

2006 Leadership Team

Board of Directors

Lloyd Jones, Chairman
Frank Canko, Vice Chairman
Jon Hernandez, Treasurer
Randy Hollis, Secretary
Dianne Douglas, Director
Johnathan Barhite, Director
Raime Quick, Director

Supervisory Committee

Melina Fleming, Chairperson
Jolene Jackson, Committee Member

Management & Staff

Jon Hernandez, President
Johnny Lee, Business Development
Joy Porter, Operations Officer
Ana Hernandez, Operations Officer
Jay Lee, Compliance & IT Officer
Kim Raiford, Loan Officer
Sonia Lupercio, Accounting Coordinator
Yesenia Enciso, Collections & Loan Processor
Alicia Quintana, Member Service Representative
Salina Yan, Member Service Representative
Sarah Viray, Member Service Representative
Maritsa Martin, Member Service Representative



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24-Hour Phone Teller: (310) 252-3800

ATM Locations

Main Office – 333 Continental Blvd., El Segundo CA 90245
Fisher-Price (in the Toy store)
636 Girard Ave., East Aurora, NY 14052

ahead of the



curve



Annual Report 2006

Message from the Chairman

Until your Credit Union was founded, many employees in our field of membership were underserved by banks. We stepped forward with our “People Helping People” philosophy and revolutionized financial services. Your Credit Union was ahead of the curve when founded and remains so today, by meeting the evolving financial needs of our Members.

“Your Credit Union was ahead of the curve when founded and remains so today, by meeting the evolving financial needs of our members.”

“People Helping People” expresses the cooperative nature of all Credit Unions. But, at Mattel FCU, helping others is more than a slogan. We work hard to offer customized products and services ideally suited to our individual members, and to their busy, demanding lifestyles. So, in 2006, we focused on combining our traditional rate advantage with faster, more convenient methods of account access.

Throughout the year we enhanced our service team by conducting product cross-training of existing employees, and by expanding our staff with knowledgeable professionals. This provided a higher quality of service to all members in 2006. In addition, we revised and updated our policy manual. And, for even greater efficiency, we introduced Free and Unlimited Bill Payer service.

Your Credit Union also met member concerns about the rising interest-rate loan market by enhancing our Home Equity Line of Credit Loan

to include fixed rates for three, five and seven-year financing. As a result of this and other affordable consumer loan options, we sustained loan growth of 1.48% in 2006, which is higher than the average for our peer group. This was accomplished while maintaining a significant Net Worth of 11.16% in 2006, an increase over the prior year of .99%, also above the average for our peer group.

Members responded to these efforts by actively supporting Mattel products and services in 2006. As a result, it's no wonder we were able to pay our Members \$388,218 in dividends during the year, an increase of 50.33% over 2005.

In 2007, Mattel FCU will continue to operate “ahead of the curve” by introducing free e-statements, enabling members with Internet access to view and print their statements 24/7. In addition, we will implement Check 21 Image services, for immediate check processing and greater account efficiency. Finally, we are very pleased to announce that, in 2007, we will open a Fisher Price Branch in East aurora, New york. Extending access to Mattel FCU services to a broader range of members not only will improve their financial options; it will also strengthen our financial base for the benefit of our entire membership family.

On behalf of your volunteer Board of Directors and Committees, I'd like to thank Mattel FCU's dedicated staff for their caring and professional quality of service. Our greatest appreciation, however, is extended to our members, for your continued loyalty and support. In 2007 and beyond, enriching your lives through financial opportunity will remain our highest priority.

Lloyd Jones, Chairman
Board of Directors

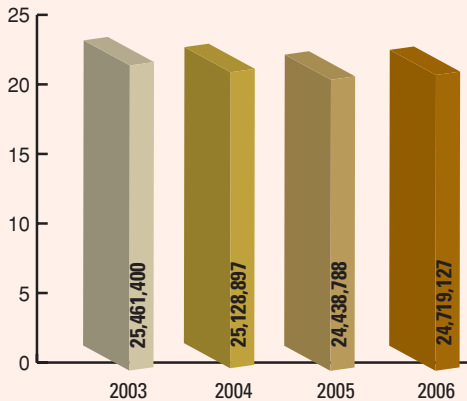
Supervisory Committee Report

The Supervisory Committee performs a vital role at your Credit Union. We ensure that our operations are safe, sound, and in compliance with all applicable laws and regulations. We also ascertain that all records and internal controls are properly maintained.

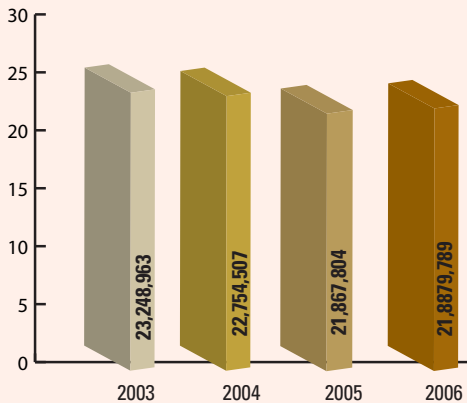
In 2006, the Committee retained the services of a certified public accounting firm to perform the annual audit and verification of member accounts. In addition, an internal cash audit was performed quarterly; the Membership Account Verification was conducted in December, 2006; and the Supervisory audit was completed in March, 2007. We also certified the Revised Allowance for Loan Losses Methodology in 2006. In accordance with an 18-month cycle, the National Credit Union Administration (NCUA) conducted its examination in December, 2006. As a result of these and our own, ongoing observations, the Supervisory Committee is pleased to report that Mattel Federal Credit Union is safe, sound, and in compliance with all applicable laws and regulations.

Melina Fleming, Chairperson
Supervisory Committee

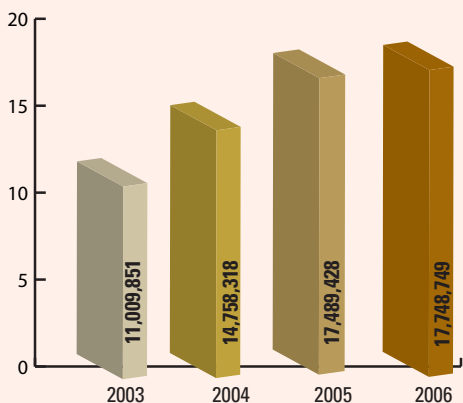
ASSET GROWTH



MEMBER DEPOSIT GROWTH



LOAN GROWTH



Our Membership Family

All employees of the groups below are eligible to join Mattel Federal Credit Union. And, once they join, their family members become eligible for membership.

- Mattel, Inc.
- Fisher-Price
- American Girl

Statement of Financial Condition as of December 31

Assets	2006
Loans to Members	\$ 17,748,749
New Vehicles	6,120,173
Used Vehicles	3,546,819
RV & Motorcycle	146,055
Visa Credit Cards	1,376,147
Signature	334,398
Real Estate	3,505,392
Home Equity Line of Credit	2,677,929
Other	41,836
Allowance for Loan Losses	(62,261)
Cash	1,022,812
Investments	5,816,773
Other Assets	193,064
Total Assets	\$ 24,719,137

Liabilities & Equity

Total Liabilities	80,343
Total Shares	21,879,789
Regular Shares	9,631,316
Vacation & Holiday Clubs	183,133
Matty Shares	572,054
Money Market	1,099,353
Checking	3,158,985
Share Certificates	5,840,367
IRAs	1,394,581
Reserves	311,658
Undivided Earnings	2,447,347
Total Liabilities & Equity	\$ 24,719,137

Statement of Income & Expense as of December 31

Income	2006
Income from Loans	\$ 1,176,492
Income from Investments	311,608
Other Income	137,860
Total Income	1,625,960

Expenses

Operating Expenses	964,218
Non-Operating Expenses	0
Dividend Expenses	388,218
Total Expenses	\$ 1,352,436
Total Net Income	\$ 273,524



California Credit
Union League



All member accounts are federally insured up to \$100,000 by the National Credit Union Administration (NCUA), a U.S. government agency. In addition, Individual Retirement Accounts (IRAs) are separately insured for up to an additional \$250,000.