



Phone: 1.855.500.P1CU (7128)  
 Web: premieronecu.org  
 Email: info@premieronecu.org

**PremierOne Credit Union Branches**

**Asbury Branch (& Corporate Headquarters)**

140 Asbury Street  
 San Jose, CA 95110

**4th Street Branch**

88 South Fourth Street, Suite 120  
 (bottom of the 4th Street Garage)  
 San Jose, CA 95112

**Santa Clara Branch**

2999 San Ysidro Way  
 Santa Clara, CA 95051

**Almaden Branch**

5353 Almaden Expressway, #80  
 (next to TJ Maxx)  
 San Jose, CA 95118

For lobby hours at each branch, visit us online or call.

**CO-OP ATMs and Shared Branching**

You can use nearly 30,000 ATM locations nationwide for free and over 5,000 credit union branches and over 2,000 self-service locations as part of CO-OP Shared Branch. That adds up to convenience comparable to the country's largest banks.



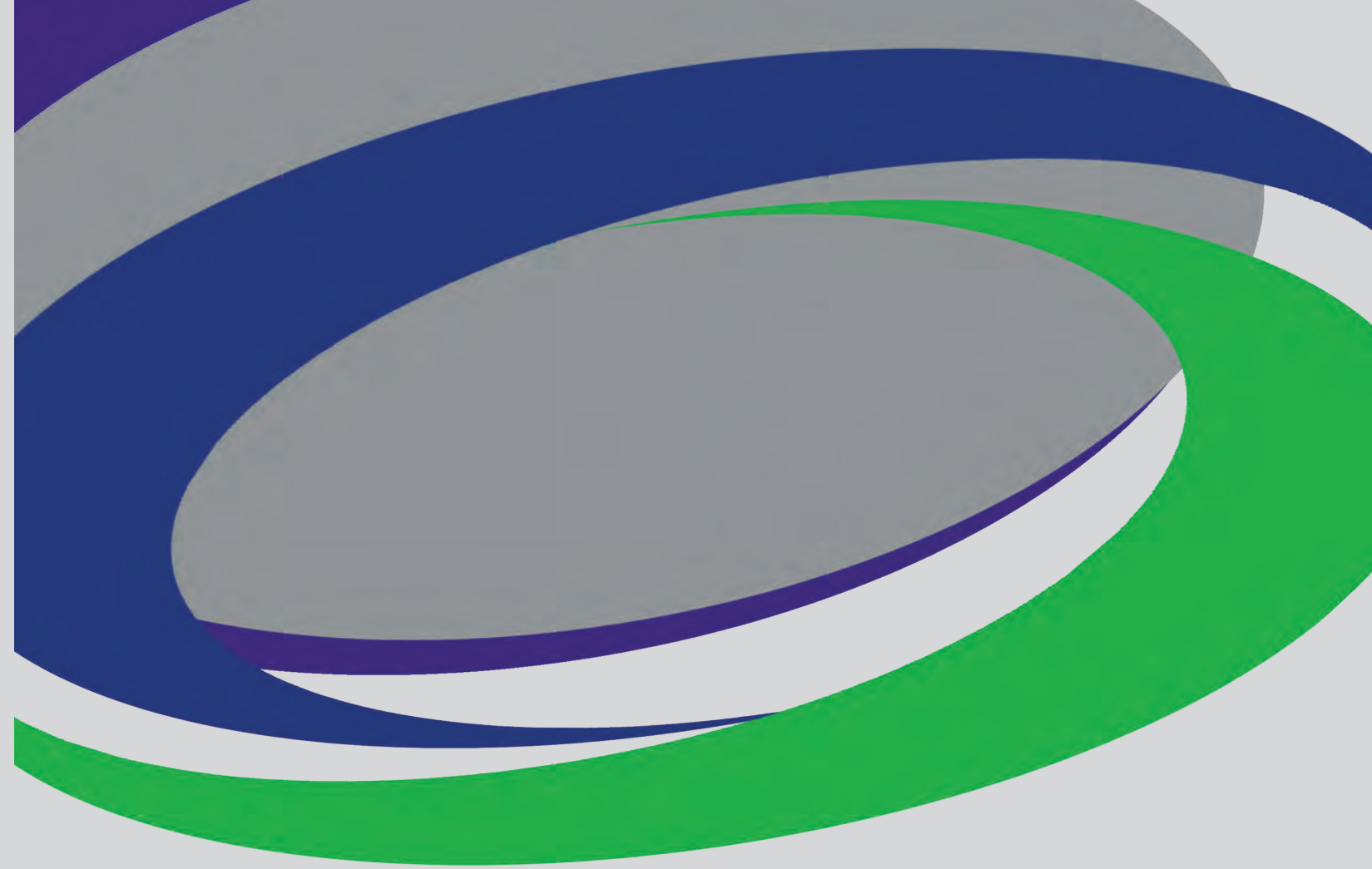
CO-OP also offers ATMs at a variety of places you may commonly shop, including select Costco®, Walgreens and 7-Eleven® locations. It's easy to find the nearest location. Locate the nearest ATM in 5 convenient ways:



1. Use our Mobile App! Just click "ATM Locator"
2. Text a street address, zip code, or City State to 692667
3. Call 1-888-SITE-CO-OP (1-888-748-3266)
4. Go to allco-op.org
5. Or for Live Help call 888-837-6500

**STAY CONNECTED**

- Get our Mobile App for access on the go.
- Get updates & exclusive offers.
- See your Credit Union in a whole new way.
- Tell others about us!
- Get the monthly eNewsletter or contact us.



**Annual Report 2013**

140 Asbury Street • San Jose, CA 95110



Federally insured by NCUA



## About PremierOne Credit Union

**Our mission is to deliver a better financial life to members.**

PremierOne Credit Union focuses on continuing the dedicated service to its members from a combined 120 years of history, while expanding access and financial offerings as a larger financial institution. Our members are our top priority, and we strive to deliver a better financial life to you. With \$340 million in assets, we keep a small-town, credit union feel. We offer four locations in Santa Clara County, as well as access to an additional 5,000 Shared Branches and 30,000 ATMs as part of the CO-OP Network. Our goal remains to build a relationship with you that is mutually strong and long lasting, while providing you more access and convenience. We're here to help YOU and deliver you a better financial life.

# Together, we're just better.



### **Savings**

We offer Regular and Select savings accounts to build your reserves.

### **Checking**

Access your funds easily through a checking account that meets your needs.

### **Access**

Whether you prefer technology, on-the-go access, or want to see or speak to a live person, we've got you covered.

### **Health Savings Account**

Members with high-deductible health plans benefit from this account.

### **Share Certificates**

Deposit your savings into a secure certificate with an expanded selection of terms.

### **Money Markets**

Earn higher returns and still have the flexibility to withdraw your funds.

### **Individual Retirement Accounts**

Select IRA accounts from Roth, Traditional, or Educational as part of your retirement portfolio.

### **Investment Services/Financial Planning**

We offer dedicated financial planning representatives to help you meet your goals.

### **Member Discounts**

Enjoy discounts to popular amusement venues, movies, and local businesses.

### **Auto Loans**

We offer quick, creative financing for new, used, and refinanced vehicles.

### **Other Vehicle Loans**

Motorcycles, RVs, boats, and more are covered with terms and payments that meet your needs.

### **Mortgages**

Save money with competitive rates and lower fees; choose from a variety of terms all delivered with personal service.

### **Home Equity**

Homeowners can use the equity they have built in their home for a home equity loan or line of credit.

### **Go Green Loans**

We offer discounts on green auto loans and funding for green home enhancements.

### **Credit Cards**

Select from three programs that offer you everyday convenience, the power to purchase, and even rewards.

### **Personal Loans**

We offer affordable fixed-rate loans for all purposes.

### **Insurance**

Whether you want term insurance or accidental death and disability, members can take advantage of group rates for more value.





## ANNUAL MEETING AGENDA

1. Roll Call
2. Reading of the 2013 Minutes
3. Report of the Board of Directors & President
4. Report of the Treasurer
5. Report of the Credit Manager
6. Report of the Supervisory Committee
7. Unfinished Business
8. New Business
9. Elections
10. Announcements
11. Adjournment



## 2013 ANNUAL MEETING MINUTES

### 1. ROLL CALL

#### Board Of Directors Present:

Robert DeBarr, Chairman  
Thomas E. Brewer, Secretary  
Tom Suchevids, Director  
Mark Veeh, Director  
Marcia Lillis, Director

Rich Toledo, Vice Chairman  
Seamus Moran, Treasurer  
William Bruce Staples, Director  
Don Bartels, Director

Chairman Robert DeBarr called the meeting to order at 5:30 p.m. There were 80 members in attendance.

### 2. READING OF THE MINUTES

The minutes of the March 22, 2012 Annual Meeting for National 1st Credit Union and the March 7, 2012 Annual Meeting for San Jose Credit Union were distributed to the members. Motion was made by Gina Skyllas, seconded by Cathy McCarthy, to approve the 2012 Annual Meeting Minutes. Motion carried.

### 3. REPORT OF THE BOARD OF DIRECTORS & PRESIDENT

The report of the Board of Directors and President was reviewed by Chairman Robert DeBarr and President Andrea Brewer. Mr. DeBarr introduced the other Board Directors present and noted that the Board collectively has over 150 years of experience. He said that from the two Credit Unions very first discussion about merging, the focus was always the importance of the members. He feels confident that with the merger, the members will still receive the individual service of a smaller organization, while enjoying the expanded access and services of a larger one. The Chairman thanked the members and said he looked forward to serving them for many more years.

President Andrea Brewer informed the members that the merged credit union will fully become PremierOne Credit Union on April 1<sup>st</sup>. She said the top priority remains to provide superior service and offer products that save the members time and money. Ms. Brewer introduced and thanked the Executive Management team who are CFO Scott Bolster, Vice President Operations Dody Gemette, Vice President Lending Belinda Hedling, Vice President Member Services Paul Kramer, and Vice President Human Resources Cathy McCarthy. She also thanked the Board, the Supervisory Committee, and the staff for their continued hard work. Sandy Camozzi, seconded by Dody Gemette, made a motion to approve the Report of the Board of Directors and President. Motion carried.

### 4. REPORT OF THE TREASURER

The report of the Treasurer was distributed to the members in the Annual Meeting Packet. Both Credit Unions in 2012 were well capitalized. Tom Brewer, seconded by Silvia Noguera, made a motion to approve the Report of the Treasurer. Motion carried.

### 5. REPORT OF THE CREDIT MANAGER

The Credit Manager Report was given by Vice President Lending Belinda Hedling. During 2012, San Jose Credit Union increased loan balances by funding 897 loans that represent more than \$15 million dollars. National 1st Credit Union funded 522 loans representing more than \$56 million dollars in 2012. Ms. Hedling said that there are many exciting things planned for 2013 including increasing the loan products offered and loan related promotions. She thanked the members who made the Credit Union their first choice of borrowing in 2012. A motion was made by Monique Neider, seconded by Tim Acosta, to approve the Report of the Credit Manager. Motion carried.



## 2013 ANNUAL MEETING MINUTES continued

### 6. REPORT OF THE SUPERVISORY COMMITTEE

Supervisory Committee Chairman Jay Castellano gave the Supervisory Committee Report. The Committee reviewed audit reports from the accounting firms Turner, Warren, Hwang & Conrad for National 1st Credit Union and Moss Adams for San Jose Credit Union. Mr. Castellano said that both audits showed positive results and that the credit unions are in compliance with state and federal regulations. In his report, the Chairman listed many functions the Committee performs which include reviewing Credit Union policies and procedures and verifying loans and charge-offs. Mr. Castellano concluded his report by thanking the members of the Supervisory Committee, the staff and the members. Gay Gale, seconded by Erica Acosta, made a motion to approve the Report of the Supervisory Committee. Motion carried.

### 7. UNFINISHED BUSINESS

There was no unfinished business to discuss.

### 8. NEW BUSINESS

Ms. Brewer informed the members that both National 1st Credit Union and San Jose Credit Union hold fundraising events throughout the year to benefit several charitable groups. San Jose Credit Union's fundraising efforts include holding Bake Sales, Silent Auctions, Used Book Sales and Balloon Pop to raise funds for the San Jose Police Activities League (PAL) and San Jose Firefighters Burn Foundation. Through these efforts, San Jose Credit Union raised \$6,377.06. Ms. Brewer applauded the staff for their hard work and especially thanked the members for their donations.

She then presented PAL and the Burn Foundation with a check in the amount of \$3,188.53 each. San Jose Police Sgt. Jim Ureta, who will soon take over as Executive Director of Pal, accepted the check. He thanked the Credit Union for their continued support of PAL and said that he has been a member of the Credit Union for over 21 years and always experienced great service. San Jose Fire Engineer Mike Moses and the Truck 1 Crew accepted the check for the Burn Foundation. He expressed his appreciation of all the efforts of the Credit Union staff in raising the funds and described how much the funds will help the burn victims.

### 9. ELECTIONS

There are five nominees for the Board of Directors and five nominees for the Supervisory Committee. All 10 nominees are listed in the Annual Meeting packet. As there were no nominations from the floor, Belinda Hedling, seconded by Harsha Shah, made a motion to approve the nominations on a white ballot. Motion carried.

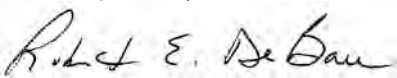
### 10. ANNOUNCEMENTS

Raffle prize winners were announced.

### 11. ADJOURNMENT

A motion was made by Ice Parodi, seconded by Chris Thompson, to adjourn the meeting at 6:00 p.m. Motion carried.

Respectively Submitted,



Robert DeBarr, Chairman



Tom Brewer, Secretary



## REPORT OF THE CHAIRMAN OF THE BOARD & PRESIDENT

In 2013, we joined forces as our new identity: PremierOne Credit Union. This past year, we not only completed a successful merger, we are pleased to report we continued to grow and thrive, had strong earnings, and remained well capitalized. Now we are over 26,000 members strong with additional branches, products, and services for our entire membership. We are truly grateful for your support and business as we proudly became PremierOne Credit Union.

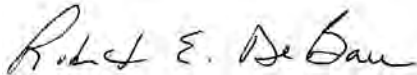
**Mission: Deliver a better financial life to members.**

Moving forward, our focus continues to be your financial well-being.

- We are well-positioned to enhance member benefits, such as technology, innovation, and convenience.
- We remain committed to superior service, upgrading our processes to better serve you, and your security.
- We will continue as your community partner, as well as hosting seminars and supporting member education.

While we expand our services and products to deliver you a better financial life, we will not lose sight of the core of what a Credit Union should be: people helping people. On behalf of our Board of Directors, our Supervisory Committee, and the entire PremierOne Credit Union staff, we thank you again for your business and continued support. We look forward to helping you for years to come.

Respectively Submitted,



Robert E. DeBarr  
Board Chairman



Andrea Brewer  
President/CEO

## REPORT OF THE TREASURER

### Statement of Financial Condition and Income

<b>ASSETS</b>		<b>2013</b>
LOANS TO MEMBERS		\$153,092,123
ALLOWANCE FOR LOAN LOSS		(\$3,460,051)
CASH		\$1,890,420
INVESTMENTS		\$174,015,748
PREPAID EXP. AND DEFERRED CHARGES		\$575,067
FURNITURE, EQUIPMENT, OTHER		\$1,292,008
LAND & BUILDING		\$1,849,600
NCUA SHARE INSURANCE FUND		\$2,865,211
ACCRUED INCOME & OTHER ASSETS		\$1,629,547
<b>TOTAL ASSETS</b>		<b>\$333,749,673</b>
<b>LIABILITIES, SAVINGS, EQUITY</b>		<b>2013</b>
ACCRUED EXPENSES & OTHER LIABILITIES		\$935,041
SHARES		\$302,037,978
UNREALIZED GAIN/LOSS AFS SEC		(\$539,468)
REGULAR RESERVES		\$5,171,636
UNDIVIDED EARNINGS		\$14,209,167
CAPITAL ACQUIRED THROUGH MERGER		\$11,935,319
<b>TOTAL LIABILITIES, SAVINGS, EQUITY</b>		<b>\$333,749,673</b>
<b>STATEMENT OF INCOME</b>		<b>2013</b>
INTEREST ON LOANS		\$7,293,816.00
INVESTMENT INCOME		\$1,746,534.00
FEES & CHARGES		\$2,639,684.00
OTHER INCOME		\$127,348.00
<b>TOTAL INCOME</b>		<b>\$11,807,382</b>
<b>EXPENSE REPORT</b>		<b>2013</b>
COMPENSATION & BENEFITS		\$4,605,709.00
OFFICE OPERATIONS		\$2,390,198.00
EDUCATION & PROMOTION		\$272,894.00
LOAN SERVICING		\$1,019,661.00
PROVISION FOR LOAN LOSS		(\$61,181.00)
PROFESSIONAL & OUTSIDE SERVICES		\$1,379,426.00
NCUSIF ASSESSMENT		\$229,217.00
OTHER EXPENSES		\$164,638.00
<b>TOTAL EXPENSES</b>		<b>\$10,000,562</b>
TOTAL NON-OPERATING GAINS/(LOSSES)		\$11,878
<b>INCOME BEFORE DIVIDENDS &amp; RESERVES</b>		<b>\$1,806,820</b>
DIVIDENDS PAID		\$475,844
<b>NET INCOME/(LOSS)</b>		<b>\$1,319,098</b>



## REPORT OF THE CREDIT MANAGER

During 2013 based on our merger, we combined loan products, loan services, processes, as well as our staff. Selecting the best options from each credit union allowed us a successful merger, and to be able to offer all of our members more ways to benefit from their membership with PremierOne Credit Union.

Our team funded an excess of 2,000 loans representing more than \$40 million dollars. We continued to help our members improve their financial situation by saving them money with lower loan rates and helping them with the purchase of larger items such as cars and homes.

We ended 2013 with a total loan portfolio of \$151,755,334, which was just slightly lower than where we ended 2012. While our overall loan balances declined, we did see growth of more than \$3 million dollars in 1<sup>st</sup> and 2<sup>nd</sup> mortgages. We also increased our direct auto loan balances. Balances in the HELOC and Visa cards had the largest decrease.

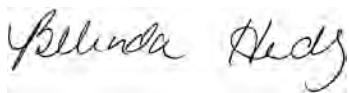
At the end of 2013, our delinquency was just 0.59%, which is a significant decrease from the end of 2012 (it was .95%). This percentage remains below our peer group level and is trending downward. We have continued to work closely with our members who have been affected by a change in job status or income level. Total charge-offs for 2013 were \$1,191,738 – which is just under one half of the total charge offs for 2012. This improvement demonstrates that while there are some members who are continuing to face financial challenges, the trend in delinquency, charge offs, and bankruptcy filings is going down. Our staff has worked hard to help members stay current on their obligations to the Credit Union.

In 2013, the membership of the credit union was able to take advantage of a broader spectrum of loan products as a result of the merger. In addition to more products members have continued to use online access to apply for a loan and this gives them flexibility to apply for a loan when they have the time.

Moving forward in 2014, we will continue to find ways to meet the financial needs of our members. We are looking for ways to make the loan process easier and more efficient for our members. We will also be researching new loan product offerings to meet the changing needs of our members.

Thank you to PremierOne Credit Union members who made us their first choice for borrowing in 2013.

Respectfully submitted,



Belinda Hedling  
Vice President Lending





## REPORT OF THE SUPERVISORY COMMITTEE

The Supervisory Committee is elected by the members to safeguard the assets and interests of the membership by ensuring all financial and operational activities are performed accurately and in compliance with state and federal regulations.

The members of the Supervisory Committee, in carrying out their charge, and in keeping with their responsibilities, reviewed the Audit Reports from the accounting firms of Turner, Warren, Hwang & Conrad. Based on the audit results of each Credit Union, the Committee is happy to report that adequate internal controls exist to protect member accounts. In addition, the financial statements accurately reflect the positive performance and condition of each Credit Union. The auditors commended both Credit Unions for a job well done.

During the past year, the Committee performed the following functions, as directed by its Charter:

1. Provided for an independent outside audit
2. Reviewed new Credit Union Policies and Procedures
3. Provided for the reconciliation of problems with individual member accounts
4. Reviewed Credit Union Corporate VISA statements
5. Verified loans and Charge-Offs

The Committee appreciates your continued confidence in our oversight role. The support and cooperation of the Board of Directors, management, and employees have assisted us in the performance of our duties and is greatly appreciated.

Respectfully submitted,



Jay Castellano  
Chairman Supervisory Committee



## ELECTIONS

**The following candidates are nominated for the Board of Directors:**

- Robert Debarr
- Don Bartels
- Marcia Lillis
- Tom Suchevis
- Rich Toledo

**The following candidates are nominated for the Supervisory Committee:**

- Gay Gale
- Tejinder Singh



## VOLUNTEERS, EXECUTIVE MANAGEMENT, SR. MANAGEMENT

### Board of Directors

Robert E. DeBarr	Chairman
Rich Toledo	Vice Chairman
Thomas E. Brewer	Secretary
Seamus Moran	Treasurer
Don Bartels	Director
Marcia Lillis	Director
William Staples	Director
Tom Suchevids	Director
Mark Veeh	Director

### Executive Management/Sr. Management

Andrea Brewer	President/CEO
Scott Bolster	VP Finance/CFO
Dody Gemette	VP Business Operations
Belinda Hedling	VP Lending
Paul Kramer	VP Sales and Service
Cathy McCarthy	VP Human Resources
Allison Coburn	AVP/Compliance
Thu Cushing	AVP/IT
Margaret Czyz	AVP/Controller
Sara Holtz	AVP/Marketing

### Supervisory Committee

Jay Castellano	Chairman
Richard Busse	Committee Member
Gay Gale	Committee Member
Tejinder Singh	Committee Member



## STAFF

Erica Acosta	Business Operations Specialist
Timothy Acosta	Call Center Agent
Jennifer Adams	Member Service Rep
Johanna Adams	Staff Accountant
Kay Amado	Relationship Officer
Amparo Arzola	Loan Manager
Monica Badowski	Member Service Rep
Jehan Barragan	Member Service Rep
Rogel Bondoc	Indirect Lending Rep
Jordan Bradford	Member Service Rep
Sandy Camozzi	Branch Manager
Amanda Czyz	Relationship Officer
Mae Fong	Staff Accountant
Nicholas Galindo	Member Service Rep
Bryant Garnier	Business Operations Specialist
Joann Gaudette	Sr. Member Service Rep
Annette Gomez	Loan Adjustor
Ruth Guzman	Call Center Agent
Lucy Hales	Branch Manager
Angy Hernandez	Loan Support Specialist
Melissa Ivan	Marketing Specialist
Leon Kin	Business Operations Manager
Vivian Lau	Call Center Agent
Ener Lumanlan	System Administrator
Dave MacArthur	Network Administrator

Eileen Maciel	Call Center Agent
Karan Marsh	Member Service Rep
Cleo Molina	Loan Processor
Monique Neider	Call Center Agent
Silvia Noguera	Business Operations Specialist
Ice Parodi	Accounting Manager
Lonna Porter	Business Operations Specialist
Robert Quihuis	Loan Processor
Sharon Refuerzo	Member Service Rep
Yvette Rios	Branch Manager
Sam Saah	Loan Adjustor
Nancy Sanchez	Call Center Agent
Grace Seiden	Staff Accountant
Harsha Shah	Relationship Officer
Gina Skyllas	Business Development Officer
Deborah Son	Loan Officer
Aileen Ta	Relationship Officer
Chris Thompson	System Administrator
Minerva Tompkins	Executive Administrator
Celine Trapani	Member Service Rep
Miguel Valenzuela	Member Service Rep
Holly Van Zerr	Branch Manager
Pratima Varkhedi	Loan Officer
Virginia Zapata	Sr. Member Service Rep