



Together is Onederful.

2018 Annual Report



Let's bank together.

Federally insured by NCUA

Who We Are

Since 1951, OneAZ has been meeting the financial needs of our members. Big or small, if it matters to you, it matters to us.

Our Vision

We will be a strong leader in our community, state, and the credit union movement. Our reputation will be built on dedication to knowing our members, financial stability and providing responsive and professional service. We will be trusted and chosen as the preferred financial institution.

Our Mission

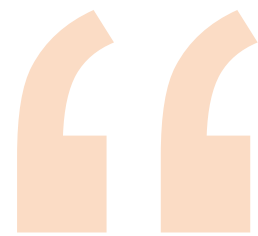
We exist to truly improve the lives of our members, our associates and the communities we serve.

Our Values

- We value our communities
- We are transparent
- We are trustworthy
- We educate members about what is best for them
- We are enjoyable to do business with
- We have members' best interests at heart

Table of Contents

1	A Message from the President/CEO
3	Community Commitment
5	Financial Summary
7	Year in Review
9	Board of Directors
11	Message from the Chair
13	Supervisory Committee Report
15	Treasurer's Report
16	Locations



We've been serving Arizona since 1951, and we will still be here for you in 2051.



A Message from the President/CEO

Since OneAZ was founded as a member-owned Credit Union in 1951, our goal has always been to improve the lives of our members. I am proud to say that this past year has been a period of significant progress for OneAZ Credit Union. Throughout 2018 we implemented several technological advances that have positioned the Credit Union to better serve our members and communities. Our associates dedicated over 18 months to this major initiative, which will allow us to reach more Arizonans and continue to provide next-level financial service to new and existing members for years to come. This would not have been possible without the diligent work of our associates, and the patience and support of our member-owners.

In 2019 we will continue to focus on improving our members' lives by providing an easy, enjoyable and effective experience. We understand that our members value the face-to-face interactions in our branches, combined with the convenience of a technologically advanced financial institution. That's why we continue to invest in digital improvements, as well as in our branches. In 2018 we opened two beautiful new branches—Happy Valley in North Phoenix, and Oro Valley near Tucson. These locations allow us to reach new communities and provide greater convenience to our existing members.

Throughout this report, you may see mention of the word 'Onederful.' The concept of Onederful is part of the core of OneAZ Credit Union. It is Onederful to know that your financial partner has your back and truly cares about assisting you in supporting a secure financial future for your family.

Our associates strive to be Onederful in every interaction, from providing outstanding service in the branch or online, to collecting donations for a local non-profit. OneAZ associates and members are community supporters, problem solvers and trusted partners in Arizona.

As we look ahead to 2019 and beyond, OneAZ Credit Union continues to grow and strengthen as an organization. We are member-centric and associate-focused, which means our associates and members are at the heart of all we do. We've been serving Arizona since 1951, and we will still be here for you in 2051. So, whether you are planning for retirement or building your dream home, we're here to help. Your trusted financial partner is ready to support you on the road to financial success, all while providing the easy, enjoyable and effective experience that you've come to cherish from OneAZ.

Thank you for your membership and continued support of our Credit Union.

David E. Doss

David E. Doss

Community Commitment

OneAZ Credit Union is committed to truly improving the lives of our members, associates and the communities we serve.



Improving the Community

Bruce Ybarra's 2018 OneAZ Scholarship wasn't just about paying for school—it was about teaching his kids the importance of hard work. "Being able to speak about the process I have gone through with my kids begins to make college and the scholarship program not seem so foreign," says Ybarra, "and that for working hard you can be acknowledged in many different ways. That support for education means so much."

Helping from the Inside Out

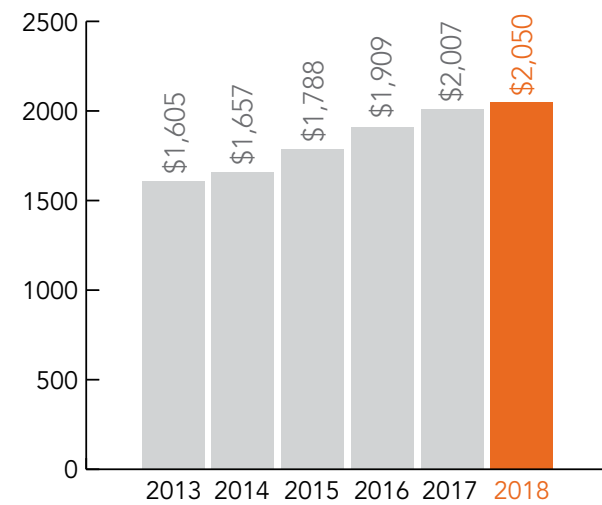
Tami Grays has been working in the OneAZ Member Care Center for over two years, and she loves interacting with members every single day. "Every member interaction is like a snowflake," she says. "The situations may be similar, but every interaction is different. It's my job to personalize their experience and make it fun and unique."



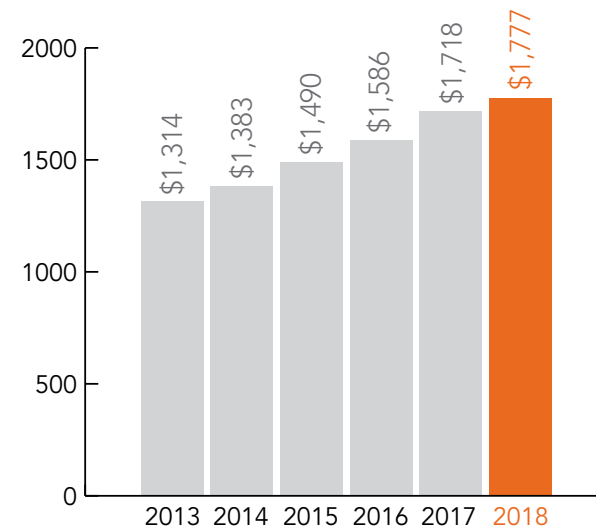
Investing in Business

Flagstaff Brewing Company has been serving their unique craft brews to Northern Arizona for over 25 years. "OneAZ Credit Union walked us through the small business administration loan process, which is really daunting to face by yourself," says brewery owner Jeff Thorsett. "We've been able to grow at a rate that I couldn't have envisioned four years ago. Knowing that we have OneAZ behind us makes it easier to focus on what we do best, and that's making beer."

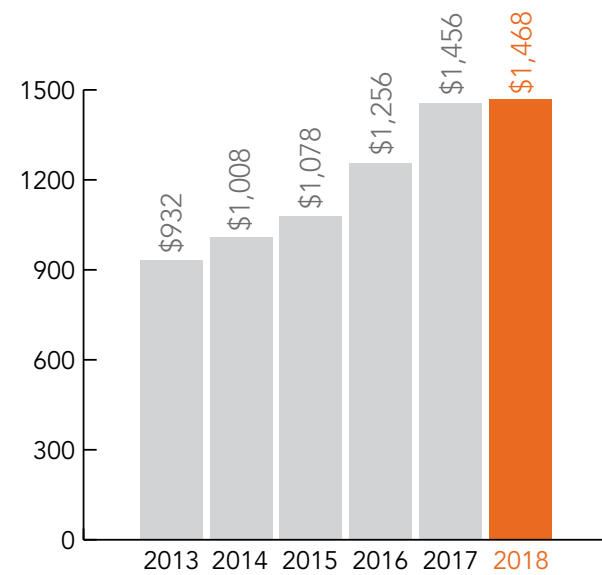
Financial Summary



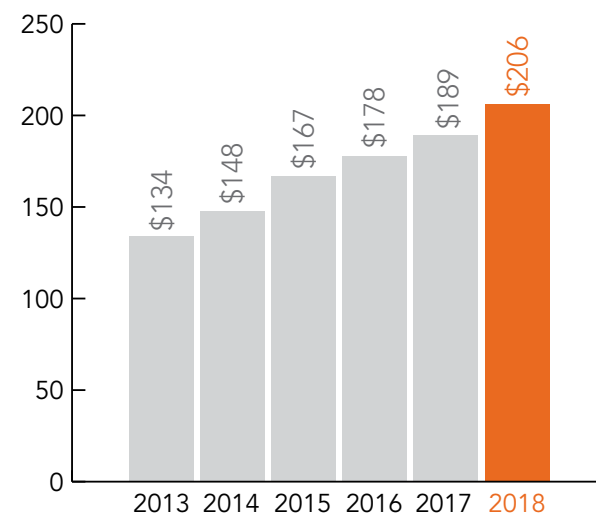
ASSETS | \$ Millions



MEMBER SHARES | \$ Millions



TOTAL NET LOANS | \$ Millions



EQUITY | \$ Millions

ACCOUNTS \$ Thousands	2018	2017
Cash and cash equivalents	\$76,272	\$77,294
INVESTMENT SECURITIES		
Investments	\$390,275	\$363,194
Loans to members, net of allowance for loan losses	\$1,467,983	\$1,455,898
Premises and equipment, net	\$62,226	\$59,019
NCUSIF deposit	\$16,590	\$15,906
Other assets	\$36,613	\$35,558
TOTAL ASSETS	\$2,049,959	\$2,006,869
Members' share accounts	\$1,776,801	\$1,717,719
Borrowed funds	\$45,000	\$77,500
Pension plan funded status	\$5,539	\$5,546
Accrued expenses and other liabilities	\$17,075	\$17,559
TOTAL LIABILITIES	\$1,844,415	\$1,818,324
Total members' equity	\$205,544	\$188,545
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$2,049,959	\$2,006,869
STATEMENT OF INCOME (UNAUDITED)		
Net interest income	\$66,787	\$59,197
Provision for loan losses	\$6,060	\$3,450
Net interest income after provision for loan losses	\$60,727	\$55,747
Non-interest income	\$35,603	\$34,697
Non-interest expense	\$80,167	\$77,923
NET INCOME	\$16,163	\$12,521

Year in Review

2018 was a strong year for your Credit Union. Take a look at how we supported our members and the communities we serve and helped you achieve your financial goals.

3,482

CREDIT CARDS



1,741

TOTAL HOME LOANS



6,021

TOTAL AUTO LOANS



\$31,400

CONTRIBUTED TO DISASTER RELIEF



\$99,796

STATE EMPLOYEES
CHARITABLE
CONTRIBUTION
DONATIONS COLLECTED

20 BRANCHES



COMMUNITY
GRANTS AWARDED

\$61,000

\$2B

TOTAL ASSETS

\$28.9M

INVESTED
IN BUSINESSES



\$20,000

AWARDED IN SCHOLARSHIPS

Board of Directors

The Board of Directors provides strategic direction, formulates policies and ensures the financial soundness of your Credit Union.



SHANE SIREN
Chairman

Retired Media Marketing
Consultant
Arizona State University



MARTHA N. ROZEN
Vice Chairperson

Assistant Director
Chief of Administrative Services
Arizona State Retirement System



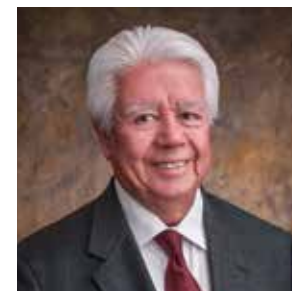
JOSEPH C. SMITH
Secretary

Retired Senior Executive
Arizona State Government
USAF LT Col, Retired



JON P. BORGE
Treasurer

Manager, Treasury Services
Freeport-McMoRan, Inc.



FRANK FELIX
Director

President, Irvington Group
Adjunct Professor
Northern Arizona University
Southern Region Center



GEORGANNA MEYER
Director

Economist
The Maguire Company



RAY O'CONNOR
Director

Retired Controller
State Compensation Fund



BILL VANDENBOSCH
Advisory Director

Retired Senior Executive
TriWest Healthcare Alliance



SAM J. WHEELER
Director

Retired Executive Director
Arizona State University
Former AVP
Northern Arizona University



MARQUETTA WHITE
Director

Retired Assistant Director
Arizona Department of Revenue



RYAN WILLIAMS
Advisory Director

Assistant Professor of Finance
Eller College of Management
University of Arizona

Message from the Chair



On behalf of the Board of Directors, I thank our valued members for trusting OneAZ Credit Union to help them achieve their financial goals and dreams.



SHANE SIREN
CHAIRMAN

It was an honor and a pleasure in 2018 for me to serve our members as Chairman of the OneAZ Credit Union Board of Directors. Thanks to the continued hard work and dedication of our member-focused associates and management team, OneAZ truly provided the very highest quality products and services, launched new technology, opened new branches, and developed strong relationships with our members and the communities we serve. With more than \$2 billion in safe and secure resources, we have given our members great satisfaction in knowing that they can count on us to help them with their financial needs.

In 2018, we expanded our community presence by opening two innovative new branches. With these additional locations in Southern Arizona's Oro Valley and in North Phoenix at Happy Valley and 19th Avenue, we are providing greater convenience to existing members while reaching potential new members. We now have 20 branches across Arizona.

We value the importance of continuing to invest in Arizona. OneAZ Community Foundation gave over \$180,000 to worthy causes in 2018. This includes over \$61,000 to local non-profits dedicated to improving the lives of our members and the communities we serve. Arizona college students were awarded \$20,000 in scholarships. We also partnered with members to give over \$99,000 to the Arizona State Employees Charitable Campaign, which empowers State of Arizona employees and retirees to help fund and support local charities.

On behalf of the Board of Directors and everyone at OneAZ, I deeply appreciate and thank all of our loyal members for trusting us as a valuable financial partner. Moving forward in 2019 and the years ahead, we are committed to continuing our credit union's strong and tremendously successful journey.

Shane Siren

Supervisory Committee Report



The Supervisory Committee oversees the Board of Directors and executives to ensure that your Credit Union continues to act with your best interests at heart.



SANDRA BUFFORD
CHAIRPERSON

Your Supervisory Committee is appointed by the Board of Directors and is responsible for ensuring that the assets of the OneAZ Credit Union are safeguarded; an independent audit is performed annually; account balances of the membership are verified; and appropriate policies and procedures exist to ensure compliance with management's objectives and regulatory requirements. These responsibilities are accomplished through regular meetings with the Board of Directors, Credit Union management and staff, Risk Management/Internal Audit, external auditors and regulators to review Credit Union activities and audit results.

As of September 30, 2018, the Arizona State Department of Financial Institutions and the National Credit Union Administration jointly completed their annual regulatory examination. In addition, CliftonLarsonAllen, a national CPA firm with recognized expertise in the credit union industry, was contracted to independently audit the financial statements and to perform member account verification procedures. Based on the results of this audit and account verification work, CliftonLarsonAllen concluded that the consolidated financial statements for OneAZ Credit Union as of December 31, 2018 and December 31, 2017 present fairly, in all material respects, the financial position and results of operations of the Credit Union in accordance with accounting principles generally accepted in the United States of America. Within the scope of their audit, CliftonLarsonAllen also found no significant deficiencies or material weaknesses in internal controls.

The Supervisory Committee has concluded that OneAZ Credit Union remains compliant with financial and operational internal controls and applicable regulatory requirements. We wish to express our appreciation to the Board of Directors, management and staff for their continued cooperation, compliance and dedication to the success of OneAZ Credit Union.

Sandra Bufford



FROM LEFT TO RIGHT: SANDRA BUFFORD, ED SANCHEZ
NOT PICTURED: SARA CLICK

Treasurer's Report



JON BORGE
TREASURER

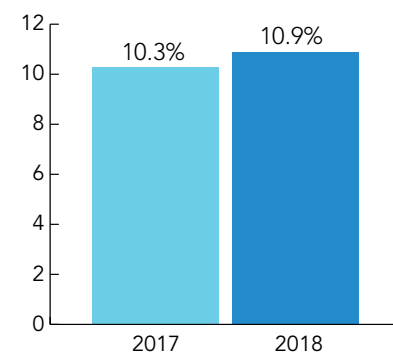
In 2018, OneAZ Credit Union remained vital, sound and firmly focused on our members. We made new advances on our mission to be the best partner we can be to our members and communities. In addition to opening two more new branches, in North Phoenix and Oro Valley, our team implemented a new state-of-the-art financial system that will serve as our primary technology platform for years to come. This new system enhances our ability to serve our members and provides us with better tools for managing the Credit Union's operations.

The Credit Union's capital strength ratio improved to 10.9% by the end of 2018 (versus 10.3% the previous year) which significantly exceeds the National Credit Union Administration's (NCUA) well-capitalized threshold of 7%. We finished the year financially sound with total assets of \$2.0 billion and member loans of \$1.5 billion, which reflect slight year-over-year gains.

As Treasurer, I am pleased to report that your Credit Union is a strong, stable and safe financial institution that has clear objectives for improving your member experience and our products and services, and for positively impacting the well-being of our members, associates and communities.

Jon Borge
Treasurer

CAPITAL STRENGTH | %



Serving Members Across Arizona

Executive Leadership Team

- David Doss**
President, Chief Executive Officer
- Kim Reedy**
Executive Vice President, Chief Financial Officer
- Michael Emanuelli**
Executive Vice President, Chief Administration Officer
- Steve Hodgson**
Executive Vice President, Data Analytics
- Deborah Pearson**
Executive Vice President, Strategy & Brand
- Laura Worzella**
Executive Vice President, Chief Retail Sales Officer



Back row from left: Michael Emanuelli, Steve Hodgson
Front row from left: Deborah Pearson, David Doss, Kim Reedy, Laura Worzella

Chino Valley

1021 N. Highway 89, Suite 106, 86323

Cottonwood

601 W. State Route 89A, 86326

Flagstaff – Beaver Street

321 S. Beaver Street, 86001

Flagstaff – US Highway 89

5200 N. US Highway 89, 86004

Gilbert – Guadalupe Road

2277 W. Guadalupe Road, 85233

Gilbert – Higley/Queen Creek

3349 E. Queen Creek Road, 85297

Glendale – ASU West

4701 W. Thunderbird Road, 85306

Glendale – Union Hills Drive

8285 W. Union Hills Drive, Suite 106, 85308

North Scottsdale

16600 N. Scottsdale Road, 85254

Oro Valley

10718 N. Oracle Road, 85737

Phoenix – Happy Valley

1925 W. Happy Valley Road, 85085

Phoenix – Monroe Street

1812 W. Monroe Street, 85007

Prescott – Gail Gardner Way

1335 Gail Gardner Way, 86305

Prescott – Gurley Street

550 E. Gurley Street, 86301

Prescott Valley

7111 Pav Way, 86314

Safford

280 W. Main Street, 85546

Sedona

20 E. Roadrunner Drive, Suite C, 86336

Tempe – Southern Avenue

840 E. Southern Avenue, Suite 101, 85282

Tucson – Alvernon Way

777 S. Alvernon Way, 85711

Tucson – Oracle Road

6456 N. Oracle Road, 85704



Let's bank together.

Checking | Home & Auto Loans | Credit Cards | Business

1.844.663.2928 | [OneAZcu.com](https://www.OneAZcu.com) |    

Federally insured by NCUA

Equal Housing Lender. NMLS 607456. For membership eligibility, visit [OneAZcu.com/membership](https://www.OneAZcu.com/membership).