



# 2015 Annual Report



Together, we're just better.

BOARD OF DIRECTORS

Robert Debarr	Chairman
Rich Toledo	Vice Chair
Thomas E. Brewer	Secretary
Seamus Moran	Treasurer
Don Bartels	Director
Marcia Lillis	Director
William B. Staples	Director
Tom Suchevis	Director
Mark Veeh	Director

SUPERVISORY COMMITTEE

Jay Castellano
Richard Busse
Gay Gale
Tejinder Singh

SENIOR MANAGEMENT

Andrea Brewer	President/CEO
Brad Thomas	VP Finance/CFO
Cathy McCarthy	VP HR
Belinda Metzler	VP Lending
Dody Gemette	VP Business Ops
Paul Kramer	VP Sales & Service
Margaret Cxyz	AVP/Controller
Thu Cushing	AVP IT
Janice Johnson	AVP Marketing
Allison Coburn	AVP Training



CHAIRMAN AND PRESIDENT REPORT

PremierOne Credit Union's fundamental goal remains unchanged: to build strong membership growth and lasting relationships with our members.

2015 was a very successful year for PremierOne. We delivered tangible gains in net income, loans and shares. We

continued to grow our membership base as well, and provide robust member benefits. A summary of our 2015 December year-end results is as followed:

- **Reported a net income of \$1.9 million.**
- **Total loans ended with \$195.5 million, which represent a significant increase of 19% versus previous year.**
- **Total shares for year-end were \$308 million, which represent an increase of \$22.6 million in shares or 7.3% greater than previous year.**
- **Hiring of new staff to support our personalized service in all areas of the credit union and developmental opportunities for our employees.**

In the past year, PremierOne remained focused on improving its products and services which translated into more convenience and accessibility for our members. Also, our commitment with our local community remains stronger than ever and continues to be an essential part of our business purposes.

- **Benefits:** We increased our Spend Account to 1.25% and expanded our Mortgage product offering.
- **Accessibility:** Launched Apple Pay, Pop Money and a new and improved Website with innovative features.
- **Convenience:** Upgraded our Online Banking service and Mobile App, and plan to expand our footprint by opening a new branch in San Jose.
- **Local Community:** We participated in fundraising events that supported the San Jose Police and San Jose Firefighters. We also hosted and sponsored other local charities that represent and support great causes.
- **Resources:** Provided our members financial seminars and car sale events, to continue helping and guiding them in the day to day financial journey.

On behalf of our Board of Directors, our Supervisory Committee, and the entire PremierOne Credit Union family, we thank you for your continued support and for choosing PremierOne as your Credit Union.

*Robert E. DeBarr*

Robert Debarr  
Board Chairman

*Andrea Brewer*

Andrea Brewer  
President/ CEO

SUPERVISORY COMMITTEE REPORT

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 firm of Turner, Warren, Hwang & Conrad. Based on the audit results, 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 the 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.

*Jay Castellano*

Jay Castellano  
Supervisory Committee  
Chairman

STATEMENT OF FINANCIAL CONDITION & INCOME\*

ASSETS	2015	2014	% Change
Loans	195,510,906	164,752,789	18.67%
Allowance for loan losses	(1,835,192)	(2,474,679)	-25.84%
Cash	2,238,665	2,218,858	0.89%
Investments	154,539,947	166,261,170	-7.05%
Fixed assets	12,123,099	7,170,320	69.07%
Other assets	5,158,131	4,959,461	4.01%
<b>TOTAL ASSETS</b>	<b>367,735,556</b>	<b>342,887,919</b>	<b>7.25%</b>

LIABILITIES, SHARES & EQUITY	2015	2014	% Change
Other liabilities	1,403,097	1,077,934	30.17%
Shares	330,618,705	308,005,977	7.34%
Net worth & reserves	35,713,754	33,804,008	5.65%
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>367,735,556</b>	<b>342,887,919</b>	<b>7.25%</b>

INCOME STATEMENT	2015	2014	% Change
Loan interest	7,898,012	7,414,743	6.52%
Investment interest	2,053,450	2,057,193	-0.18%
<b>TOTAL INTEREST INCOME</b>	<b>9,951,462</b>	<b>9,471,936</b>	<b>5.06%</b>
Dividends	550,593	529,188	4.04%
Interest expense	7,969	43,970	-81.88%
<b>TOTAL INTEREST EXPENSE</b>	<b>558,562</b>	<b>573,158</b>	<b>-2.55%</b>

<b>Net interest income</b>	<b>9,392,900</b>	<b>8,898,778</b>	<b>5.55%</b>
Provision for loan losses	(197,548)	(419,125)	-52.87%
Fee income	2,623,318	2,506,945	4.64%
Compensation & benefits	5,341,083	4,898,324	9.04%
Office operations	2,464,005	2,395,522	2.86%
Marketing	220,712	180,010	22.61%
Professional services	1,196,890	1,074,421	11.40%
Loan service	923,525	890,468	3.71%
NCUSIF assessment	-	-	0.00%
Other	154,966	126,827	22.19%
<b>TOTAL NON-INTEREST EXPENSE</b>	<b>10,301,181</b>	<b>9,565,572</b>	<b>7.69%</b>
<b>NET INCOME</b>	<b>1,912,585</b>	<b>2,259,276</b>	<b>-15.35%</b>

\* As of 12/31/2015



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**Web: [premieronecu.org](http://premieronecu.org)**  
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## PremierOne Credit Union Branches

### 4th Street Branch

88 S Fourth Street  
(bottom of 4th street garage)  
San Jose, CA 95112

### Almaden Branch

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

### Arques Branch

1193 East Arques Avenue  
Sunnyvale, CA 94085

### Asbury Branch

140 Asbury Street  
San Jose, CA 95110

### Via del Oro Branch

(and Corporate Headquarters)  
6640 Via del Oro  
San Jose, CA 95119

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

## Over 5,000 branches. Nearly 30,000 ATMs.

Now finding the nearest free ATM and Shared Branch is easier than ever. Whether you're across town, or traveling far from home for business or pleasure, you're welcome at branches and ATMs wherever you see the CO-OP logos. Your credit union membership means you can:

- Use nearly 30,000 surcharge-free ATM locations—more than some of the biggest banks offer
- Take advantage of surcharge-free ATMs at convenient places like 7-Eleven®, Costco® and Walgreens
- Visit over 5,000 convenient branch locations and more than 2,000 self-service locations covering all 50 states
- Easily locate ATMs and branches through any of our locator tools – including phone, mobile app or internet by visiting [www.allco-op.org](http://www.allco-op.org)

We also have an ATM in each of the Hitachi Data Systems, Texas Instruments, and San Jose Police Station cafeterias for employees.



Federally insured by NCUA

## STAY CONNECTED



6640 Via del Oro • San Jose, CA 95119