



2018 ANNUAL REPORT



CHAIRMAN'S REPORT

In 2018, Mattel Federal Credit Union Management and Staff did a great job keeping the Members' best interest at the forefront of its operations, continuing to focus on member accessibility and staff training to enhance the ease and level of service we provide to our Members.

On behalf of the Board of Directors and Committee Members, I would like to thank you and our entire membership. The Credit Union's success comes from your continued support and loyalty. We're glad you've chosen Mattel Federal Credit Union to be your trusted financial institution and we're excited for the year to come!

Sincerely,
Randy Hollis
Chairman, Board of Directors

CREDIT UNION PRESIDENT'S REPORT

I am pleased to inform you that we had a great year in 2018. We improved our financial condition and your credit union remains financially stable as demonstrated by our key financial ratios. We are looking forward to building on our successes and continuing to offer our members competitive, money saving loan solutions.

2018 was a year of exciting upgrades, highlighted by a branch renovation which brought it into compliance with ADA standards and enhancing member's privacy. The interior design was meant to match the lobby of Mattel Inc., so if you haven't visited your credit union lately, be sure to check us out! To complement our new look, we also upgraded our computer work stations for compliance and efficiency and expanded our field of membership to allow new groups to enjoy the Mattel FCU family.

We're excited about our plans for 2019. On the technology front, we're preparing to upgrade our ATMs to Windows 10 and we've initiated a card process conversion to help introduce EMV chip cards. We're also enhancing our service culture to help re-acquaint you with our complete product lineup. Our mortgage loan products are expanding with the addition of 10/1 ARM & 10/1 ARM Interest-Only Home Equity Line of Credit (HELOC).

Also, we are looking to implement text communication. This will allow members to reach us to discuss their financial needs conveniently yet privately.

Thank you as always for your continued support and for allowing us to serve your financial needs.

Sincerely,
Jon Hernandez
Credit Union President

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is composed of volunteer members appointed by the Board of Directors and provides critical oversight of Credit Union operations. This is accomplished through policy evaluation, review of operations procedures, safeguarding members' interest and being continually aware of the overall state of operations.

In 2018, the Committee conducted and commissioned several audits and evaluations of Credit Union operations. The Credit Union completed an NCUA Examination; internal cash audits were performed quarterly; and a Supervisory Audit was completed.

Based on all evaluations, members of Mattel Federal Credit Union can continue to expect the same high level of service and feel assured their assets are safe as we move through 2019. We welcome any questions, concerns, or other feedback Members may have.

Sincerely,
Shirley Wang
Chair, Supervisory Committee



SUMMARY STATEMENT OF FINANCIAL CONDITION

| ASSETS ¹ | 12/31/18 | 12/31/17 |
|----------------------------------|----------------------|----------------------|
| Consumer Loans | \$ 4,938,225 | \$ 5,290,772 |
| Credit Cards | \$ 690,260 | \$ - |
| Real Estate Loans | \$ 8,749,739 | \$ 8,213,757 |
| Deferred Fees | \$ - | \$ - |
| Total Loans | \$ 14,378,224 | \$ 13,504,529 |
| Negative Shares | \$ - | \$ - |
| (Less Allowance for Loan Losses) | \$ (155,150) | \$ (194,761) |
| Cash | \$ 369,687 | \$ 1,868,263 |
| Investments | \$ 10,224,088 | \$ 9,659,918 |
| Unrealized Gain/(Loss) | \$ - | \$ - |
| Fixed Assets | \$ - | \$ - |
| Other Assets | \$ 279,619 | \$ 140,650 |
| TOTAL ASSETS: | \$ 25,096,468 | \$ 24,978,599 |

| LIABILITIES & EQUITY | 12/31/18 | 12/31/17 |
|--|----------------------|----------------------|
| Total Liabilities | \$ 213,898 | \$ 15,462 |
| Member Deposits | \$ 21,446,372 | \$ 22,617,478 |
| Non-Member Deposits | \$ 944,000 | \$ - |
| Total Deposits | \$ 22,390,372 | \$ 22,617,478 |
| Regular Reserves | \$ 250,000 | \$ 250,000 |
| Undivided Earnings | \$ 2,242,198 | \$ 2,095,659 |
| Total Reserves | \$ 2,492,198 | \$ 2,345,659 |
| TOTAL LIABILITIES & EQUITY: | \$ 25,096,468 | \$ 24,978,599 |

| OPERATING INCOME | 12/31/18 | 12/31/17 |
|-------------------------------|---------------------|-------------------|
| Income from Loans | \$ 681,810 | \$ 646,610 |
| Income from Investments | \$ 233,411 | \$ 145,492 |
| Income from Fees | \$ 66,149 | \$ 55,644 |
| Income from Miscellaneous | \$ 38,899 | \$ 25,407 |
| TOTAL OPERATING INCOME | \$ 1,020,269 | \$ 873,153 |

| OPERATING EXPENSES | 12/31/18 | 12/31/17 |
|----------------------------------|-------------------|-------------------|
| Operating Expenses | \$ 804,375 | \$ 779,292 |
| Dividend Expenses | \$ 69,356 | \$ 46,007 |
| Non-Operating Expenses | \$ - | \$ - |
| TOTAL OPERATING EXPENSES: | \$ 873,731 | \$ 825,300 |
| TOTAL NET INCOME/(LOSS): | \$ 146,539 | \$ 47,853 |

MISSION STATEMENT

To provide financial services to our Members to help them achieve their financial goals and dreams.

VISION STATEMENT

To become the financial institution of choice for the Mattel family.



333 Continental Boulevard
El Segundo, CA 90245
Monday - Thursday, 9:30am - 4:30pm
Friday - 9:30am - 1:00pm
(T) 310.252.4545
(F) 310.252.3819
www.mattelfcu.org

BOARD OF DIRECTORS

| | |
|-----------------|---------------|
| Randy Hollis | Chairman |
| Yvonne Fisher | Vice Chairman |
| Jon Hernandez | Treasurer |
| Michael Palumbo | Secretary |
| Raime Quick | Director |
| Frank Canko | Director |
| Vlad Marinescu | Director |

SUPERVISORY COMMITTEE

| | |
|---------------|----------|
| Shirley Wang | Chairman |
| Kenen Angeles | Member |
| Samantha Chan | Member |

ASSET LIABILITY COMMITTEE

| | |
|---------------|----------|
| Frank Canko | Chairman |
| Yvonne Fisher | Member |
| Jon Hernandez | Member |

MANAGEMENT & STAFF

| | |
|-----------------|----------------------------------|
| Jon Hernandez | Credit Union President |
| Jay Lee | Operations Officer |
| Sheri Gilbert | Operations Officer |
| Rose Rodriguez | Loan Officer |
| Alicia Quintana | Financial Service Representative |
| Salina Yan | Financial Service Representative |

