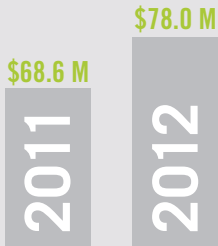
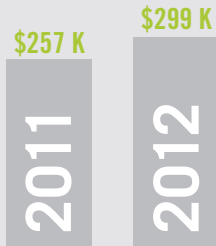


FINANCIAL CONDITION

### TOTAL ASSETS



### NET INCOME



### BENCHMARK



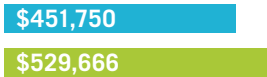
## GROWTH

■ 2011 ■ 2012

#### New auto loans



#### Student loans

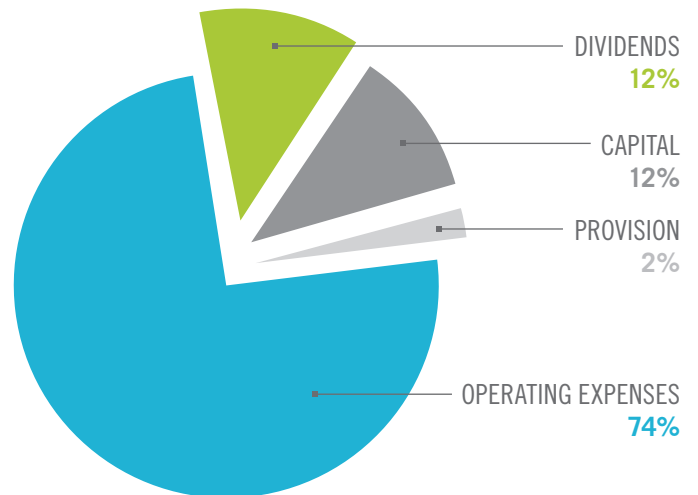


#### Total savings



## INCOME COMPONENTS

GROSS INCOME **\$2,637,017**



AS A % OF GROSS INCOME

## SUCCESSFUL INITIATIVES

### OUTREACH

- FIELD SITE GROWTH
- FAMILY MEMBER GROWTH
- ATM AT SRI PRINCETON

### COMMUNITY

- RELAY FOR LIFE
- SRI ALUMNI
- FIELD SITE PARTICIPATION

### PLUS IT

- VISA® IN REAL TIME
- M2M TRANSFER
- ELECTRONIC TITLES

## CONNECT

GROWTH IN HOW MEMBERS CONNECT

12%

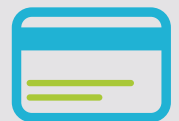
15%

28%

10%



E-statements



Visa® Debit Cards

Simply Personal.



# 2013 ANNUAL MEETING

## AGENDA

- Opening by Peter Gibb, President
- Approval of 2012 Annual Meeting Minutes
- President's Report
- Financial Report
- 2013 Initiatives
- Election of Officers
- Door Prize Drawing
- Adjournment
- Refreshments

## BOARD OF DIRECTORS

Peter Gibb, President  
 J.D. Smith, Vice President  
 William Fiock, Treasurer  
 Joann Hodges-Velayo, Secretary  
 Ann Johnston, Director  
 John Prausa, Director  
 Peter Valenti, Director

## SUPERVISORY COMMITTEE

Aurora Allen, Chair  
 Christine Riccio, Member  
 Karen Steinmetz, Member  
 Regis Vincent, Member

## STAFF

Steve Bowles, CEO/CFO  
 Melisa Brandis, Member Service Representative  
 Hope Donovan-Bowles, Consulting Executive  
 Christopher Ensley, Operations Supervisor  
 Shirley Gallagher, Senior Loan Officer  
 Francisco Saenz, Marketing Coordinator / Sr. Loan Officer  
 Isac Soto, Member Service Representative  
 Rick Valderrama, Project Lead / Systems Administrator  
 Grace Yeung, Senior Accountant

## FINANCIALS

BALANCE SHEET	2011	2012	\$ Change	% Change
Loans	\$ 38,230,336	\$ 36,731,351	\$(1,498,985)	(3.9)%
Cash & Investments	28,486,299	39,263,333	10,777,034	37.8%
Other Assets	1,892,343	2,045,014	152,671	8.1%
<b>Total Assets</b>	<b>\$ 68,608,978</b>	<b>\$ 78,039,698</b>	<b>\$ 9,430,720</b>	<b>13.8%</b>

Accounts Payable	\$ 2,580,975	\$ 793,924	\$(1,787,051)	(69.2)%
Member Savings	60,288,915	71,377,765	11,088,850	18.4%
	<b>\$ 62,869,890</b>	<b>\$ 72,171,689</b>	<b>\$ 9,301,799</b>	<b>14.8%</b>

Capital	\$ 5,739,088	\$ 5,868,009	\$ 128,921	2.3%
<b>Total Liabilities &amp; Capital</b>	<b>\$ 68,608,978</b>	<b>\$ 78,039,698</b>	<b>\$ 9,430,720</b>	<b>13.8%</b>

INCOME STATEMENT	2011	2012	\$ Change	% Change
Income	\$ 2,694,458	\$ 2,637,017	\$(57,441)	(2.1)%

Operating Expenses	2,100,841	2,020,354	(80,487)	(3.8)%
Dividends	335,862	317,603	(18,259)	(5.4)%
Other Costs of Funds	671	394	(277)	(41.3)%
Total Costs	\$ 2,437,374	\$ 2,338,351	\$(99,023)	(4.1)%
<b>Net Income</b>	<b>\$ 257,084</b>	<b>\$ 298,666</b>	<b>\$ 41,582</b>	<b>16.2%</b>

## PRESIDENT'S MESSAGE

In 2012, SRI Federal Credit Union continued to improve services including installing a new ATM at the Princeton, NJ site and upgrading the Visa® authorizations to real-time. Many improvements are transparent to the members and involve back office programs, such as moving a number of settlement services to a new provider. Our value-added services continue to attract new members. Growth in new memberships continued in 2012, and 22% of the new members were from outside California.

I am pleased to report that SRI Federal Credit Union remains financially secure and stable. Members continue to see the value in membership—adding \$11 million to their deposits this year, an increase of 18%. New automobile loans increased by 94% and student loans by 17%. We still have funds available for loans! Loans to our members are our best investment and those earnings help support higher dividends. The credit union crossed another milestone with total assets over the \$78 million mark and total capital over \$5.8 million.

The delinquency ratio (.08%) continues to be significantly below other peer credit unions (the peer group is 1.28%). Rates are at historic lows. Lower earnings were offset with strict cost controls over expenses and excellent investment performance.

We will continue to monitor and respond to factors which impact our industry. Since 1957, SRI Federal Credit Union has been successful because of high quality, personal service coupled with products that you want. The rollout and enhancements in our mobile platform show our commitment to keeping pace with industry innovation.

Thank you to the dedicated staff for their commitment to a core of strong values and service to the members. Recognition should also go to the volunteers who give their time to serve as members of the Supervisory Committee and Board of Directors. Most importantly, we want to extend our appreciation to you, the members, for the support and loyalty that you have shown over the years.

Peter Gibb  
 President

## MINUTES - ANNUAL MEETING MARCH 21, 2012

The 55th Annual Meeting of the SRI Federal Credit Union was called to order at 12:05 PM by President Peter Gibb on March 21, 2012. After welcoming the large gathering of attending members, Mr. Gibb emphasized the Credit Union's single focus and commitment: to serve the employees of SRI International and their families.

Mr. Gibb requested everyone to review the written minutes from the March 16, 2011 Annual Meeting. A motion to accept was made from the floor. The motion was seconded and carried.

The 2011 financial report and 2011 accomplishments were presented by Steve Bowles.

The nominating committee's list of candidates for the Board of Directors was presented: Peter Gibb, Pete Valenti, and Bill Fiock. Peter Gibb then asked for nominations from the floor; none were presented. A member motioned to accept the nominating committee's list of nominees. The motion was seconded, and carried.

Door prizes were awarded and Peter Gibb announced that the staff and volunteers would be available to answer questions during refreshments in the reception area. The meeting was adjourned at 12:40 PM.

## SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is responsible for the audit and verification of the Credit Union records. The Committee also ensures that both professional staff and officials properly perform their duties in a safe manner to assure the Credit Union has adequate operational procedures in effect to provide for the safety of the members' funds. To carry out the Committee's responsibilities, an independent certified public accounting firm performs an annual audit. Accordingly, the Committee reviews operational procedures of the Credit Union and makes applicable recommendations to the Board of Directors. In 2013, a firm specializing in audits of credit unions will be performing the audit with an audit date of December 31, 2012.

The accounting records and reports are prepared promptly and accurately, and internal controls are adequate. Additionally, we are confident that the planning established by the Board of Directors is sound.

Aurora Allen  
 Chair

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 online at [www.SRIFCU.org](http://www.SRIFCU.org)