

# A MESSAGE FROM OUR PRESIDENT/CEO



**Michael R. Sordelli**  
President/CEO

## ONWARD TO 2012

Although still in a state of uncertainty, the outlook is optimistic as the country steadily works to repair the economy. It is with great pride and determination that SFPCU continues to serve our members in an effort to ease any financial burden that may have been encountered during turbulent times. In 2011, we offered our members personalized financial solutions and expert guidance to help alleviate stress and encourage prosperity. With lowered loan rates and competitive interest rates, our members were able to take advantage of an outstanding product offering.

Safe, strong and well capitalized, SFPCU remains a secure financial institution that continues to provide exceptional service and fulfill the financial needs of our members. Ending 2011 with more than 31,200 members and \$4.2 million in net income, we maintained positive growth. In addition to 4% loan growth and 9% share growth, SFPCU has over 13% capital in reserve, which is above the national average of 10%.\*

As part of the 2011 initiative to increase efficiency, the Executive Team focused on enhancing internal processes to better the member experience. The efficiency goals for 2011 included streamlining the internal loan and account opening procedures. By condensing loan forms and refining common practices, we improved the member experience through quicker approvals and faster service. It was my pleasure to see the strategy translate into tangible results for our membership.



Welcoming the members of 1st Choice Federal Credit Union to the SFPCU family was an honor. Having primarily served members of the healthcare community in the Castro Valley area, the merger brought together two credit unions with complimentary visions and a commitment to member satisfaction. The merger also gave SFPCU the opportunity to extend its products and services to 1,800 new members and offer the convenience of a new branch location to the existing membership.

As we move on to 2012, SFPCU will not waver from the standard of maintaining a healthy capital reserve, a solid loan portfolio and BauerFinancial's 5-Star rating. We will continue to challenge ourselves to discover new innovations that will benefit our members, making your convenience our priority. SFPCU welcomes any suggestions from our members on how to better serve you. As always, thank you for your support.

Respectfully yours,

**Michael R. Sordelli**  
President/CEO

\*Source: Callahan & Associates, September 30, 2011.

## MISSION STATEMENT

Become the trusted primary financial institution for members and potential members while maintaining earnings and reserves which promote sound growth. We will provide exceptional service, outstanding products and expert guidance to help our members prosper.

## SERVICE PROMISES

As a member of the SF Police Credit Union, **Our Promise** to you is...

- To WELCOME you with a friendly tone and smile
- To DEMONSTRATE a can-do attitude
- To PROVIDE you with valuable solutions
- To RESPOND to your service needs promptly and accurately
- To THANK YOU for your business

# Earn Interest at SFPCU and Enjoy Highly Competitive Rates

Have you been thinking about dividend (interest) rates lately? It's the start of a new year so you may be wondering what options you have. At SFPCU, we take pride in offering excellent rates to our members.

Since December 2007, the financial industry as a whole decreased its rates in interest-bearing products, such as Certificates of Deposits and Money Market Accounts. Although this downward trend was evident with banks and credit unions alike, SFPCU has continued to offer highly competitive rates.

In December 2012, an SFPCU 3-year Certificate had a dividend rate of 0.85% APY. This SFPCU dividend rate was the highest

3-year Certificate **47%\***  
Higher than the Competition  
SFPCU = 0.85% APY  
Bay Area competitor average = 0.58% APY

available when compared to our most prominent Bay Area competitors, including big banks like Wells Fargo and Bank of America.

Do you prefer shorter timeframes for your certificates? For an SFPCU 3-month Certificate, in December 2012, the dividend was 0.20% APY. Again, this rate was the highest available among our Bay Area competitors.

We encourage you to take advantage of our interest-bearing products. In addition to Certificates, it is our pleasure to offer you maximized dividend rates on all of our products below:

- Checking
- Holiday Account
- Looney Tunes and OnScene Teen Accounts
- Savings
- IRA Certificates
- Money Market
- Wealth Builder Accounts
- Tiered Savings Accounts

3-month Certificate **82%\***  
Higher than the Competition

SFPCU = 0.20% APY  
Bay Area competitor average = 0.11% APY

\* Source: Informa Research Services, Inc., December 11, 2012.

## Quick Guide to Your Credit Report

If you have credit cards or loans, you have a credit report. But do you know what's on it? And why it matters? This quick guide can help!

**What is a credit report?** Your credit report is a snapshot of your financial history, including details of accounts and loans in your name. Lenders may check your credit report to help evaluate your credit risk and credit score. The factors that go into your credit rating include payment history, amounts owed, length of credit history and types of credit used.

**How can I check my credit report?** Federal law entitles you to a free copy of your report once every 12 months from each of the three major credit bureaus (**Equifax, Experian and TransUnion**). Simply go to [www.annualcreditreport.com](http://www.annualcreditreport.com) to review and print your report securely online. Your credit score is also available for an additional charge.

**What should I look for?** Reviewing your credit report is important to ensure accuracy and correct any errors. Confirm the following information in your report:

- Name, birthdate, Social Security number, current and previous addresses.
- Summary of account status, with details on delinquencies, credit availability, monthly payments and balances.
- Requests for credit history (includes inquiries made in the past two years by lenders, landlords, employers, etc.).

**What if I find errors in my report?** If you discover any errors, contact the credit bureau and ask for a correction. Submit your dispute in writing along with copies of documents that support your position, such as cancelled checks or account statements. For more information on your rights and how to dispute a credit report error, visit the **Federal Trade Commission** website, [www.ftc.gov/credit](http://www.ftc.gov/credit).

**How can I improve my credit score?** Managing debts responsibly and paying bills on time can make a positive difference right away on your credit report. Having multiple types of credit (e.g. mortgage, auto loan, credit card) can also help build your credit history. Connect with SF Police Credit Union at [www.sfpcu.org](http://www.sfpcu.org) or call **800.222.1391** for more solutions to improve your financial life.



2012

*“Dedicated to the First Responder Service Animals who serve at their handler’s side as a partner, guardian and friend with unwavering loyalty and bravery.”*

Michael R. Sordelli, President & CEO

CALENDAR

Financial Services  
for First Responders



# A Message From Our President/CEO



Michael R. Sordelli  
President/CEO

2012 marked the shift from uncertainty to an economy with strong signs of recovery and stability. The transition reaffirmed SF Police Credit Union's (SFPCU) ability to surpass one of the most turbulent economic periods since its conception; SFPCU's unwavering soundness and capacity for growth exemplified a concrete foundation, with regard to operational structure and decision making. SFPCU once again adhered to its mission statement of promoting sound growth and member prosperity through outstanding products and exceptional service.

SFPCU maintained the standard of keeping a healthy capital reserve, solid financial portfolio and BauerFinancial's 5-Star rating. Safe, strong and well capitalized, the Credit Union ended 2012 with more than 32,500 members, \$6 million in net income and \$722 million in assets. The increase of 13.96% organic loan growth and 3.61% share growth was indicative of the competitive rates and savings which were passed on to members. As of December 31, SFPCU held 13.69% capital in reserve, which was above the national average of 10.20%\*.

In 2012, SFPCU introduced several new products and services. As a testament to our ongoing effort to increase convenience, the Credit Union launched Person-2-Person Payment (P2P) which enabled members to send money to anyone, anywhere. With our young members in mind, SFPCU created the First-Time Auto Buyer Loan to help purchase a vehicle. Lastly, the Credit Union released two Visa® enhancements. The CUREwards® Mall gave members the opportunity to earn points faster, while Design Your Own Card offered the option to personalize their Visa Credit Card. It was my pleasure to see the positive impact all four new offerings had on members over the past year.

As we look onward to 2013, SFPCU will continue to search for new avenues to enrich the member experience through innovation, expansion and efficiency. Our goal simply will be to better align SFPCU with our membership, to be a Credit Union that better represents you and serves you. Our team members will challenge one another to offer unparalleled service and become each member's primary trusted financial institution.

It is with great pride that I share with you the 2012 Annual Report, which illustrates how SF Police Credit Union has grown considerably over the past 59 years, and it is with enthusiasm that I look forward to embarking on our 60th year together. As always, thank you for your support.

Respectfully yours,

A handwritten signature in blue ink, appearing to read "Michael R. Sordelli".

Michael R. Sordelli  
President/CEO

\*Source: NCUA 5300 Report, September 30, 2012.

## Mission Statement

Become the trusted primary financial institution for members and potential members while maintaining earnings and reserves which promote sound growth. We will provide exceptional service, outstanding products and expert guidance to help our members prosper.