



2014

Annual Report



Branch Locations

626.444.1972 | www.vonscu.com

EL MONTE
4455 Arden Dr
El Monte, CA 91731

CANOGA PARK
8201 Topanga Canyon Blvd
Canoga Park, CA 91304

COMMERCE
4820 S. Eastern Ave Ste. L
Commerce, CA 90040

UNIFIED GROCERS
5200 Sheila Street
Commerce, CA 90040

FULLERTON
1421 Manhattan Ave
Fullerton, CA 92831

SAN DIEGO
3550 Murphy Canyon Rd
San Diego, CA 92123

SANTA FE SPRINGS
12801 Excelsior Dr
Santa Fe Springs, CA 90670



Federally
Insured
by NCUA



Executive Report

Vons Credit Union had another record year in 2014, closing at \$430 million in Assets. We also had a record year for loan growth reaching \$223 million in loans. Capital or Equity, the symbol of our safety and soundness, crossed the \$90 million mark, as we had another year of outstanding financial performance. Capital closed at over 21% of Assets, which puts us in the top 1% of financial institutions in the United States.

We once again received an “A+” from Weiss Ratings – the most conservative financial rating service in the United States. Weiss stated that “achieving this Financial Strength Rating is a true distinction - and demonstrates itself to be among the industry’s elite.” In addition, we earned the top rating of 5-Stars from Bauer Financial. We are honored to have earned these ratings!

2014 was a year of continued economic recovery. Member confidence is definitely on the upswing with strength in employment nationwide, and in California. The United States economy is reflecting solid growth, as we recover from the deepest recession since the Great Depression of the 1930’s.

We would like to thank our key sponsor, Vons, a wholly-owned subsidiary of Safeway, which in early 2015, became part of AB LLC, or Albertsons. We look forward to partnering with our new friends at Albertsons. In addition, we thank our sponsor at Unified Grocers, the largest grocery cooperative on the West Coast. We are truly transforming into the grocery industry credit union for Southern and Central California. We are also very pleased to continue to serve the local community of El Monte, where we have had our headquarters for over 30 years.

A special thanks to our Board of Directors and Supervisory Committee, as well as the rest of our volunteers, and especially our outstanding group of employees who are delighted to take care of you each and every day. Thank you, once again, for being a member!!

Sincerely,

STEVE WEAKLEY



Steve Weakley
President / CEO
Board Treasurer

Donna Simpson



Donna Simpson
EVP / COO

Board of Directors



Jan Faller
Chair



Gary Hammett
Vice Chair



Don Hays
Secretary



Lori Kunioka
Director / Chair of
Supervisory Committee



Dick Gonzales
Director



JoAnn Murdock
Director

Senior Management

Betty Cubba
VP Controller

Bill Rice
VP Consumer Lending

Jay Lassiter
VP Data Mktg / Special Accts

Supervisory Committee

Lori Kunioka
Committee Chair

Steve Kay

Debbi Navarro

Warren Fish

2014 Financials

Assets

	2014	2013
Loans to Members	223,012,960	192,677,455
Allowance for loan losses	(3,275,823)	(4,037,172)
Cash and cash equivalents	22,663,515	17,912,552
Investments	178,512,530	191,022,014
Property and equipment	2,757,865	2,852,611
Other assets	6,775,022	6,451,271
Total assets	430,446,069	406,878,731

Liabilities and Equity

Dividends payable	182,414	174,308
All other liabilities	8,075,191	6,003,368
Share accounts	95,660,586	92,411,045
Share checking and ultra accounts	76,127,128	69,681,985
Certificates	119,375,419	112,452,961
Individual Retirement Accounts	40,172,625	40,118,580
Capital/Reserves	90,852,706	86,036,484
Total liabilities capital and reserves	430,446,069	406,878,731

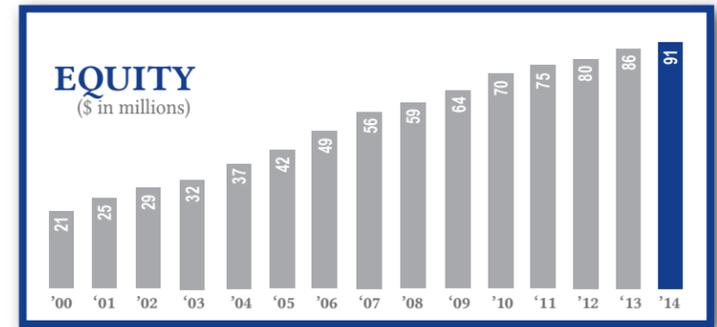
Income and Expenses

Interest on loans	13,355,209	12,529,008
Investment income	1,745,867	1,599,559
Total interest income	15,101,076	14,128,567
Total interest expense on members' accounts	2,188,506	2,198,334
Net interest income	12,912,570	11,930,233
Provision for loan loss	625,000	740,000
Net interest income after provision for loan losses	12,287,570	11,190,233

Service charges & other income	8,937,359	9,164,873
Gain on property and equipment	75	379
Total non-interest income	8,937,434	9,165,252

General and Administrative Expenses

Compensation and benefits	8,749,446	7,607,466
Office operations	2,270,287	2,072,043
Other expenses	5,583,252	4,930,332
Loss (gain) on non-operating activities	21,996	109,859
Total non-interest expenses	16,624,981	14,719,700
NCUSIF stabilization income / (expense)	-0-	(243,635)
Net Income	4,600,023	5,392,150



Auditor's Statement

In our opinion, the enclosed financial statements present fairly, in all material respects, the financial position of Vons Credit Union as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in accordance with general accepted accounting principles.

Richards and Associates
Certified Public Accountants

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, 2014 and their opinion is stated above. In addition, the Committee met on a quarterly basis to review the internal audit reports.

Our New Look *Rebranding*

Over the last six decades, we have prided ourselves on our commitment to our members, local communities and supporting charitable organizations. In 1954, our original purpose was to provide a high level of service to the Vons grocery store employees in Southern and Central California. What started as a means of providing financial products and services strictly to this group, has grown, through acquisitions and changing market forces. Our market reach has expanded to also include the communities surrounding our main branch, other credit unions in need, as well as the employees and families of Unified Grocers, and the hundreds of stores they serve.

With this growth has come the development of a new brand and logo. In our 61st year we began this endeavor and are now sharing the beginning of this journey with you. With all the changes in the grocery industry, we have chosen to update our logo to better position ourselves for the future, while sustaining our organization's philosophy and values. Our membership is diverse. Back in 2002, we expanded our credit union charter to serve the underserved in the communities that surround our corporate office in El Monte. We deeply value how our membership has grown to encompass members from so many lines of work, yet our roots remain in the grocery industry.

We understand the needs of grocery employees – many of our credit union employees have grocery backgrounds. We understand the need for loans with competitive interest rates, and value-added credit cards. In addition, we have embraced the ever-growing need for multiple electronic banking channels, which we provide through online banking, online bill pay and through our excellent mobile app, using your SmartPhone.

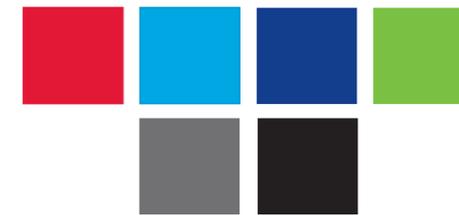
Membership entitles you to all the financial services you'd expect from a bank. Difference is, we charge fewer fees, deliver higher yields and our loan rates beat the banks' almost everytime. In addition, it is our passion to deliver a high level of personalized service. We're just like a bank, only better.



Vons Credit Union
Just like a bank, only better.

Our Grocery Cart

Visually explains who we serve. Primarily, grocery employees and their families, in Southern and Central California.



Our Color Palette

Colors intentionally reflecting our primary grocery sponsors, our commitment to the environment, and our bright future.

Our Action Lines

Action lines reflect our credit union is moving forward, to continually meet the needs of our growing membership.

Our Tagline

Communicates our commitment to deliver an exceptional level of service to our members, along with all the financial services expected from a bank, only better. In addition, we charge fewer fees, deliver higher yields and our interest rates beat the banks' almost every time.



Giving Back

Vons Credit Union is committed to giving back to the community and to protecting the environment. In 2014, the credit union gave back over \$100,000 - over 2% of our earnings - to local charities, including the Vons Foundation.

One of the projects we participated in was working with the City of El Monte, the local high schools and GRID Alternatives to provide solar panels to three homes in El Monte.

Through the solar panels we previously installed at our main branch, our efforts in 2014, saved us 50% of our energy usage, and to date over \$110,000 in energy costs. We also continued to focus on conserving water by replacing our grass with native, drought tolerant landscaping.



*Passionate about Our Members,
the Community
and the Environment!*