

2013

Annual Report

You deserve the best!



vonscreditunion



Vons Credit Union had another record year in 2013, breaking the \$400 million in Assets threshold and closing the year at \$406.9 million, as we continue to grow with strength. Loans reached a new record of \$192.9 million, as member confidence continues to slowly recover from the Great Recession. Capital or Equity, reached new levels of \$86 million, or a new high of 21.1% of Assets. This ranks us in the top 1% for financial institutions in the United States.

Safety and Soundness have always been a key strategy, and as we enter our 60th year of serving you, our members, in 2014, we are honored to once again earn an "A+" from Weiss Ratings; this is their highest rating, indicating the financial strength of our institution. Your money is safe and sound with us!!

2013 was a year of slow economic recovery for the United States, and for our members. This trend continues into 2014. Our members are borrowing more, buying more cars and purchasing or refinancing, more homes. Hopefully this will help our members heal their personal balance sheets.

I would like to again thank our key sponsors, Vons, a wholly owned subsidiary of Safeway, as well as Unified Grocers, the largest wholesale grocery cooperative on the West Coast, for their continued support and guidance. I would also like to thank the local community of El Monte and many of its citizens who are members, as we celebrate 30 years of having our headquarters on Arden Drive. A special thanks to our volunteers, led by our Board and Supervisory Committee, and our great and growing group of employees who work hard to take care of you, our members, each and every day.

Sincerely,

Steve Weakley
President / CEO

Executive Reports



We accomplished a number of major initiatives to better serve you, our members, in 2013. These include the addition of our new Mobile App, which grows in popularity every day. A favorite feature has been our members' ability to take a photo of a check and make a deposit via SmartPhone Remote Deposit. Soon, our Online Bill Pay will be available via our iPhone, Android and iPad Apps.

As part of our credit union's commitment to the environment, we landscaped the front of our credit union's main branch, in El Monte, to be more drought tolerant. We also replaced all the building's lighting, to be more energy efficient. As a follow-up to earning LEED Gold Certification for our main branch building in 2012, this past year our building was compared to over 3,000 financial institutions and earned 1st Place as the winner of the "Battle of the Buildings" from the Environmental Protection Agency, for energy efficiency and energy reduction.

In support of our growth strategies, in 2013 we opened a new branch in the Cafe at the Unified Grocers Headquarters, in the City of Commerce. In addition, we gratefully accepted the offer to merge the 236 members of Angeles Can Credit Union into Vons Credit Union. And as part of our relationship with Unified Grocers, we are able to serve their Members which include Northgate Markets, Superior Grocers, El Super, Super A and many more. And, as negotiations continue with the potential merger of Safeway and Albertsons, we will continue to proudly serve all our existing and future members.

As we continue to organically grow, driven by member confidence in the products and services we provide, we remain loyal, respectful and grateful to our primary sponsors, Vons and Unified Grocers, and deeply value our relationships with them, and of course you, our members.

With Gratitude,

Donna Simpson
Executive Vice President / COO

2013 Financials

Assets

	2013	2012
Loans to Members	192,670,284	187,513,576
Allowance for loan losses	(4,037,172)	(4,791,339)
Cash and cash equivalents	17,912,552	18,508,440
Investments	191,022,014	176,830,330
Property and equipment	2,852,611	3,023,765
Other assets	6,451,271	6,102,446
Total assets	406,871,560	387,187,218

Liabilities and Equity

Dividends payable	174,308	184,685
All other liabilities	5,996,197	5,344,669
Share accounts	92,411,045	81,160,190
Share checking and ultra accounts	69,681,985	65,359,240
Certificates	112,452,961	113,348,162
Individual Retirement Accounts	40,118,580	41,374,943
Capital/Reserves	86,036,484	80,415,329
Total liabilities capital and reserves	406,871,560	387,187,218

Income and Expenses

Interest on loans	12,529,008	13,051,138
Investment income	1,599,559	1,608,442
Total interest income	14,128,567	14,659,580
Total interest expense on members' accounts	2,198,334	2,301,397
Net interest income	11,930,233	12,358,183
Provision for loan loss	740,000	1,885,000
Net interest income after provision for loan losses	11,190,233	10,473,183

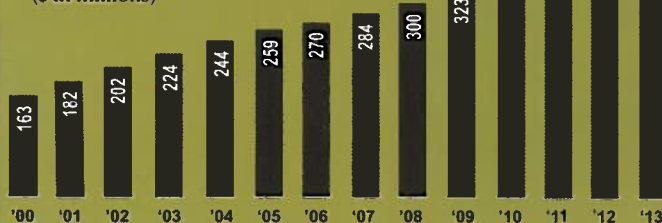
Service charges & other income	9,164,873	9,459,764
Gain on property and equipment	379	-0-
Total non-interest income	9,165,252	9,459,764

General and Administrative Expenses

Compensation and benefits	7,607,466	7,473,957
Office operations	2,072,043	1,908,072
Other expenses	4,930,333	4,779,351
Loss (gain) on non-operating activities	109,859	(200,358)
Loss (gain) on foreclosed and repossessed assets	-0-	2,867
Total non-interest expenses	14,719,701	13,963,889
NCUSIF stabilization income / (expense)	(243,635)	(279,462)
Net Income	5,392,149	5,689,596

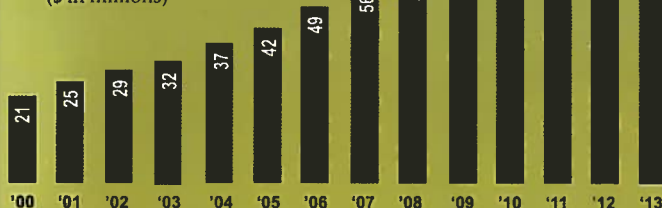
ASSETS

(\$ in millions)



EQUITY

(\$ in millions)



Auditor's Statement

We have examined the statements of financial condition for Vons Credit Union for the period ending December 31, 2013. Our examination was made in accordance with generally accepted auditing standards. In our opinion, the statements present fairly the position of the credit union in conformity with generally accepted accounting principles applied on a consistent basis.

Richards and Associates
Accountancy Corporation

Supervisory Committee Statement

The Supervisory Committee is responsible for monitoring the financial safety and soundness of the Credit Union and ensuring compliance with various financial and regulatory requirements. In fulfilling these responsibilities, the Committee engaged an auditing firm specializing in credit unions to audit the financial statements as of December 31, 2013. In our opinion, the financial statements present fairly the position of the credit union in accordance with generally accepted accounting principles. In addition, the Committee met on a quarterly basis to review the internal audit reports.

...embraces opportunities for growth.



After a thorough search, Angelus Can Credit Union chose Vons Credit Union as their merger partner, which we gratefully accepted. We proudly welcomed 236 hardworking employees and family members to our credit union. Mike Richards, of Richards & Associates Auditing Firm, gave the merger a thumbs up!

...is highly rated.



For over 18 consecutive years, Vons Credit Union has earned the highest possible 5-Star Rating from Bauer Financial. In addition, we once again achieved an "A+" from Weiss Ratings which is considered to be the most conservative financial rating service in the United States. Fewer than 1% of credit unions nationwide receive this Exceptional "A+" Rating!

You Deserve a

Barbara Wilson, CFCU Branch Manager, performs the first transaction for Bob Ling, Unified Grocers President & CEO, at the Grand Opening of our new branch inside the Unified Grocers Cafe in Commerce. Pictured below, Steve Weakley, VCU President/CEO and Gary Vlcek, VCU Business Development Manager, celebrate the new opportunity to serve our members.



In 2013, we rolled out our new mobile app with remote check deposit capability. iPhone, Android and iPad users are enjoying the convenience and functionality of this exceptional product.



...is technologically savvy.

...gives you the best rate and MORE Rewards.

Our MORE Rewards Visa is one of the best cards in the market, with a generous Rewards Program, highly-competitive interest rates and features that rival the big banks and credit card companies.



...protects the environment.

Vons Credit Union has created a green corporate office. In fact, we competed against more than 3,000 buildings to reduce energy use and protect the environment, taking 1st Place in the Battle of the Buildings. This is the EPA's National Building Competition.



Credit Union that...

Each year, we support the Vons Foundation through an annual vehicle drawing fundraiser. In 2013, our Toyota Tacoma Giveaway raised over \$15,000 for this worthy cause. Lori Raya, Vons President, is the first to donate. Steve Weakley, VCU President/CEO and Lori Kunioka, Vons Store Manager/VCU Board Director appreciated her generosity.

...gives back.



Throughout the summer months, Vons Credit Union holds fundraisers to benefit non-profit organizations. In 2013, we donated over \$70,000 to the communities we serve, which is over 1% of our earnings.



Jan Faller
Chair



Steve Weakley
Treasurer / CEO



Gary Hammett
Vice Chair

Board of Directors



Don Hays
Secretary



JoAnn Murdock
Director



Lori Kunioka
Director



Dick Gonzales
Director

Supervisory Committee

Lori Kunioka **Steve Kay** **Debbi Navarro** **Warren Fish**
Chair

Steve Weakley

President / CEO

Donna Simpson

Executive VP / COO

Betty Cubba

VP Controller

Jay Lassiter

VP Data Mktg / Special Accts

Bill Rice

VP Consumer Lending

Gina Barron

HR / Call Center Director

Steve Ketchum

Real Estate Lending Director

Steven Campeau

Real Estate Lending Director

Cathy Pelham

Operations Director

James Tomasso

I.T. / e-Commerce Director

Mark Gibbel

Network Systems Manager

Kris Algorri

Consumer Loan Manager

Miguel Castillo

Member Services Manager

Annie Harrison

Marketing Manager

Nancy Malec

Fraud / Card Services Manager

Mario Rodriguez

Internal Audit Manager

Hugo Sanchez

Accounting Manager

Jaime Valenzuela

Collections Manager

Gary Vlcek

Member Solutions Manager

Miguel Arellano

Business Systems Analyst

Ernie Ulloa

Electronic Content Administrator

Sandy Howitt

San Diego Branch Manager

Connie Marez

Canoga Park Branch Manager

Joann Stevens

Santa Fe Springs Branch Manager

Barbara Wilson

Unified Branch Manager

Darlene Acero

Tanya Agee

Reyna Aguilar

Amber Albarran

Carmen Alcala

Janique Angeles

Martha Angeles

Brenda Ayala

Patti Ayala

Megan Bakies

Tara Bernal

Kathy Bernsen

John Bobie

Brittany Brod

Marty Burrola

Socorro Cobian

Andrea Cox

Susan Elliott

Nayely Fernandez

Zoila Fernandez

Michael Forrest

Dayana Gallegos

Frances Garcia

Susan Garcia

Cyndi Handy

Deborah Hatley

Betty Hearn

Gabriela Hernandez

Brittany Holmes

Jung Lee

Shulie Lee

Dalila Lopez

Ulises Lopez

Katey Luscomb

Marcel Mack

Suzanne Manriquez

Helen Mares

Marissa Mares

Luis Mascorro

Kathryn McGough

Georgette McLean

Olga Medrano

Yelson Mejia

Chris Mendoza

Vickie Mickle

Don Miller

Lorena Molina

Lori Monroe

Rachel Murillo

Veronica Natividad

Alma Navarrete

Grace Ortiz

Rudy Ortiz

Ruby Pacheco

Lee Pancoska

Tina Ramirez

John Rios

Renee Rivera

Briana Rizo

Marie Rizo

Claudia Rodriguez

Eduardo Rojas Jr.

Paula Roseman

Marisela Salcedo

Angie Saldana

Ezequiel Sevilla

Cara Sheets

Luis Silva

Liz Solarzano

Randall Soto

Milet Tangonan

Alice Torpey

Merci Tungol

Jose Valadez

Fred Valenzuela

Peter Valles

Maggie Vasquez

Valerie Velis

Sandra Vides-Ortega

Elva Viveros

Our Team

Branch Locations

626.444.1972 | www.vonscu.com

EL MONTE MAIN BRANCH

4455 Arden Drive
El Monte, CA 91731

COMMERCE

5601 E Washington Blvd.
Commerce, CA 90040
www.certifiedcu.com
323.859.2250

COMMERCE (limited access)

Unifed Grocers Cafe
5200 Sheila Street
Commerce, CA 90040

SANTA FE SPRINGS

12801 Excelsior Drive
Santa Fe Springs, CA 90670

CANOGA PARK

8201 Topanga Canyon Blvd.
Canoga Park, CA 91304

SAN DIEGO

3550 Murphy Canyon Road
San Diego, CA 92123

ARCADIA (limited access)

618 Michillinda Avenue
Arcadia, CA 91006