, California

We have audited the accompanying statement of financial condition of Chevron Federal Credit Union (a federally chartered credit union) as of December 31, 2009 and the related statement of income, comprehensive income, members' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Credit Union's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Chevron Federal Credit Union as of December 31, 2008, were audited by other auditors whose report dated March 31, 2009, express an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2009 financial statements referred to above present fairly, in all material respects, the financial position of Chevron Federal Credit Union as of December 31, 2009, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Crowe Horwath LLP

Crowe Horwath LLP

Sherman Oaks, California
March 25, 2010

CHEVRON FEDERAL CREDIT UNION
STATEMENTS OF FINANCIAL CONDITION
December 31, 2009 and 2008
(Dollar amounts in thousands)

	2009	2008
ASSETS		
Cash and cash equivalents	$ 38,824	$ 51,554
Interest bearing certificates in corporate credit unions	-	4,405
Investments		
Available-for-sale	198,630	171,560
Held-to-maturity (fair value 2009 - $191,543, 2008 - $230,083)	187,152	230,646
Restricted stock in FHLB SF	9,033	7,695
Loans to members, net	929,364	765,314
Accrued interest receivable	4,326	4,877
Property and equipment, net	2,196	2,335
National Credit Union Share Insurance Fund (NCUSIF) deposit	11,138	7,717
Derivative Assets	16,149	1,917
Other assets	5,202	5,652
	$ 1,402,014	$ 1,253,672
LIABILITIES AND MEMBERS' EQUITY		
Liabilities		
Members' shares	$ 1,212,546	$ 1,087,974
Accrued expenses and other liabilities	4,268	4,402
Borrowed funds	15,000	15,000
Total liabilities	1,231,814	1,107,376
Commitments and contingent liabilities		
Members' equity		
Retained earnings	165,819	146,483
Accumulated other comprehensive income (loss)	4,381	(187)
Total members' equity	170,200	146,296
	$ 1,402,014	$ 1,253,672

See accompanying notes to financial statements.

CHEVRON FEDERAL CREDIT UNION
STATEMENTS OF INCOME
For the years ended December 31, 2009 and 2008
(Dollar amounts in thousands)

	2009	2008
Interest income		
Interest on loans to members	$ 47,286	$ 42,245
Interest on investments and cash equivalents	15,953	19,222
	63,239	61,467
Interest expense		
Dividends on members' shares	20,056	30,968
Interest on borrowed funds	664	939
Derivative interest expense	1,413	20
	22,133	31,927
Net interest income	41,106	29,540
Provision for loan losses	4,690	5,039
Net interest income after provision for loan losses	36,416	24,501
Non-interest income		
Card interchange income	1,354	1,446
Service charges and other fees	3,217	3,058
Other non-interest income	1,374	829
Infrequently occurring gains (Note 10)	331	31,353
	6,276	36,686
General and administrative expenses		
Salaries and benefits	15,304	13,264
NCUSIF premium assessment	1,671	-
Operations	9,455	9,385
Occupancy	1,565	1,435
Change in fair value of derivatives	(4,639)	4,427
Visa indemnification (income) expense (Note 11)	-	(8,006)
	23,356	20,505
Net income	$ 19,336	$ 40,682

See accompanying notes to financial statements.

CHEVRON FEDERAL CREDIT UNION
STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2009 and 2008
(Dollar amounts in thousands)

	2009	2008
Net income	$ 19,336	$ 40,682
Other comprehensive income		
Unrealized holding gains on investments classified as available-for-sale	3,885	67
Change in fair value of derivatives previously used for cash flow hedges	684	(27)
Comprehensive income	$ 23,905	$ 40,722

See accompanying notes to financial statements.

CHEVRON FEDERAL CREDIT UNION
STATEMENTS OF MEMBERS' EQUITY
For the years ended December 31, 2009 and 2008
(Dollar amounts in thousands)

	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Members' Equity
Balance, December 31, 2007	$ 105,801	$ (227)	105,574
Net income	40,682	-	40,682
Net change in unrealized gains (losses) on available-for-sale investments	-	67	67
Change in fair value of derivatives previously used for cash flow hedges	-	(27)	(27)
Balance, December 31, 2008	146,483	(187)	146,296
Net income	19,336	-	19,336
Net change in unrealized gains (losses) on available-for-sale investments	-	3,884	3,884
Change in fair value of derivatives previously used for cash flow hedges	-	684	684
Balance, December 31, 2009	$ 165,819	$ 4,381	$ 170,200

See accompanying notes to financial statements.

CHEVRON FEDERAL CREDIT UNION
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2009 and 2008
(Dollar amounts in thousands)

	2009	2008
Cash flows from operating activities		
Net income	$ 19,336	$ 40,682
Adjustment to reconcile net income to net cash provided by operating activities		
Amortization of securities, net	439	470
Provision for loan losses	4,690	5,039
Impairment loss of Wescorp capital deposits	-	3,054
Depreciation and amortization	1,136	1,164
Change in fair value of derivatives	(4,523)	6,336
Net change in:		
Accrued interest receivable	551	397
Other assets	1,134	(1,646)
Accrued expenses and other liabilities	(134)	(6,670)
Net cash provided by operating activities	22,629	48,826
Cash flows from investing activities		
Purchases of available-for-sale investments	(109,096)	(133,790)
Proceeds from maturities of available-for-sale investments	85,792	62,095
Purchases of held-to-maturity investments	(54,990)	(194,193)
Proceeds from maturities of held-to-maturity investments	98,164	103,746
Proceeds from (redemption of) corporate credit union certificates	4,405	33,405
Purchase of derivative instruments	(9,710)	(4,659)
Net change in restricted stock FHLB SF	(1,338)	1,108
Net change in loans to members	(168,740)	(73,320)
Increase in the National Credit Union Share Insurance Fund deposit	(3,421)	(830)
Purchases of property and equipment	(997)	(967)
Net cash used in investing activities	(159,931)	(207,405)
Cash flows from financing activities		
Net increase in members' shares	124,572	174,545
Repayment of borrowed funds	-	(10,000)
Net cash provided by financing activities	124,572	164,545
Increase (decrease) in cash and cash equivalents	(12,730)	5,966
Cash and cash equivalents at beginning of year	51,554	45,588
Cash and cash equivalents at end of year	$ 38,824	$ 51,554
Supplemental cash flow information		
Dividends paid on members' shares and interest paid on borrowed funds	$ 21,737	$ 34,989

See accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations and Principles of Consolidation: Chevron Federal Credit Union (the Credit Union) is a cooperative association holding a corporate charter under the provisions of the Federal Credit Union Act. Participation in the Credit Union is limited to those individuals that qualify for membership, including employees and retirees of Chevron Corporation, its wholly-owned subsidiaries, selected affiliated companies of Chevron Corporation and family of Credit Union members. The field of membership is defined in the Credit Union's Charter and Bylaws.

Subsequent Events: The Credit Union has evaluated subsequent events for recognition and disclosure through March 25, 2010, which is the date the financial statements were available to be issued.

Use of Estimates: To prepare financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions based on available information. These estimates and assumptions affect the amounts reported in the financial statements and the disclosures provided, and actual results could differ. The allowance for loan losses, and fair values of financial instruments are particularly subject to change.

Cash Flows: Cash and cash equivalents include cash, deposits with other financial institutions with maturities fewer than 90 days. Net cash flows are reported for member loan and share transactions and interest bearing certificates in corporate credit unions.

Interest-Bearing Certificates in Corporate Credit Unions: Interest-bearing certificates in corporate credit unions mature within one year and are carried at cost. There were no Interest-Bearing Certificates in Corporate Credit Unions at December 31, 2009.

Securities: Debt securities are classified as held to maturity and carried at amortized cost when management has the positive intent and ability to hold them to maturity. Debt securities are classified as available for sale when they might be sold before maturity. Securities available for sale are carried at fair value, with unrealized holding gains and losses reported in other comprehensive income.

Interest income includes amortization of purchase premium or discount. Premiums and discounts on securities are amortized on the level-yield method without anticipating prepayments, except for mortgage backed securities where prepayments are anticipated. Gains and losses on sales are recorded on the trade date and determined using the specific identification method.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Management evaluates securities for other-than-temporary impairment ("OTTI") at least on a quarterly basis, and more frequently when economic or market conditions warrant such an evaluation.

Federal Home Loan Bank Stock: The Credit Union, as a member of the Federal Home Loan Bank (FHLB) system, is required to maintain an investment in capital stock of the FHLB of San Francisco in an amount equal to the greater of 1% of a majority of its outstanding mortgage loans and investments or 5% of advances from the FHLB. No ready market exists for the FHLB stock, and it has no quoted market value. Effective January 1, 2009, the FHLB has announced that they will cease paying dividends and cease redemptions of outstanding stock until capital returns to target levels. A dividend was declared for the fourth quarter of 2009.

The Credit Union views its investment in the FHLB stock as a long-term investment. Accordingly, when evaluating FHLB stock for impairment, the value is determined based on the adequacy of capital levels after other than temporary impairment rather than recognizing temporary declines in values. The determination of whether a decline affects the ultimate recovery is influenced by criteria such as: (1) the significance of the decline in net assets of the FHLBs as compared to the capital stock amount and length of time a decline has persisted; (2) impact of legislative and regulatory changes on the FHLB; and (3) the liquidity position of the FHLB. The Credit Union does not believe its investment is impaired at December 31, 2009. However, this estimate could change in the near term as a result of any of the following events: (1) significant OTTI losses are incurred on their mortgage-backed securities (MBS) causing a significant decline in their regulatory capital status; (2) the economic losses resulting from credit deterioration on the MBS increases significantly; and (3) capital preservation strategies being utilized by the FHLB become ineffective.

Loans to Members: Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at the principal balance outstanding, less deferred loan fees and costs, and an allowance for loan losses. Interest income is accrued on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, are deferred and recognized in interest income using the level-yield method without anticipating prepayments.

Interest income on mortgage loans is discontinued at the time the loan is 90 days delinquent. Consumer loans are typically charged off no later than 180 days past due. Past due status is based on the contractual terms of the loan. In all cases, loans are placed on nonaccrual or charged-off at an earlier date if collection of principal or interest is considered doubtful.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All interest accrued but not received for loans placed on nonaccrual is reversed against interest income. Interest received on such loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

<u>Concentration of Credit Risk</u>: Most of the Credit Union's business activity is with its members who are or were employed by Chevron Corporation or affiliated companies. The majority of the Credit Union's loan portfolio is comprised of real estate loans. The Credit Union does not originate subprime mortgage loans and has none in its investment portfolio. Additionally, the Credit Union may be exposed to credit risk from a regional economic standpoint, since a significant concentration of its borrowers work or reside in California.

<u>Allowance for Loan Losses</u>: The allowance for loan losses is a valuation allowance for probable incurred credit losses. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance. Management estimates the allowance balance required using past loan loss experience, the nature and volume of the portfolio, information about specific borrower situations and estimated collateral values, economic conditions, and other factors.

Allocations of the allowance may be made for specific loans, but the entire allowance is available for any loan that, in management's judgment, should be charged off.

The allowance consists of specific and general components. The specific component relates to loans that are individually classified as impaired or loans otherwise classified as substandard or doubtful. The general component covers non-classified loans and is based on historical loss experience adjusted for current factors.

A loan is impaired when, based on current information and events, it is probable that the Credit Union will be unable to collect all amounts due according to the contractual terms of the loan agreement. Loans, for which the terms have been modified, and for which the borrower is experiencing financial difficulties, are considered troubled debt restructurings and classified as impaired.

Troubled debt restructurings are measured at the present value of estimated future cash flows using the loan's effective rate at inception including the probability of redefault.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Transfers of Financial Assets: Transfers of financial assets are accounted for as sales, when control over the assets has been relinquished. Control over transferred assets is deemed to be surrendered when the assets have been isolated from the Credit Union, the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and the Credit Union does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

NCUSIF Deposit: The National Credit Union Share Insurance Fund ("NCUSIF") deposit is in accordance with National Credit Union Administration ("NCUA") regulations and requires the maintenance of a deposit by each insured credit union in an amount equal to one percent of its insured shares. The deposit would be refunded to the Credit Union if its insurance coverage is terminated, it converts to insurance coverage from another source, or the operations of the fund are transferred from the NCUA Board. Refer to Note 15 for further information on this asset.

NCUSIF Insurance Premiums: A credit union is required to pay an annual insurance premium equal to one-twelfth of one percent of its total insured shares, unless the payment is waived or reduced by the NCUA Board. The NCUA Board waived the insurance premium for insured shares outstanding for 2008. In January 2009, the NCUA Board approved a premium assessment of 30 basis points of insured deposits held at December 31, 2008. In June 2009, the NCUA Board reduced the approved premium assessment from 30 basis points to 15 basis points of insured deposits held at June 30, 2009. The premium assessment of $1,671 was expensed and paid in 2009.

Future assessments will be determined by the NCUA Board and will be expensed at the date they are assessed by the NCUA Board.

Premises and Equipment: Land is carried at cost. Premises and equipment are stated at cost less accumulated depreciation. Buildings and related components are depreciated using the straight-line method with useful lives of approximately 30 years. Furniture, fixtures and equipment are depreciated using the straight-line method with useful lives ranging from 3 to 5 years.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derivatives: At the inception of a derivative contract, the Credit Union designates the derivative as one of three types based on the Credit Union's intentions and belief as to likely effectiveness as a hedge. These three types are (1) a hedge of the fair value of a recognized asset or liability or of an unrecognized firm commitment ("fair value hedge"), (2) a hedge of a forecasted transaction or the variability of cash flows to be received or paid related to a recognized asset or liability ("cash flow hedge"), or (3) an instrument with no hedging designation ("stand-alone derivative"). For a fair value hedge, the gain or loss on the derivative, as well as the offsetting loss or gain on the hedged item, are recognized in current earnings as fair values change. For a cash flow hedge, the gain or loss on the derivative is reported in other comprehensive income and is reclassified into earnings in the same periods during which the hedged transaction affects earnings. For both types of hedges, changes in the fair value of derivatives that are not highly effective in hedging the changes in fair value or expected cash flows of the hedged item are recognized immediately in current earnings. Changes in the fair value of derivatives that do not qualify for hedge accounting are reported currently in earnings, as noninterest income.

Net cash settlements on derivatives that qualify for hedge accounting are recorded in interest income or interest expense, based on the item being hedged. Net cash settlements on derivatives that do not qualify for hedge accounting are reported in noninterest income. Cash flows on hedges are classified in the cash flow statement the same as the cash flows of the items being hedged.

The Credit Union formally documents the relationship between derivatives and hedged items, as well as the risk-management objective and the strategy for undertaking hedge transactions at the inception of the hedging relationship. This documentation includes linking fair value or cash flow hedges to specific assets and liabilities on the balance sheet or to specific firm commitments or forecasted transactions. The Credit Union also formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivative instruments that are used are highly effective in offsetting changes in fair values or cash flows of the hedged items.

The Credit Union discontinues hedge accounting when it determines that the derivative is no longer effective in offsetting changes in the fair value or cash flows of the hedged item, the derivative is settled or terminates, a hedged forecasted transaction is no longer probable, a hedged firm commitment is no longer firm, or treatment of the derivative as a hedge is no longer appropriate or intended.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

When hedge accounting is discontinued, subsequent changes in fair value of the derivative are recorded as noninterest income. When a fair value hedge is discontinued, the hedged asset or liability is no longer adjusted for changes in fair value and the existing basis adjustment is amortized or accreted over the remaining life of the asset or liability. When a cash flow hedge is discontinued but the hedged cash flows or forecasted transactions are still expected to occur, gains or losses that were accumulated in other comprehensive income are amortized into earnings over the same periods which the hedged transactions will affect earnings.

Comprehensive Income (Loss): Comprehensive income (loss) consists of net income and other comprehensive income (loss). Other comprehensive income (loss) includes unrealized gains and losses on securities available for sale which are recognized as separate components of equity, as well as the fair value of derivatives previously used for cash flow hedges.

Loss Contingencies: Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable and an amount or range of loss can be reasonably estimated. Management does not believe there now are such matters that will have a material effect on the financial statements.

Fair Value of Financial Instruments: Fair values of financial instruments are estimated using relevant market information and other assumptions, as more fully disclosed in a separate note. Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular items. Changes in assumptions or in market conditions could significantly affect the estimates.

Reclassifications: Some items in the prior year financial statements were reclassified to conform to the current presentation.

Adoption of New Accounting Standards

In September 2006, the FASB issued guidance that defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. This guidance also establishes a fair value hierarchy about the assumptions used to measure fair value and clarifies assumptions about risk and the effect of a restriction on the sale or use of an asset. The guidance was effective for fiscal years beginning after November 15, 2007. In February 2008, the FASB issued guidance that delayed the effective date of this fair value guidance for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value on a recurring basis (at least annually) to fiscal years beginning after November 15, 2008, and interim periods within those fiscal years. The effect of adopting this new guidance did not have a material impact on the financial statements of the Credit Union.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In March 2008, the FASB issued guidance that amends and expands the disclosure requirements for derivative instruments and hedging activities. The guidance requires qualitative disclosure about objectives and strategies for using derivative and hedging instruments, quantitative disclosures about fair value amounts of the instruments and gains and losses on such instruments, as well as disclosures about credit-risk features in derivative agreements. The guidance was effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged.

In May 2009, the FASB issued guidance which requires the effects of events that occur subsequent to the balance-sheet date be evaluated through the date the financial statements are either issued or available to be issued. Companies should disclose the date through which subsequent events have been evaluated and whether that date is the date the financial statements were issued or the date the financial statements were available to be issued. Companies are required to reflect in their financial statements the effects of subsequent events that provide additional evidence about conditions at the balance-sheet date (recognized subsequent events). Companies are also prohibited from reflecting in their financial statements the effects of subsequent events that provide evidence about conditions that arose after the balance-sheet date (nonrecognized subsequent events), but requires information about those events to be disclosed if the financial statements would otherwise be misleading. This guidance was effective for interim and annual financial periods ending after June 15, 2009 with prospective application.

In June 2009, the FASB replaced *The Hierarchy of Generally Accepted Accounting Principles*, with the *FASB Accounting Standards Codification* ™ (The Codification) as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with GAAP. The Codification was effective for financial statements issued for periods ending after September 15, 2009.

(Continued)

(Dollar amounts in thousands)

NOTE 2 - INVESTMENTS

The following table summarizes the amortized cost and fair value of the available-for-sale securities and held-to-maturity investment securities portfolio at December 31, 2009 and 2008 and the corresponding amounts of gross unrealized gains and losses recognized in accumulated other comprehensive income (loss) were as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
2009				
Available-for-sale				
U.S. Treasury and federal agency	$ 50,000	$ 226	$ -	$ 50,226
Adjustable rate mortgage-backed securities: residential	144,209	4,196	(1)	148,404
Total available-for-sale	$ 194,209	$ 4,422	$ (1)	$ 198,630
Held-to-Maturity				
U.S. Treasury and federal agency	$ 34,990	$ 7	$ -	$ 34,997
Adjustable rate mortgage-backed securities: residential	152,162	4,385	(1)	156,546
Total Held-to-Maturity	$ 187,152	$ 4,392	$ (1)	$ 191,543
2008				
Available-for-sale				
U.S. Treasury and federal agency	$ 5,998	$ 8	$ -	$ 6,006
Adjustable rate mortgage-backed securities: residential	165,026	931	(403)	165,554
Total available-for-sale	$ 171,024	$ 939	$ (403)	$ 171,560
Held-to-Maturity				
U.S. Treasury and federal agency	$ 5,000	$ 69	$ -	$ 5,069
Adjustable rate mortgage-backed securities: residential	225,646	416	(1,048)	225,014
Total Held-to-Maturity	$ 230,646	$ 485	$ (1,048)	$ 230,083

(Continued)

(Dollar amounts in thousands)

NOTE 2 – INVESTMENTS (Continued)

The amortized cost and fair value of the investment securities portfolio are shown by expected maturity. Expected maturities may differ from contractual maturities if borrowers have the right to call or prepay obligations with or without call or prepayment penalties.

	December 31, 2009	
	Amortized Cost	Fair Value
Maturity		
Available-for-sale		
Within one year	$ 10,000	$ 10,047
One to five years	40,000	40,179
Five to ten years	-	-
Beyond ten years	-	-
Adjustable rate mortgage-backed securities: residential	144,209	148,404
Total	$ 194,209	$ 198,630
Held-to-maturity		
One to five years	$ 34,990	$ 34,997
Adjustable rate mortgage-backed securities: residential	152,162	156,546
Total	$ 187,152	$ 191,543

	December 31, 2008	
	Amortized Cost	Fair Value
Maturity		
Available-for-sale		
Within one year	$ -	$ -
One to five years	5,998	6,006
Five to ten years	-	-
Beyond ten years	-	-
Adjustable rate mortgage-backed securities: residential	165,026	165,554
Total	$ 171,024	$ 171,560
Held-to-maturity		
One to five years	$ 5,000	$ 5,069
Adjustable rate mortgage-backed securities: residential	225,646	225,014
Total	$ 230,646	$ 230,083

(Continued)

(Dollar amounts in thousands)

NOTE 2 – INVESTMENTS (Continued)

At year-end 2009 and 2008, there were no holdings of securities of any one issuer, other than the U.S. Government and its agencies, in an amount greater than 10% of shareholders' equity.

The following table summarizes the investment securities with unrealized losses at December 31, 2009 and December 31, 2008 aggregated by major security type and length of time in a continuous unrealized loss position:

There were no securities in a continual unrealized loss position greater than 12 months at December 31, 2009.

	Less Than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
December 31, 2008						
Adjustable rate mortgage-backed securities: residential	$ 73,605	$ (390)	$ 358	$ (13)	$ 73,963	$ (403)
Total available-for-sale	$ 73,605	$ (390)	$ 358	$ (13)	$ 73,963	$ (403)
Held-to-maturity						
Adjustable rate mortgage-backed securities: residential	170,002	(985)	2,098	(63)	172,100	(1,048)
Total held-to-maturity	$ 170,002	$ (985)	$ 2,098	$ (63)	$ 172,100	$ (1,048)

At December 31, 2009 and 2008, all of the mortgage-backed securities held by the Credit Union were issued by U.S. government-sponsored entities and agencies, primarily Fannie Mae and Freddie Mac, institutions which the government has affirmed its commitment to support. Because the decline in fair value is attributable to changes in interest rates and illiquidity, and not credit quality, and because the Credit Union does not have the intent to sell these mortgage-backed securities and it is likely that it will not be required to sell the securities before their anticipated recovery, the Credit Union does not consider these securities to be other-than-temporarily impaired at December 31, 2009 and 2008.

(Continued)

(Dollar amounts in thousands)

NOTE 3 - LOANS

Loans at year end were as follows:

	2009	2008
Real estate:		
Fixed rate	$ 512,730	$ 362,813
Variable rate	218,226	219,862
Home equity line of credit, variable rate	58,264	45,676
	789,220	628,351
Vehicle loans	117,906	117,600
Consumer loans, unsecured	23,520	16,585
Sponsored corporation secured loans	6,019	7,451
	936,665	769,987
Less: Net deferred loan fees	(453)	27
Allowance for loan losses	(6,848)	(4,700)
Loans, net	$ 929,364	$ 765,314

Activity in the allowance for loan losses was as follows:

	2009	2008
Beginning balance	$ 4,700	$ 940
Provision for loan losses	4,690	5,039
Loans charged-off	(2,934)	(1,483)
Recoveries	392	204
Ending balance	$ 6,848	$ 4,700

Individually impaired loans were as follows:

	2009
Year-end loans with no allocated allowance for loan losses	$ 578
Year-end loans with allocated allowance for loan losses	8,787
Total	$ 9,365
Amount of the allowance for loan losses allocated	$ 1,351

(Continued)

(Dollar amounts in thousands)

NOTE 3 – LOANS (Continued)

	2009
Average of individually impaired loans during year	$ 7,648
Interest income recognized during impairment	331
Cash-basis interest income recognized	124

Impaired loans were considered immaterial in 2008.

No loans past 90 days were on accrual status at December 31, 2009 and 2008.

The Credit Union has allocated $872 and $131 of specific reserves to customers whose loan terms have been modified in troubled debt restructurings (TDR's) as of December 31, 2009 and 2008 respectively. Loans considered as TDR's at December 31, 2009 and 2008 totaled $6.4 million and $457 respectively. The Credit Union has not committed to lend additional amounts to customers with outstanding loans that are classified as troubled debt restructurings.

NOTE 4 - FAIR VALUE

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
Level 2 – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
Level 3 – Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The Credit Union used the following methods and significant assumptions to estimate the fair value of each type of financial instrument:

(Continued)

NOTE 4 - FAIR VALUE (Continued)

Investments: The fair values for investment securities are determined by quoted market prices, if available (Level 1). For securities where quoted prices are not available, fair values are calculated based on market prices of similar securities (Level 2). For securities where quoted prices or market prices of similar securities are not available, fair values are calculated using discounted cash flows or other market indicators (Level 3). Discounted cash flows are calculated using spread to swap and LIBOR curves that are updated to incorporate loss severities, volatility, credit spread and optionality. During times when trading is more liquid, broker quotes are used (if available) to validate the model. Rating agency and industry research reports as well as defaults and deferrals on individual securities are reviewed and incorporated into the calculations.

Derivatives: The fair value of derivatives are based on valuation models using observable market data as of the measurement date (Level 2).

Impaired Loans: The fair value of impaired loans with specific allocations of the allowance for loan losses is generally based on appraisals or discounted cash flows. Appraisals may utilize a single valuation approach or a combination of approaches including comparable sales and the income approach. Adjustments are routinely made in the appraisal process by the appraisers to adjust for differences between the comparable sales and income data available. Discounted cash flows are calculated on the change in cash flows discounted at the loans original rate. Such adjustments are usually significant and typically result in a Level 3 classification of the inputs for determining fair value.

(Continued)

NOTE 4 - FAIR VALUE (Continued)

Assets and liabilities measured at fair value on a recurring basis, including financial assets and liabilities for which the Credit Union has elected the fair value option, are summarized below:

		Fair Value Measurements at December 31, 2009 Using:		
	Carrying Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
(Dollars in thousands)				
Financial Assets				
Investment securities available-for-sale				
U.S. Treasury and federal agency	$ 50,226	$ -	$ 50,226	$ -
Adjustable rate mortgage-backed securities: residential	148,404	-	148,404	-
Total investment securities available- for-sale	$ 198,630	$ -	$ 198,630	$ -
Derivative Assets				
Caps	15,237	-	15,237	-
OTC option	912	-	912	-
Derivative Liabilities				
Swaps	(213)	-	(213)	-

		Fair Value Measurements at December 31, 2008 Using:		
	Carrying Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
(Dollars in thousands)				
Financial Assets				
Investment securities available-for-sale				
U.S. Treasury and federal agency	$ 6,006	$ -	$ 6,006	$ -
Adjustable rate mortgage-backed securities: residential	165,554	-	165,554	-
Total investment securities available- for-sale	$ 171,560	$ -	$ 171,560	$ -
Derivative Assets				
Caps	$ 1,405	$ -	$ 1,405	$ -
OTC Options	512	-	512	-
Derivative Liabilities				
Swaps	(837)	-	(837)	-

(Continued)

(Dollar amounts in thousands)

NOTE 4 - FAIR VALUE (Continued)

Assets measured at fair value on a non-recurring basis are summarized below:

		Fair Value Measurements at December 31, 2009 Using:		
	Carrying Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Impaired loans	$ 5,552	$ -	$ 5,552	$ -

Impaired loans, which are measured for impairment using the fair value of the collateral for collateral dependent loans, had a carrying amount of $5,552, with a valuation allowance of $847 at December 31, 2009, resulting in an additional provision for loan losses of $847 for the year ending December 31, 2009.

The carrying amounts and estimated fair values of financial instruments, at December 31, 2009 and December 31, 2008 are as follows:

December 31, 2009	**Carrying Amount**	**Fair Value**
Financial assets		
Cash and cash equivalents	$ 38,824	$ 38,824
Securities available-for-sale	198,630	198,630
Securities held-to-maturity	187,152	191,543
Restricted stock in FHLB SF	9,033	N/A
Loans, net	929,364	926,730
Accrued interest receivable	4,326	4,326
Derivatives	15,937	15,937
Financial liabilities		
Members' shares	$ 1,212,546	$ 1,215,319
FHLB advances	15,000	15,389
Accrued dividends payable	3,905	3,905

(Continued)

(Dollar amounts in thousands)

NOTE 4 - FAIR VALUE (Continued)

December 31, 2008	**Carrying Amount**	**Fair Value**
Financial assets		
Cash and cash equivalents	$ 51,554	$ 51,554
Interest bearing certificates in corporate credit unions	4,405	4,405
Securities available-for-sale	171,560	171,560
Securities held-to-maturity	230,646	230,083
Restricted stock in FHLB SF	7,695	N/A
Loans, net	765,314	766,186
Accrued interest receivable	4,877	4,877
Derivatives	1,080	1,080
Financial liabilities		
Members' shares	$ 1,087,974	$ 1,092,514
FHLB advances	15,000	15,714
Accrued dividends payable	2,839	2,839

The methods and assumptions, not previously presented, used to estimate fair value are described as follows:

Carrying amount is the estimated fair value for cash and cash equivalents, interest bearing deposits, accrued interest receivable and payable, restricted stock, derivatives, demand deposits, short-term debt, and variable rate loans or deposits that reprice frequently and fully. The methods for determining the fair values for securities were described previously. For fixed rate loans or deposits and for variable rate loans or deposits with infrequent repricing or repricing limits, fair value is based on discounted cash flows using current market rates applied to the estimated life and credit risk. Fair value of debt is based on current rates for similar financing. It was not practicable to determine the fair value of FHLB stock due to restrictions placed on its transferability. The fair value of off-balance sheet items, which are unfunded loan commitments, is not considered material.

(Continued)

(Dollar amounts in thousands)

NOTE 5 - PREMISES AND EQUIPMENT

Year-end premises and equipment were as follows:

	2009	2008
Buildings	$ 871	$ 871
Leasehold improvements	1,212	1,101
Furniture and equipment	10,947	10,248
	13,030	12,220
Less: Accumulated depreciation	(10,834)	(9,885)
	$ 2,196	$ 2,335

Depreciation expense was $1,136 and $1,143 for 2009 and 2008 respectively.

Operating Leases: The Credit Union leases certain office and branch properties and equipment under operating leases. Rent expense was $1,440 and $1,315 for 2009 and 2008 respectively. Rent commitments, before considering renewal options that generally are present, were as follows:

2010	$ 1,255
2011	791
2012	325
2013	15
Thereafter	-
Total	$ 2,386

(Continued)

(Dollar amounts in thousands)

NOTE 6 - MEMBERS' SHARES

Members' shares are summarized as follows:

	2009	2008
Regular shares	$ 146,049	$ 129,321
Share draft accounts	118,571	113,645
Money market accounts	653,616	531,464
Individual retirement accounts	14,460	10,756
Share certificates	235,579	261,926
Equity-indexed certificates	5,377	5,102
Individual retirement certificates	37,398	34,660
Equity-indexed individual retirement certificates	585	583
	1,211,635	1,087,457
Dividends payable	911	517
	$ 1,212,546	$ 1,087,974

Share certificates of $100 thousand or more were $126,718 and $121,978 at year-end 2009 and 2008 respectively.

Scheduled maturities of share certificates for the next five years were as follows:

2010	$ 240,433
2011	24,516
2012	5,891
2013	6,253
2014	1,846

NOTE 7 - FEDERAL HOME LOAN BANK ADVANCES

At year end, advances from the Federal Home Loan Bank were as follows:

	2009	2008
Maturities June 2010 through November 2010, fixed rate at rates from 4.2% to 4.6%, averaging 4.4%	$ 15,000	$ 15,000

Each advance is payable at its maturity date, with a prepayment penalty for fixed rate advances. The advances were collateralized by securities pledged as safekeeping at the FHLB. The Credit Union is eligible to borrow up to another $90 million at year-end 2009.

(Continued)

(Dollar amounts in thousands)

NOTE 8 - EMPLOYEE BENEFIT PLANS

The Credit Union has a 401(k) benefit plan which allows employee contributions. Employee 401(k) and profit sharing plan expense is the amount of matching contributions. Contributions for 2009 and 2008 were $803 and $655 respectively.

NOTE 9 - DERIVATIVE FINANCIAL INSTRUMENTS

The Credit Union originates and portfolios fixed rate mortgage loans with terms of 30, 20, 15, and 10 years along with hybrid adjustable rate mortgages that first reprice in as long as seven years. These are funded by deposits with short duration. The duration mismatch poses earnings exposure in rising interest rate environments. To mitigate the negative effects of rising interest rates, the Credit Union enters into interest rate swaps committing to pay a fixed rate and to receive a variable rate based on a notional amount over a set term. The Credit Union also enters into interest rate caps to limit the impact of interest rate increases on its variable rate sources of funds. Counterparties have credit ratings of AAA or better. These derivative instruments do not meet hedging requirements. These undersigned derivative instruments are recognized on the statement of financial condition at fair value, with changes in fair value recorded in earnings.

Interest Rate Risk Management – Derivative Instruments not Designed as Hedging Instruments

The outstanding balances of derivatives cap and swap instruments as of December 31, 2009 and 2008 which did not qualify as cash flow hedging instruments are as follows:

2009

Interest Rate Derivatives	Notional Amount	Fair Value	Weighted Average Rate	Weighted Average Years Remaining
Caps	$ 235,000	$ 15,237	Strike rates from 2.22% to 5.25% on 3-month LIBOR Average of 3.32%	5.46
Swaps	10,000	(213)	Pay average rate of 3.7% receive 3-month or 1-month LIBOR	.58
Total	$ 245,000	$ 15,024		5.27

(Continued)

(Dollar amounts in thousands)

NOTE 9 - DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

2008

Interest Rate Derivatives	Notional Amount	Fair Value	Weighted Average Rate	Weighted Average Years Remaining
Caps	$ 120,000	$ 1,405	Strike rate 3.76% on 3-month LIBOR	4.74
Swaps	30,000	(837)	Pay 3.49%, receive 3-month or 1-month LIBOR	1.11
Total	$ 150,000	$ 568		4.01

The Credit Union issues Equity-Indexed Share Certificates (EISC) to its membership with final dividend payouts tied to the performance of the S&P 500 Index. The Credit Union purchases options tied to the S&P 500 Index with similar maturities to the related share and IRA certificates. Counterparties to the options have a credit rating of A or better. As of December 31, 2009 and 2008, the Credit Union had issued EISC's with a face value of $5,766 and $6,356, respectively. The options are recorded at fair value as of December 31, 2009 and 2008 of $912 and $512, respectively, and classified as Other Assets on the statements of financial condition. The option costs are recognized as dividend expense over the life of the certificates. Option costs recognized as dividend expense were $275 and $326 in 2009 and 2008, respectively.

The fair value of the interest rate cap and EISC's at December 31, 2009 and 2008 is reflected as a separate line item in the asset section of the Statement of Financial Condition. The fair value of swaps at December 31, 2009 and 2008 is included in other liabilities. The change in fair value for 2009 and 2008 is included in general and administrative expense. The amortization of the interest rate cap premium is included as a component of interest expense for 2009 and 2008.

(Continued)

(Dollar amounts in thousands)

NOTE 10 - INFREQUENTLY OCCURRING GAINS (LOSSES)

Infrequently occurring gains (losses) consist of the following for the years ended December 31, 2009 and 2008:

	2009	2008
Gain on sale of MasterCard stock	$ -	$ 6,747
Gain on sale of Visa stock	-	20,344
Gain on sale of credit card portfolio	-	7,194
Impairment loss of Wescorp capital accounts	-	(3,054)
Impairment loss of S.E. Corporate capital accounts	(110)	-
Other	441	122
	$ 331	$ 31,353

MasterCard stock – The Credit Union is a principal member of MasterCard International, which changed its charter on May 31, 2006. At that time, the Credit Union's Class A redeemable shares were converted to non-voting Class B shares. MasterCard had its IPO in 2006 and redeemed 59% of outstanding Class B non-voting shares resulting in a gain of $819. In 2008, MasterCard offered Class B shareholders opportunities to sell a certain number of shares. The Credit Union sold the maximum number permitted. The Credit Union sold 21,917 shares in May 2008 at a gain of $6,747.

The Credit Union currently holds 1,814 shares of non-voting Class B shares, which are non-publicly traded and have no readily assessable market value. In 2010, these shares will reconvert back to publicly traded Class A shares.

Visa stock – In 2007, the Credit Union, as principal member of Visa U.S.A. Inc. (Visa), received shares of restricted stock in Visa as a result of Visa's restricting from a member association to a stock-owned corporation. The Visa IPO occurred on March 19, 2008. At the time of the Visa IPO in March 2008, Visa made an initial partial redemption 475,679 of the Credit Union's 1.2 million Visa Class B non-voting shares, which resulted in a gain of $20,344.

Sale of credit card portfolio – The Credit Union sold its $35 million credit card portfolio in February 2008 to Elan Financial Services, a division of U.S. Bank, at a gain of $7,194 so as to offer members a credit card with more attractive rebates while maintain low interest rates and eliminating exposure to fraud risk.

Corporate credit union investments – The Credit Union recognized $3,054 of impairment on their Wescorp capital investment as discussed further in Note 15.

(Continued)

NOTE 11 - VISA INDEMNIFICATION INCOME

In 2007, the Credit union, as principal member of Visa U.S.A. Inc. (Visa) received shares of restricted stock in Visa as a result of Visa's restructuring from a member association to a stock-owned corporation. The Credit Union and other Visa member banks are obligated to share in potential losses resulting from certain indemnified litigation involving Visa to be funded from an escrow account to be established with a portion of the proceeds of the initial public offering (IPO). There's no cash obligation for Visa members. Prior to the IPO on November 7, 2007, Visa announced the settlement of the portion of the litigation that involved American Express. In addition, legal reserves were established for the litigation that involves Discover. In consideration of these announcements, the Credit Union recorded a liability based on its proportionate membership share of Visa with a corresponding charge of $8,006 which was outstanding as of December 31, 2007.

The Visa IPO occurred on March 19, 2008. Proceeds from the IPO funded an escrow account for the benefit of all parties subject to the above noted litigation. This event allowed the Credit Union to reverse in 2008 the litigation liability recorded in 2007 of $8,006.

NOTE 12 - MEMBERS' EQUITY

The Credit Union is subject to various regulatory capital requirements administered by the National Credit Union Administration (NCUA). Failure to meet minimum capital requirements can initiate certain mandatory – and possibly additional discretionary – actions by regulators that if undertaken, could have a direct material effect on the Credit Union's financial statements. Under capital adequacy regulations and the regulatory framework for prompt corrective action, the Credit Union must meet specific capital regulations that involve quantitative measures of the Credit Union's assets, liabilities, and certain off-balance-sheet items as calculated under accounting principles generally accepted in the United States of America. The Credit Union's capital amounts and net worth classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Credit Union to maintain minimum amounts and ratios (set forth in the following table) of net worth (as defined) to total assets (as defined). In performing its calculation of total assets, the Credit Union used the quarter-end balance. Credit unions are also required to calculate a risk-based net worth requirement (RBNWR) that establishes whether the Credit Union will be considered "complex" under the regulatory framework. The Credit Union's RBNWR ratios as of December 31, 2009 and 2008 were 6.1% and 5.8%. The minimum ratio to be considered complex under the regulatory framework is 6%. Management believes, as of December 31, 2009, that the Credit Union meets all of the capital adequacy requirements to which it is subject.

(Continued)

NOTE 12 - MEMBERS' EQUITY (Continued)

As of December 31, 2009, the most recent call reporting period and December 31, 2008, the NCUA categorized the Credit Union as "well capitalized" under the regulatory framework for prompt corrective action. To be categorized as "well capitalized", the Credit Union must maintain a minimum net worth ratio of 7% of assets and exceed its RBNWR, if applicable. Because the RBNWR is less than the net worth ratio, the Credit Union retains its original category of "well capitalized". There are no conditions or events since that notification that management believes have changed the Credit Union's category.

Actual and required capital amounts (in thousands) and ratios are presented below at year end.

	Actual		Minimum Required to be Well Capitalized	
	Amount	Ratio	Amount	Ratio
2009				
Net worth to total assets	$ 165,819	11.8%	$ 98,126	7.0%
Risk-based net worth	165,819	11.8	85,509	6.1
2008				
Net worth to total assets	$ 146,483	11.1%	$ 87,971	7.0%
Risk-based net worth	N/A	N/A	N/A	N/A

NOTE 13 - RELATED-PARTY TRANSACTIONS

The Credit Union extends credit to directors, supervisory committee members and executive officers. The aggregate loans to related parties at December 31, 2009 and 2008 are $4,019 and $2,231, respectively. Shares from related parties at December 31, 2009 and 2008 amounted to $3,884 and $2,948, respectively.

(Continued)

(Dollar amounts in thousands)

NOTE 14 - OFF-BALANCE SHEET ACTIVITIES

The Credit Union is party to conditional commitments to lend funds in the normal course of business to meet the financing needs of its members. These commitments represent financial instruments to extend credit which include lines of credit and home equity lines that involve, to varying degrees, elements of credit and interest rate risk in excess of amounts recognized in the financial statements.

The Credit Union's exposure to credit loss is represented by the contractual amount of these commitments. The Credit Union follows the same credit policies in making commitments as it does for those loans recorded in the financial statements

Outstanding loan commitments at December 31, 2009 and 2008 total approximately $5,420 and $20,989, respectively.

Unfunded loan commitments under lines of credit are summarized as follows:

	2009	2008
Home equity	$ 51,347	$ 44,551
Other consumer	32,733	30,334
	$ 84,080	74,885

Commitments to extend credit are agreements to lend to a member as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Because many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Credit Union evaluates each member's credit worthiness on a case-by-case basis. The amount of collateral obtained to secure borrowing on the lines of credit is based on management's credit evaluation of the member.

Unfunded commitments under revolving credit and lines overdraft protection agreements are commitments for possible future extensions of credit to existing customers. These lines-of-credit are uncollateralized and usually do not contain a specified maturity date and ultimately may not be drawn upon to the total extent to which the Credit Union is committed.

(Continued)

NOTE 15 – NCUSIF DEPOSIT

In January 2009, U.S. Central Corporate Federal Credit Union (U.S. Central) announced that it was taking $1.2 billion charge during the fourth quarter of 2008 as a result of determining that certain of its investment securities were other-than-temporarily impaired. On January 28, 2009, the NCUA announced that it was injecting $1 billion of capital into U.S. Central from the NCUSIF and offering a temporary guarantee through December 31, 2010 of all member shares in corporate credit unions to provide stability and help maintain liquidity in the corporate credit union system. All federally-insured credit unions will share the cost of these actions proportionately through a partial write-off of the credit unions' existing 1% NCUSIF deposit and future assessments of additional premiums to return the NCUSIF to the normal operating level of 1.3% of insured deposits. The impairment of the deposit was estimated at 51% of the December 31, 2008 insured deposits with an additional assessment of 0.3% of insured deposits as of December 31, 2008.

On March 20, 2009, the NCUA announced that both U.S. Central and WesCorp were taking into conservatorship and the original loss reserve estimate had increased by $1.2 billion since the January 2009 estimate was made. Based on this adjustment of the loss reserve estimate, the impairment of the NCUSIF deposit was revised to 69% of the insured deposits as of December 31, 2008. The additional assessment of 0.3% of insured deposits as of December 31, 2008 remained unchanged.

As a result of the need to stabilize the corporate credit union network in the first quarter of 2009, the NCUSIF incurred certain liabilities that caused the 1% (of insured shares) asset reflected on the financial statements of individual credit unions to be impaired. As a result, the Credit Union recognized an impairment of its NCUSIF deposit totaling $6,059 in the first quarter of 2009. In the second quarter of 2009, the NCUA Board approved a plan that recapitalized the NCUSIF. This plan created the Corporate Credit Union Stabilization Fund to absorb losses associated with the corporate credit union stabilization actions and assess federally insured credit unions for associated costs over as much as a 7-year period. As a result, the Credit Union recognized $6,059 of income as a recapitalization of its 1% of insured shares deposit and as a result there was no impact on 2009 earnings.

In addition, at December 31, 2008, the Credit union wrote-off all of its $3,054 capital investment in WesCorp based on the March 20, 2009 announcement that the losses at this institution exceed their capital in the organization.