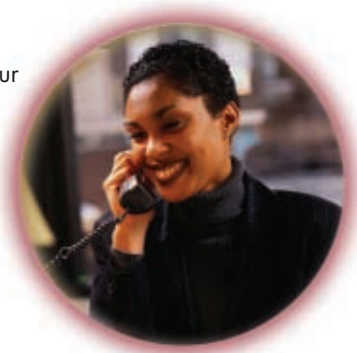


Home Teller

Save a trip to the branch... bank right from your phone — 24 hours a day, 7 days a week!

FREE Voice Activated, Automated Teller System

- Check on account activity (deposits, cleared checks, withdrawals)
- Transfer funds
- Make LBSFCU loan payments



Call today (during normal CU hours) to get started!

RATES As of February 1, 2005. All Rates are subject to change without notice.

SAVINGS	Dividend Rate	APY
Share Savings		
Average Daily Balance below \$100	0.75%	0.75%
Average Daily Balance \$100 or above	1.00%	1.01%
Money Market		
Below \$2,500	1.00%	1.01%
\$2,500 and Above	1.20%	1.21%
Club/IRA Sub Share	1.00%	1.01%

LOANS (rates quoted as low as)	as low as APR
Signature Loan (Unsecured)	11.65%
New or Used Auto, Truck, SUV (up to 36 months)	
100% financing	3.95%*
80% financing (financing available up to 84 months)	3.95%*
Boats/RVs	
80% financed to 66 months	7.50%
Motorcycles —new or used	
100% financing up to 48 months	8.75%

	SHARE CERTIFICATES — all rates quoted in Annual Percentage Yield (APY)			
	Bronze (\$2,500 min.)	Silver (\$20,000 min.)	Gold (\$50,000 min.)	Jumbo (Over \$90,000 min.)
3 month (\$1,000 min.)	2.00%	2.05%	2.10%	2.25%
6 month	2.25%	2.30%	2.35%	2.50%
12 month	2.70%	2.75%	2.80%	2.95%
36 month	3.75%	3.80%	3.85%	4.00%

Savings: The dividend rates and APY are anticipated and paid on the entire balance in the account. Fees or other conditions may reduce earnings on the account. **Loans:** Rates are quoted as the lowest rate available, in Annual Percentage Rate (APR) and reflect a .25% discount for automatic payment transfer from Savings or Checking or payroll deduction. A loan at 3.95% APR for 36 months will have a monthly payment of \$29.52 per \$1,000 borrowed. * Promotional loan rates are not available on existing LBSFCU loans. Signature Loan financed to 5 years, \$22.08 per \$1,000 borrowed. Loan rate based on LBSFCU credit approval.

It's that time of year again...Tax Time



Trust the tax preparer that many members trust...Lois Marvin, Enrolled Agent.

For tax planning, tax return preparation and electronic filing for individuals, businesses, estates or trusts. Call today for an appointment. Extended hours are available!
562.598.9007 or 714.893.5111

LBSFCU's Supervisory Committee

Encourages monthly account statement review to ensure accuracy.

They also want to ensure that you are completely satisfied with LBSFCU's service and encourages contact with them if an issue arises and is not resolved to your satisfaction.

LBSFCU Supervisory Committee,
PO Box 15156,
Long Beach, CA 90815

Your Money is published exclusively for members of LBS Financial Credit Union.
Email: info@lbsfcu.org

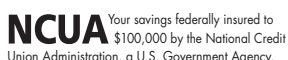
Jeffrey A. Napper,
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Your Money

In Defense of Cooperatives

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No one knows better than you, our valued member, what membership in a credit union means...great savings rates, low loan rates, low fees, convenient access to your money and a friendly staff that wants to help you achieve your financial goals. A trusted partner.

There's been an undercurrent since late last year whereas bank industry trade associations are trying to weaken our collective Credit Union movement by convincing legislators (through large donations and their powerful voices) to begin taxing our not for profit cooperatives.

Yes, both banks and credit unions are financial institutions. However the main difference is that the corporate structure of a credit union differs substantially from a bank's. A credit union is a non-profit mutual benefit corporation where the volunteer board of directors (who are all credit union members) is elected by fellow members. Each credit union member is a shareholder and has one vote. A bank's (often salaried) board of directors is elected by the shareholders and votes are determined by the number of shares owned. Most bank customers are not shareholders. All credit union members are shareholders.

Why are bank industry trade associations planning to be aggressive in their attacks? They feel that the

current tax exemption gives credit unions an unfair advantage and puts banks at a competitive disadvantage. However, banks are reporting record growth and profits. In the 12 months ending September 2003, banking institution assets grew more in one year than credit unions have grown since they began operating in the U.S. in 1908. In other words, banking assets experienced a 12-month overall increase of \$672 billion. The total *of all* credit union assets at the end of September 2003 were \$622 billion. This type of record-setting bank profits should make it difficult for bankers to claim financial harm, yet they keep pressuring the lawmakers about the 'unfair' advantage.

As the year progresses, we may need to call upon you to sign petitions or write letters to show the strength and passion of the credit union movement. This will let the legislators know, loud and clear, that all members benefit from the credit union cooperative.

The Credit Union Difference At A Glance

(Survey — Gallup/American Banker)

	Credit Unions	Banks
Ownership	By their Members	Owned by Stockholders
General Corporate Focus	Member Service	Generating Profits
Earnings/Profits	Returned to Members in better rates/low fees	Profits distributed to stockholders
Board of Directors	Volunteer, unpaid Members	Paid stockholders
Consumer Satisfaction	73%	58%

President's Message



Thanks to you, and your continued loyal support, LBS Financial Credit Union experienced a great year! We grew to 106,000 members and \$813 million in assets. With the hard work of our volunteer board of directors and staff, our return on assets was among the top in the nation, allowing us to offer extremely low auto loan rates (at times the marketplace's best) and very competitive savings rates.

We consider 2004 a great success, because we achieved our goal of returning the best dividend, lowest fees and loan rates to you, our valued membership, all while offering updated, enhanced products and services. The roll out of our new Visa Debit/ATM Combo Card was a hit with over 10,000 members requesting the card that combines plastic card convenience and check writing in one product!

Our residential home loan offerings received a makeover with the introduction of a 25% real estate commission rebate program, the re-introduction of a full line of adjustable rate mortgage options to fit many financial needs and the unveiling of an on-line home loan application that takes much of the hassle and guesswork out of the process.

And, in December, we proudly unveiled our enhanced, voice activated HomeTeller system! Now, in addition to touch tone account code entering, members can talk through their credit union transactions just by speaking to the automated teller (see ad on page 4 for more information).

So, as you can see, it has been an exciting year at LBSFCU. 2005 promises more excitement of a different nature. We are expecting pressure on the legislative front from lawmakers and bank industry trade associations who would like to see cooperative credit unions taxed (see page 1).

For more detailed information on our financial performance in 2004 and our plans for 2005, please attend our annual meeting on February 24th (see page 3 for details).

From the entire LBSFCU staff, we look forward to having the opportunity to assist you and your family throughout 2005 and for many years to come.

Best regards,

Jeffrey A. Napper
President & CEO

LBSFCU Home Loans... Live Your Dream

Whether you'd like to have more space, less space or a shorter commute, now is the time to focus on your dream of a new home (especially while interest rates are still low) and to think of your Credit Union as your Home Loan Source...a great place to start!

OneSource

Look into new neighborhoods, see what homes are selling for and get a whopping 25% rebate of your real estate agent's commission, just by using our OneSource Real Estate Services. This great program is available just by visiting www.lbsfcu.org or calling us and asking for extension 5270.

On-Line Application

Tired of the paperwork involved when applying for a home loan? If you have 20 minutes and internet access, you can apply on-line — privately! Enjoy:

- **Accurate Interest Rate Quotes** — real information in real time
- **Minimal Paperwork** — streamlined application process
- **Great Information, Upfront** — detailed closing cost information
- **Instant Home Loan Decisions** — answers in minutes, rather than days or weeks
- **Safe and Secure** — application information is confidential and private
- **Instant Pre-Approval Letters** — shop for a home with confidence

Home Loan Purchase Options

We offer many traditional and innovative mortgage programs to get you in your new home:

- **Showcase - 20% Down** — A more traditional 30 year home loan, fixed rate option, which rewards members who have accumulated a substantial down payment with a specially priced, discounted rate.
- **Dream Maker 90 - 10% Down** — In the industry, it's known as an 80/10/10 loan. For you it starts with a 10% down payment, add to it a 30 year, fixed rate, 80% Loan-to-Value (LTV) Home Loan and a 10% Primo Home Equity Line of Credit (HELOC). Your dream of home ownership can quickly become reality!
- **Dream Maker 100 - Zero Down** — From renter to owner. If cash is tight, but your plans are big, consider a Dream Maker 100. With a 30 year, fixed rate, 80% (LTV) Home Loan and a 20% Primo HELOC, you could be in your new home before the next rent check is due!
- **Adjustable Rate Mortgages (ARM)** — Another affordable way to get into (or refinance) your dream home, and a great option if you're not sure how long you will stay in your new home. Choose a loan with a rate fixed for the first 1, 3, 5 or 7 years...then adjusts annually thereafter, or one with a rate fixed for the first 5 or 7 years, then adjusts once and remains fixed for the life of the loan. Our rates are very competitive!

Great Service

Besides offering great rates, you can be confident that you will receive personalized service during every step of the home loan process. It's what you expect from LBS Financial Credit Union!

Be sure to contact your trusted Credit Union today for more information or to apply!

The Showcase and Dream Maker Home Loans are available on the purchase of owner-occupied, single-family residences, condominiums and PUDs only. Dream Maker Home Loans are available for amounts up to \$812,500. Loans subject to approval. **LBS Financial Credit Union is an Equal Housing Lender.** We do business in accordance with the Federal Fair Housing Law and the Equal Credit Opportunity Act.



Avoid Becoming a Victim of Identity Theft

SECURITY THEFT

To reduce or minimize the risk of becoming a victim of identity theft or fraud, there are some basic steps you can take. Always be stingy about giving your personal information to others unless you have a reason to trust them.

Start by adopting a "need to know" approach to your personal data. Your credit card company may need to know your mother's maiden name, so that it can verify your identity when you call to inquire about your account. However, a person who calls and says they're from your credit union or bank, doesn't need to know any information — if it's legitimate, they already have it.

TIP: Don't print extra information on your personal checks — such as your Social Security, drivers license or phone number — no need to routinely hand out personal data to people who probably don't need it.

Check your financial statements regularly — you can review your LBSFCU account day or night with CU OnLine, just log onto www.lbsfcu.org for details. If you're not receiving monthly statements for the accounts you know you have, call the financial institution or credit card company immediately and ask about it. If someone has made unauthorized debits or charges, checking your monthly statements carefully may be the quickest way for you to find out.

TIP: If someone calls or emails you and offers a "major" credit card, prize or other valuable item, but asks you for personal data — such as your Social Security number, credit card number or expiration date, or mother's maiden name — tell them you're not interested and hang up the phone or delete the email immediately!

Be diligent about shredding all documents that contain your personal data, such as: statements, checks and unused preapproval solicitations.

Do your best to take these steps and minimize your chances of becoming a victim of identity theft.

Free Credit Report

Be sure to ask for a copy of your credit report annually — **free** for all California residents! It's really easy to get your report from TransUnion, Experian and Equifax ...just by asking one entity: www.annualcreditreport.com on the web or 877-322-8228 by phone. Your credit report should list all bank and financial accounts under your name, and will provide other indications of whether someone has wrongfully opened or used any accounts.

Office Hours & Locations

	Mon	Tues	Wed	Thurs	Fri	Sat
Bixby* 4436 Atlantic Avenue	10 - 5	10 - 6:30	10 - 5	10 - 5	10 - 5:30	9 - 5
Cerritos 11462 South Street	Closed	11:30 - 7	11:30 - 7	11:30 - 7	11:30 - 7	9 - 5
East Long Beach* 4341 E. Tenth Street	10 - 5	10 - 6:30	10 - 5	10 - 5	10 - 5:30	9 - 12
Lakewood* 4916 Bellflower Boulevard	10 - 5	10 - 6:30	10 - 5	10 - 5	10 - 5:30	9 - 5
Los Altos 6417 E. Spring Street	Closed	11:30 - 7	11:30 - 7	11:30 - 7	11:30 - 7	9 - 5
Newport-Mesa 1401 Quail Street	9 - 5	9 - 5	9 - 5	9 - 5	9 - 5	Closed
Call Center	8:30 - 5:30	8:30 - 7	8:30 - 7	8:30 - 7	9 - 7	8:30 - 5

* Walk-up windows open Monday - Thursday at 8:30 am and Friday at 9 am. Lakewood's is open until 7 pm Monday - Friday Bixby and Lakewood walk-up only on Saturday.



Financial Makeover

It's a great time of year to take a closer look at your financial picture. Will your current portfolio meet your needs in retirement or to finance a college education? And what are the tax implications of your present investments?

If you're not sure, it may be time to consider a **FREE** evaluation. Our investment advice is tailored to help you reach your goals, now and in the future.

Objectivity

It's been a hot topic this year, brokers in large financial institutions feel the pressure to make their own personal goals and steer their clients in the brokers' most profitable direction. Not us! Our unbiased investment advice is not influenced by sales quotas, company directives or proprietary investment products. Remember, we are part of a credit union cooperative, and always have your best interests, personal goals and risk tolerance in mind.

And, we offer a full line of products to meet your financial needs.

- Mutual Funds
- IRA Rollovers & Transfers
- Stocks & Bonds
- Annuities
- 403b and 401K Rollovers

Contact our investment specialists (Ext.4904) today for a **FREE** portfolio review and objective consultation — you'll be glad you did!

Securities are offered through Linsco/Private Ledger, Member NASD/SIPC. Mutual funds, annuities and other investments available through Linsco/Private Ledger are NOT deposits, are NOT insured by the FDIC, NCUSIF or any other regulatory agency, are NOT obligations of or guaranteed by LBS Financial Credit Union, or any other affiliated entity, are subject to investment risk including loss of principal and are subject to fluctuating rates of return. Linsco/Private Ledger is not an affiliate of LBS Financial Credit Union.

Annual Member Meeting Notice

February 24, 2005

Thursday, 3 p.m.

Centre at Sycamore Plaza

Lakewood, CA

Door Prizes

Refreshments