



2014 Annual Report

Our greatest asset is our members

**STRENGTH &
GROWTH
COME ONLY THROUGH
CONTINUOUS EFFORT
AND STRUGGLE**

- Napoleon Hill

Chairman's Report

Forty-nine years ago, Premier Members Federal Credit Union was chartered as IBM Boulder Federal Credit Union. From its humble beginning of \$250 in deposits from its first 50 members, the young credit union was able to arrange for a \$5,000 loan from the then IBM Poughkeepsie Federal Credit Union, thus allowing volunteers to set-up a table in the cafeteria during the lunch hour and make small signature loans of up to \$50. The first office was opened when IBM completed construction on Building 1 at the main IBM site in Boulder, Colo.

Since that time, Premier Members has grown to an institution employing more than 130 employees and 11 branch offices in five counties. The organization grew to more than \$500 million in assets and served more than 40,000 members.

In April, we announced that Premier Members Federal Credit Union would be merging with Boulder Valley Credit Union, forming a new organization with assets of more than \$850 million and adding additional branches to the network. The new organization will operate under the name of Premier Members Credit Union. This new state-chartered credit union will allow more for more flexibility in serving an expanded membership field. NCUA will continue to be the insurance carrier for the newly combined institution.

Premier Members Federal Credit Union members have contributed many accomplishments over the 49 years. They can be proud of the legacy that will be carried forward to the new organization. The new Board of Directors will be a combined group of both of the merged institutions. The operation staff will be headed by CEO Carlos Pacheco and CEO President Rick Allen, and supported by a staff of over 250 employees operating the combined branch network.

While Premier Members Federal Credit Union becomes a part of history, the new organization Premier Members Credit Union will be continuing the credit union motto of "People helping People".

Thank you to all of the individuals that have both worked for the organization and have volunteered to provide the direction that built a great and highly respected financial institution. Thank you to the best field of membership in the state and for the fabulous support all of you and your families have given the organization. We will continue to provide you with more and even better services going forward.

A handwritten signature in black ink that reads "Mark Gisi". The signature is written in a cursive, flowing style.

Supervisory Committee Report

The Supervisory Committee exists as a measure of checks and balances for the credit union. We work with the Board of Directors, credit union management, various audit teams and the National Credit Union Administration (NCUA). We review all the internal findings, external audits, and member concerns to ensure appropriate actions are in place to mitigate risks and resolve issues.

The Supervisory Committee takes pride in working with these various groups in order to identify performance issues and operational risks, thereby ensuring member satisfaction and the financial stability of the credit union. The Supervisory Committee employs the independent accounting firms of Clifton Larson and Allen and Holben Hay Lake and Balzar to assist in meeting its responsibilities. We meet annually with both to evaluate audit results and plan future audit work.

Each firm performs a comprehensive audit of the credit union's year-end financial statements. With the recent merger, the reports from each credit union are available at pmfcu.org and bcvu.org for each respective credit union. Both Boulder Valley Credit Union and Premier Members Federal Credit Union had a good year in 2014, and we look forward to another great year as the new Premier Members Credit Union.



Handwritten signature of Mary O. Holben

2014 Financial Highlights

AS OF DECEMBER 31, 2014*



	2014	2013
Assets	\$484,204,585	\$455,918,170
Loans Outstanding	\$384,542,465	\$362,121,110
Member Accounts	\$418,014,387	\$400,932,508
Reserves	\$57,489,650	\$50,073,040
Gross Income	\$27,452,603	\$25,292,960
Non-Interest Expenses	\$16,208,914	\$20,999,570
Dividends	\$818,346	\$784,630
Net Income	\$6,909,653	\$3,508,759

**Unaudited*

CEO's Report

2014 was an extraordinary year for Premier Members Federal Credit Union. Premier Members continued to improve our operating efficiencies, revenue and service to our members in 2014. We delivered record results in several key metrics without any one-time or merger related adjustments:

- Premier Net Worth of 11.70%
- Premier Return on Assets of 1.47%
- Premier Net Income of \$6.9 million
- Premier Total Assets of more than \$484 million
- Premier Total Deposits of more than \$418 million
- Premier Record Total Equity of more than \$57 million
- Premier Operating Expenses of 3.45

These impressive results allowed us to look strategically at the future of the credit union. In late 2014, Premier Members initiated discussions regarding a merger with Boulder Valley Credit Union in Boulder, Colo. In addition to markets, the organizations share many of the same disciplines and philosophies. A letter of intent to merge with Boulder Valley Credit Union was approved by the Boards of Directors for both organizations in December 2014. The proposed merger was then put to the vote by Premier Members Federal Credit Union's membership. On May 1, 2015, the two organizations officially became a single, state-chartered credit union known as Premier Members Credit Union.

The merger marks a significant, strategic move that prepares the organization for continued growth in members, markets and services. The merger also marked the final year of operation for Premier Members Federal Credit Union. It was fitting that the organization

delivered some of the best results in its operating history-- a testament to the hard work, efforts and results put forth by the staff, management and volunteers of the organization.

As the new Premier Members Credit Union moves forward, we remain committed to building relationships and adding value every day. This B.R.A.V.E. philosophy has been a part of Premier Member's culture for a few years, and we expect it to remain a central part of our business practices. We take pride in understanding how the B.R.A.V.E. philosophy drives our behaviors in specific focus areas:

- Build Member Relationships that demonstrate membership privileges
- Build Employee Relationships that provide a challenging and fulfilling workplace
- Build Community Relationships that strengthen the communities we serve

These statements continue to reflect the most important parts of our business: our members, our employees and our communities.

Looking ahead, I hope you share my pride in the results your organization has accomplished in 2014, and remain excited about what the future has in store for us as we continue to be the "Home of the B.R.A.V.E."

A handwritten signature in black ink, appearing to read "Cory [unclear]", with a long horizontal line extending to the right.

**IF EVERYONE IS
MOVING FORWARD
TOGETHER
THEN SUCCESS TAKES
CARE OF ITSELF**

- Henry Ford



120th & Federal - 2921 W. 120th Ave.
Arvada - 2379 W. 64th Ave.
Boulder - 5495 Arapahoe Ave.
Firestone - 8080 Colorado Blvd.
Greenwood Village - 9625 Arapahoe Rd.
IBM Plant - 6300 Diagonal Hwy.
Longmont (North) - 2142 N. Main St.
Longmont (South) - 600 S. Airport Rd.
Louisville - 1156 Dillon Rd.
Westminster - 8440 N. Federal Blvd.

PREMIER *members*[®]
F E D E R A L C R E D I T U N I O N

Federally Insured by NCUA
303-675-7000
pmfcu.org



facebook.com/PremierMembers



twitter.com/PremierMembers