

Corporate Headquarters

One Travis Way
Vacaville, CA 95687

Mailing Address
P.O. Box 2069
Vacaville, CA 95696-2069

Branch Locations

Antioch

5819 Lone Tree Way

Vacaville

One Travis Way
2020 Harbison Drive
11 Cernon Street

Fairfield

1340 Gateway Boulevard
2570 North Texas Street
5075 Business Center Drive

Travis Air Force Base

659 Skymaster Drive

Paradise Valley

(Resident access only)
2600 Estates Drive

Dixon

1450 Ary Lane

Merced

510 West Olive Avenue
(209) 723-0732

Woodland

1780 E. Main Street

Service Departments

Member Service Center

Account assistance and information
(707) 449-4000 or (800) 877-8328

Real Estate

Mortgage information and application
(707) 469-2000 or (888) 698-0000

Account Access and Information

Call-24 Phone Banking

24-hour account access by touch-tone phone
(707) 449-4700 or (800) 578-3282

Web Address

traviscu.org

2004

ANNUAL REPORT



**Building
Lifelong
Relationships**



**TRAVIS**
CREDIT UNION

Mission Statement

We are dedicated to building lifelong relationships with our members to help them achieve their financial goals.

In 2004, we introduced a new culture of sales and service at Travis Credit Union. While we have always been focused on providing exceptional service, we have redefined this goal to ensure our members are always served in a manner that helps them reach their unique financial goals.

Our Service Promises

*W*e will provide a prompt and friendly greeting.



*W*e will be knowledgeable regarding your request.



*W*e will treat you with the highest standards of respect and professionalism.



W We will strive to deliver 100% accuracy.

W We will take ownership of the situation.

W We will make it easy for you to do business with us.



W We will thank you for your credit union membership.



W We will provide you with information and offer solutions that will improve your financial life.

Chairman's and President's Report



On behalf of the Board of Directors, it is our pleasure to report that 2004 was another successful year for Travis Credit Union. Together we achieved many of our strategic and organizational goals and remain an extremely sound financial institution. In addition to strengthening our financial stability and growing membership and assets, we introduced a new culture of sales and service at Travis Credit Union, focusing on the manner in which we serve our members. Appropriately, the 2004 Annual Report focuses on the service promises that define our new culture and the quality of service we provide to each and every member.



We're happy to report that member service satisfaction surveys averaged 4.71 on a scale of one to five. Blending careful business practices with exceptional service and value for our members resulted in sound, financial performance for 2004. Assets grew 7.7%, loans increased 9.3% and membership grew 3.41%, reaching more than 126,000 members. Our net worth grew to 11.4%, which is significantly above National Credit Union Association (NCUA) regulators' standards and speaks to the soundness of our organization.

In January 2004 we opened our Green Valley and Antioch branches. Membership continued to grow at each new location throughout the year and the response from new members has been overwhelmingly positive. In 2005, we are opening branches in Woodland and Vallejo. While we continue to build new branches, the Board of Directors and senior management carefully plan expansions to ensure operating expenses remain low and value is returned to our membership.

In our continuing effort to make it easy for our members to do business with us, we launched our new business loan department in the fall of 2004. We began our business loan program by offering small business and commercial real estate loans. In February, we expanded our program to include Small Business Administration guaranty loans. The response from our membership has been phenomenal and we have had excellent participation from our five designated business branches. We also expanded our business services and products to include Business Bill Pay, payroll and cash management services. We launched our business website and introduced access for business members to Call-24 Phone Banking. We have strengthened our presence in the business community and we are proud to serve the business interests of our members.

Additionally we expanded our real estate approval program to reach out to a diversity of members in our community and approve loans at competitive rates that would previously have been declined. We offer several "My Community Mortgage" programs to assist low- to moderate-income homebuyers as well as other buyers purchasing homes in low-income areas, individuals with disabilities and those that serve as public safety and health workers. Together, Travis Credit Union works with local agencies and Fannie May to encourage home ownership and help provide affordable housing and build stronger communities. We are proud to have closed our first Section 8 mortgage loan at the end of 2004.

In 2004, we established the Travis Credit Union Scholarship Program, recently renamed the Mary Keith Duff Memorial Scholarship Program, for graduating high school seniors. This program was developed to reinforce our commitment to the financial success of our members and to recognize the noteworthy academic records, achievements and community involvement of these young individuals. We are so pleased to have received such a tremendous response to our program and to see so many of our young members with such extraordinary accomplishments.

In 2004, banks and their trade associations continued their aggressive assaults against credit unions. As part of our commitment to protect the credit union difference we organized in-person petition drives at each of our branches in November and December. Our goal was to educate members and gather as many signatures as possible to deliver to elected officials in Washington D. C. in early 2005, as part of the national petition drive organized by the Credit Union National Association (CUNA). Travis Credit Union collected more than 7,200 of the 120,000 statewide total, making us the third largest contributor to this effort of all participating California credit unions.

We thank you for your continued support of our staff, for providing us with comments on how to serve you better and for your loyal membership. At Travis Credit Union, our volunteers, management and employees are committed to direct our efforts towards providing members with value, service and integrity.

Stuart McIntosh
Chairman of the Board

Patsy Van Ouwerkerk
President & CEO

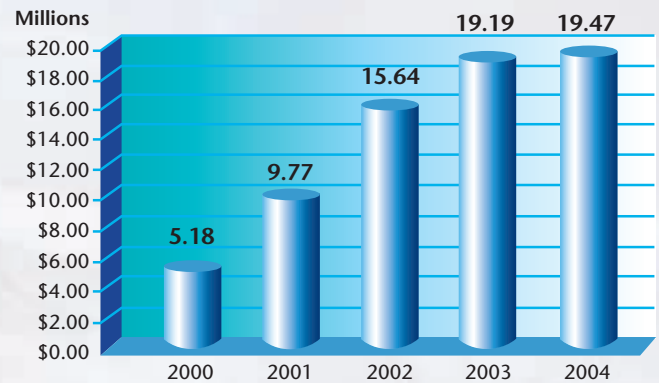
2004 Financial Highlights

	December 2004	December 2003	% Change
Assets	\$1,422,657,479	\$1,320,542,523	7.73%
Shares	\$1,255,566,940	\$1,173,137,265	7.03%
Loans	\$913,036,481	\$835,493,531	9.28%
Equity	\$162,123,193	\$143,229,793	13.19%
Net Income	\$19,471,183	\$19,196,098	1.43%
Members	126,127	121,968	3.41%

Total Assets



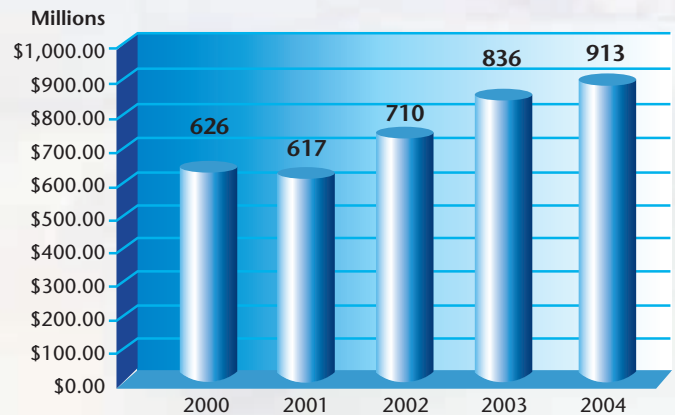
Net Income



Shares



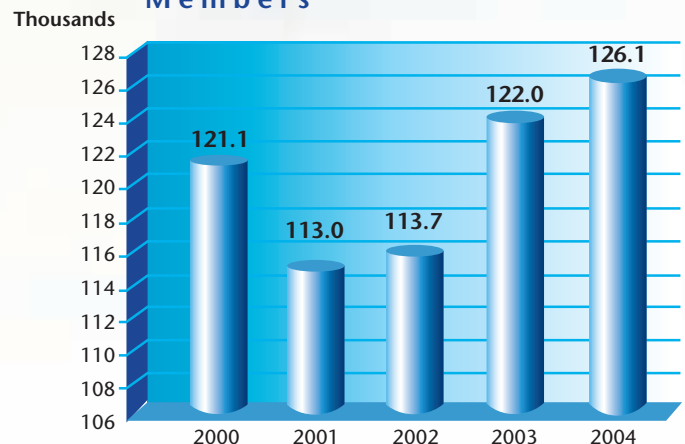
Loans



Equity



Members



Statements of Financial Condition

December 31, 2004 and 2003

	December 2004	December 2003
Assets		
Cash	\$ 48,714,734	\$ 47,809,208
Investments		
Available-for-sale	106,339,046	93,258,742
Other	295,740,132	283,053,472
Loans held for sale	543,300	510,000
Loans, net	913,036,481	835,493,531
Accrued interest receivable	4,856,006	4,424,673
Property and equipment	37,737,733	38,903,489
National Credit Union Share Insurance Fund deposit	9,744,716	9,217,709
Other Assets	5,945,331	6,622,525
Total Assets	\$ 1,422,657,479	\$ 1,320,542,523

Liabilities and Equity

Liabilities

Shares	\$ 1,255,566,940	\$ 1,173,137,265
Accrued expenses & other liabilities	4,967,346	4,175,465
Total Liabilities	\$ 1,260,534,286	\$ 1,177,312,730

Equity

Retained earnings, substantially restricted	\$ 163,293,891	\$ 143,822,708
Accumulated other comprehensive income	(1,170,698)	(592,915)
Total Equity	\$ 162,123,193	\$ 143,229,793
Total Liabilities and Equity	\$ 1,422,657,479	\$ 1,320,542,523

Statements of Income & Statements of Comprehensive Income

For the years ended December 31, 2004 and 2003

December 2004

December 2003

Statements of Income

Interest Income		
Interest on loans	\$ 55,685,276	\$ 55,015,069
Interest on investments and cash equivalents	12,798,749	13,436,583
Total Interest Income	68,484,025	68,451,652
Interest Expense		
Dividends on shares	19,844,104	21,597,793
Net Interest Income	48,639,921	46,853,859
Provision for Loan Losses	6,033,000	6,631,000
Net Interest Income After Provision for Loan Losses	42,606,921	40,222,859
Non-Interest Income		
Net gains on sales of loans	452,231	608,964
Service charges and other fees	6,556,481	7,030,917
Other non-interest income	5,343,469	5,347,336
	12,352,181	12,987,217
Net Interest Income Before General and Administrative Expenses	54,949,102	53,210,076
General and Administrative Expenses		
Salary and Benefits	16,204,425	15,928,040
Operations	16,273,356	14,916,024
Occupancy	3,010,138	3,169,914
Total General and Administrative Expenses	35,487,919	34,013,978
Net Income	\$ 19,471,183	\$ 19,196,098

Statements of Comprehensive Income

Net Income	\$ 19,471,183	\$ 19,196,098
Other Comprehensive Income		
Unrealized losses on investments classified as available-for-sale	(577,783)	(1,585,682)
Comprehensive Income	\$ 18,893,400	\$ 17,610,416

Supervisory Committee Report



Supervisory Committee

From left to right

Curt Newland, Member

Mary Coburn, Chair

Denton Connor, Member

One of the Committee's responsibilities is to employ a CPA firm annually to conduct a year-end audit of the financial statements and to review internal controls. The firm of McGladrey & Pullen, LLP conducted the year-end audit and verified the accuracy of our financial statements.

The Committee continues to closely follow developments on Corporate Governance guidance from our regulators and we continue to work closely with the Board and Management to ensure we meet the highest level of standards.

Based on the audits and internal reviews conducted by our Audit Department, and the Independent Audit performed by McGladrey & Pullen, LLP, the Supervisory Committee reports, with confidence, that Travis Credit Union is financially sound, efficiently managed and has operated with a high degree of concern for and in the best interest of the membership. The Board of Directors and management have continued the excellent performance of past years and deserve our continued support.

Mary Coburn
Chair, Supervisory Committee
Travis Credit Union

I always look forward to this time of year as it presents me with the opportunity to update you on the activities of the Committee and our Audit Department. We have continued our efforts on your behalf to ensure that our credit union continues its history as a safe and sound financial institution. The following are examples of how the Committee and the Audit Department performed our responsibilities throughout the year.

The Audit Department conducted numerous audits and internal reviews throughout the year testing internal controls and efficiencies throughout the credit union. No major discrepancies were noted this year. A major milestone was achieved when our network systems became certified by TrueSecure and our Web-Site Compliance review returned excellent results.

Both of our regulators visited us in 2004. The California State Department of Financial Institutions (DFI) and the National Credit Union Association (NCUA) conducted a joint examination to validate the safety and soundness of Travis Credit Union. These State and Federal agencies gave the credit union the highest ratings for financial soundness and stability.

Independent Auditor's Report

Travis Credit Union 2004 Audit Opinion

On behalf of the members of Travis Credit Union, the Supervisory Committee commissioned an independent audit of the credit union that was performed by the National CPA firm of McGladrey & Pullen, LLP. Their financial audit for the year-ended December 31, 2004, expressed an unqualified opinion on the credit union's financial statements.

As determined by management, the financial statements included in the Annual Report are condensed for readability and do not meet full disclosure requirements of generally accepted accounting principles. The complete financial statements and the report of the independent certified public accountants are available for review at the Travis Credit Union corporate office in Vacaville, California.

McGladrey & Pullen, LLP

McGladrey & Pullen, LLP
Certified Public Accountants
Brisbane, California



Board of Directors



Front Row

From left to right

Mary Keith Duff, Vice Chairman
Stuart S. McIntosh, Chairman

Back Row

From left to right

James E. Porter, Director
Billy M. Perkins, Director
Thomas W. Wells, Secretary
Andrew K. Popenoe, Treasurer

Thomas J. Kulinski, Director
Pat Moreno, Director
Charles L. Dawes, Director

In Memory of Mary Keith Duff



On December 31, 2004, Mary Keith Duff, 67, Travis Credit Union's Board of Directors' Vice Chairman passed away. Mary was the first woman appointed to our board in 1995 as secretary after serving as chairperson on the Supervisory Committee from 1987 to 1995.

Prior to joining the board, Mary was an executive assistant to the Deputy Chief of Staff Hq. at the 22nd Command at Travis Air Force Base, from which she retired in 1988.

Mary was recognized for her judgment and dedication to serve the best interest of members. No matter what other commitments and obligations she had, she always attended our board meetings and never forgot her responsibility to the members she represented. Mary was also a dedicated volunteer with Kaiser Permanente as part of her desire to give back to the community.

In honor of Mary's life, volunteerism, perseverance and spirit, The Travis Credit Union Scholarship Program for high school seniors has been renamed the Mary Keith Duff Memorial Scholarship Program. This program was developed in 2004 to reinforce our commitment to the financial success of our members and to recognize the noteworthy academic records, achievements and community involvement of young individuals. We will award these scholarships in celebration of Mary's life.

