



ANNUAL REPORT 2016



Celebrating
60 Years
of Putting
Members First

Rated 5 Stars



for

Superior Financial Services

by BauerFinancial



We look forward to helping you have
a successful financial future.

www.bauerfinancial.com

2016 was another banner year for your Publix Employees Federal Credit Union (PEFCU). PEFCU grew in assets, shares, loans, investments, reserves and members. As a large, single sponsor non-profit cooperative, PEFCU primarily serves current and former Publix Super Market employees and their immediate family members. Just as Publix employees own Publix Super Markets, PEFCU members own the Credit Union. That's why it makes sense, as an owner, to do business with PEFCU, your Credit Union. PEFCU features great loan interest and share dividend rates and lower and fewer fees and charges than most of our competitors. Take advantage of your Credit Union and let your fellow associates and family members know that they can join too.

Did you know that, in most instances, PEFCU is more convenient than the bank down the street? That's because your Credit Union offers so many products and services that allow you to access and transact business on your Credit Union accounts without having to visit an office. These products and services include:

- Direct Deposit, which allows members to have part or all of their Publix paychecks deposited directly into their PEFCU accounts each pay period through the Automated Clearing House (ACH).
- Account access through Presto! ATMs and POS terminals, any ATMs and POS terminals displaying Pulse/Plus or VISA symbols and PEFCU owned Isle of Service ATMs. An ATM was added to one of the Publix warehouses in Orlando, Florida in 2016 and another was added to the warehouse in McCalla, Alabama in early 2017.
- Call Centers, which allow members to call and talk to PEFCU employees about their accounts or Credit Union products and services. Chat lets members converse with designated PEFCU employees through computer or cell phone key pads.
- Computer Access by Telephone (CAT) system allows members to do transactions and/or file maintenance through their telephones by calling PEFCU.
- Home banking allows members to use their computers to access and manage their PEFCU accounts for inquiries, transactions, file maintenance, bill pay and other options.
- Mobile banking (the PEFCU Mobile App) allows members to use their cell phones to access and manage their PEFCU accounts for inquiries, transactions, file maintenance, bill pay and other options.
- Mobile Deposit allows members to use their cell phones to take pictures of checks for immediate deposit into their PEFCU accounts (qualifying members can use this service to deposit a check for up to \$1,000 and get \$200 immediate credit. Deposit limits may be increased upon request by qualifying members).

President's Message

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CELEBRATING 60 YEARS

Additional new products, services and security features rolled out in 2016 and early 2017 include:

- All existing ATM and debit cards replaced in 2016 with EMV chip cards for added security (chips feature tokenization for added security at terminals that read chips).
- All PEFCU owned Isle of Service ATMs were upgraded in 2016 to read the chips on debit cards for added security.
- VISA Check Out allows members to key in payment information to VISA one time only to make secure on-line purchases. Participating retailers then present the VISA Checkout Symbol (a button or tab) to members to select in lieu of having to input their card and other information during on-line purchases. VISA Checkout features tokenization for a more secure on-line buying experience.
- The PEFCU Cards App was launched in 2016, allowing members to set up near real-time card transaction alerts for when their when their VISA debit or credit cards or card numbers are used. Alerts can be received via e-mail, text or push notifications. This App can be downloaded for free from the APP Store.
- Additional card controls were added to the PEFCU Mobile App in 2016. These new controls allow members to temporarily or permanently block their ATM, VISA debit and VISA credit cards if they believe they are lost or stolen.
- Members without iPhones can now go to their App Store or Android Pay to download Google Pay, Samsung Pay and Android Pay. These virtual wallets allow PEFCU members to put their PEFCU VISA debit and credit cards as well as other participating bank cards in them to make payments using their phones instead of their plastic cards. PEFCU members with iPhones can of course add their credit and debit card information to the wallets on their phones to use Apple Pay.

With all of these on-line and mobile products and services it's easy to see how quick and simple it is to do business with your PEFCU. Check out our web site or call (800) 226-6673 for more information. Thanks for doing business with PEFCU, your Credit Union.

Regards,

Joseph F. David

Joseph F David
President and CEO

Below you will find many reasons to be proud of your Credit Union. Growth, financial soundness, security, competitiveness and a qualified staff that provides excellent service. Be assured that the Board appreciates our current success and we are dedicated to do our part in continuing these positive trends. As the financial industry continues to change we will be diligent in adjusting our delivery strategies to meet the needs and desires of our members.

Your Credit Union continued to **grow** in 2016. This is evidenced by the charts and financial reports contained in this Annual Report. Your Credit Union ended the year at 872 million dollars in assets and 111 million in reserves. The number of Credit Union members increased to 134 thousand. Your Credit Union's continued success is due to your loyalty and unwavering support. For this we are grateful.

Your Credit Union remained **financially sound** in 2016. The public accounting firm of Doeren Mayhew, CPAs and Advisors audited your Credit Union and rendered a clean opinion on its financial statements. Examiners from NCUA, our regulators, also gave the Credit Union a clean bill of health. In addition, Bauer Financial gave your Credit Union a "5 star" rating (their highest rating) once again.

Your Credit Union remained **secure and prepared** in 2016. Our annual information security review, conducted by Computer Services, Inc. in July, confirmed that the Credit Union continued to do a good job of protecting member assets and non-public personal information. Our annual disaster recovery test was conducted in May. The test is a simulation of a disaster at the Credit Union's main office in Lakeland and is designed to determine if the Credit Union could continue to function and serve member needs from our backup data processing "hot site" in Jacksonville. The test was determined to be a success.

Your Credit Union remained extremely **competitive** in 2016. Despite increases in market interest rates, your Credit Union did not increase the interest rates on any of its loan products during the year. The Credit Union did however, increase the dividend rates on a number of its share certificate products to benefit savers. Fees and charges to members remained at a minimum. Your Credit Union does not charge fees for many products and services that banks and other credit unions charge for and, when fees are necessary, they are usually lower than those charged by our competitors.

Your Credit Union remained a **single sponsor** Credit Union in 2016. As a single sponsor Credit Union, membership is primarily limited to current and former employees of Publix Super Markets and their immediate family members. This

Chairman's Message

cont'd

CELEBRATING 60 YEARS

common bond allows us to focus on the specific needs of the Publix family. Your Credit Union was founded in 1957 as another exclusive benefit for the Publix family and it remains so today.

In December, the Credit Union's Nominating Committee nominated current Board members Kindle Bowden and Johnny Davis for re-election to the Board in 2017 for additional three year terms. Both agreed to serve if elected.

Your Credit Union Board of Directors lost a valuable Credit Union leader and promoter in 2016 when long time Board member and Chairman Danny Risener retired from the Board. The Credit Union grew and prospered for many years under Mr. Risener's direction and leadership and he will be missed. Board member Terry Brigman agreed to serve as Board Chairman in his stead. Merriann Metz, Assistant General Counsel for Publix Super Markets, assumed Mr. Risener's unexpired term on the Board.

In closing, I would like to thank my fellow Board members for their leadership and dedication, the members of the Supervisory and Credit Committees for their dedication, the management and staff of the Credit Union for their hard work, and you our members, for your continued loyalty and support. Thanks for being members of your Credit Union.

Sincerely,

Terry Brigman

Terry Brigman
Board Chairman

CELEBRATING 60 YEARS

The Supervisory Committee is appointed by the Board of Directors and is responsible for the annual financial audit. To assist the Supervisory Committee, the Credit Union has selected the accounting firm of OCM & Co., CPAs and Advisors, a Doeren Mayhew Firm. The primary focus of the annual audit is to determine the completeness of financial statements and the ownership of assets and liabilities.

The findings indicate that the “2016” financial statements accurately represent the results of operation and the financial condition of the Credit Union. Federal examiners representing the National Credit Union Administration (NCUA) also conducted their required annual audit and found the general condition of the Credit Union to be financially sound.

Respectfully submitted,

Lisa Merchant

Lisa Merchant
Chair, Supervisory Committee

Committee Members

Cindy White
Meghan Vazquez

Results of Operations

As of December 31, 2016

	2016	2015	INC. (DEC.)
TOTAL ALL INCOME			
INTEREST ON LOANS/VISA	\$21,251,369	\$20,106,234	\$1,145,135
INVESTMENT INCOME	\$5,294,915	\$5,010,522	\$284,393
OTHER INCOME	\$14,225,398	\$14,367,526	(\$142,128)
GAIN(LOSS) ON ASSETS	(\$339,617)	\$205,679	(\$545,296)
GROSS INCOME	\$40,432,065	\$39,689,961	\$742,104
OPERATING EXPENSES:			
ADMINISTRATIVE	\$12,810,774	\$12,211,158	\$599,616
MARKETING & EDUCATION	\$517,023	\$551,379	(\$34,356)
OFFICE OPERATIONS	\$2,864,914	\$2,849,426	\$15,488
OFFICE OCCUPANCY	\$1,321,333	\$1,381,931	(\$60,598)
LOAN SERVICING	\$1,775,532	\$1,612,198	\$163,334
PROFESSIONAL SERVICES	\$1,301,341	\$1,130,572	\$170,769
EXAMINATION EXPENSES	\$148,991	\$143,508	\$5,483
DATA PROCESSING	\$5,646,168	\$4,978,831	\$667,337
LOAN LOSS PROVISION	\$1,650,914	\$1,172,200	\$478,714
INS.PREMIUM/STABILIZATION	\$0	\$0	\$0
MISCELLANEOUS EXPENSES	\$648,139	\$750,441	(\$102,302)
TOTAL EXPENSES	<u>\$28,685,129</u>	<u>\$26,781,644</u>	<u>\$1,903,485</u>
NET OPERATING INCOME:	<u>\$11,746,936</u>	<u>\$12,908,317</u>	<u>(\$1,161,381)</u>

Statement of Financial Condition

As of December 31, 2016

	2016	2015	INC. (DEC.)
ASSETS:			
LOANS (NET)	\$399,441,119	\$374,683,064	\$24,758,055
CASH	\$6,398,146	\$4,645,953	\$1,752,193
INVESTMENTS (NET)	\$451,503,209	\$424,277,723	\$27,225,486
FIXED ASSETS (NET)	\$5,186,148	\$5,972,515	(\$786,367)
OTHER ASSETS	\$9,752,839	\$9,699,965	\$52,874
TOTAL ASSETS	<u>\$872,281,461</u>	<u>\$819,279,220</u>	<u>\$53,002,241</u>
LIABILITIES:			
ACCOUNTS PAYABLE	\$844,359	\$690,274	\$154,085
OTHER LIABILITIES	<u>\$9,536,372</u>	<u>\$7,380,752</u>	<u>\$2,155,620</u>
TOTAL LIABILITIES	\$10,380,731	\$8,071,026	\$2,309,705
MEMBER EQUITY:			
MEMBER SHARES	\$751,316,722	\$705,613,705	\$45,703,017
CAPITAL	\$110,584,008	\$105,594,489	\$4,989,519
TOTAL MEMBER EQUITY	<u>\$861,900,730</u>	<u>\$811,208,194</u>	<u>\$50,692,536</u>
TOTAL LIABILITIES & CAP.	<u>\$872,281,461</u>	<u>\$819,279,220</u>	<u>\$53,002,241</u>

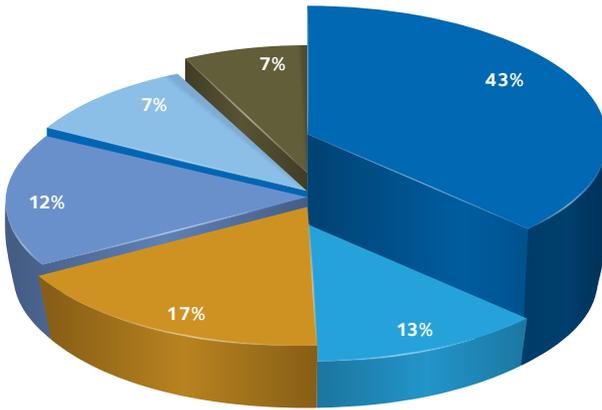
Distribution of Net Operating Income

As of December 31, 2016

	2016	2015	INC. (DEC.)
NET OPERATING INCOME:	\$11,746,936	\$12,908,317	(\$1,161,381)
TO: DIVIDENDS	\$4,879,383	\$4,767,300	\$112,083
TO: CAPITAL	<u>\$6,867,553</u>	<u>\$8,141,017</u>	<u>(\$1,273,464)</u>
TOTAL DISTRIBUTION:	<u>\$11,746,936</u>	<u>\$12,908,317</u>	<u>(\$1,161,381)</u>

Share Account Analysis

December 31, 2016

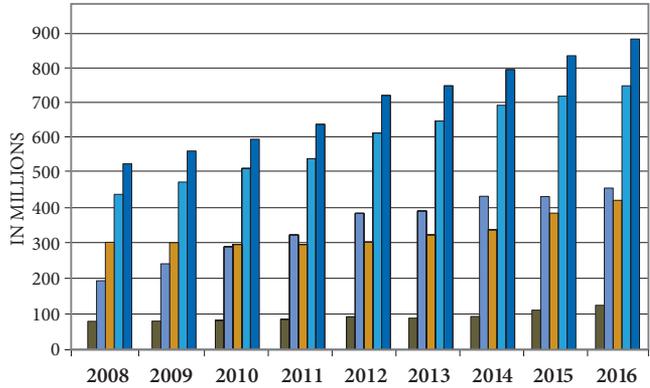


- ◆ SHARE
- ◆ SHARE DRAFT
- ◆ P.D.M.A.
- ◆ CERTIFICATE
- ◆ IRA CERTIFICATE
- ◆ BASE IRA

Historical Growth Analysis

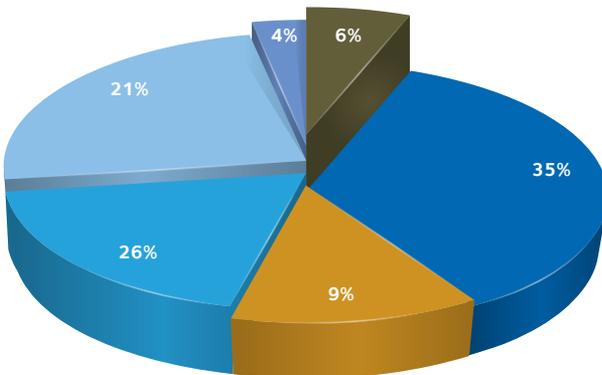
December 31, 2016

- ASSETS
- SHARES
- LOANS
- INVESTMENTS
- RESERVES



Loan Account Analysis

December 31, 2016



- ◆ SIGNATURE
- ◆ AUTO
- ◆ VISA
- ◆ STOCK
- ◆ MORTGAGE
- ◆ OTHER

CELEBRATING 60 YEARS

The Credit Committee is appointed by the Board of Directors and is responsible for monitoring many quality control issues. These issues include seeing that all loan applications are acted upon, ensuring that Loan Officers objectively and fairly review all loan requests and that any loan requests that the Loan Officers can't approve are forwarded to the Credit Committee for final review. The Credit Committee has final approval and denial authority on all loan requests.

The Credit Committee is once again happy to report that delinquent loans continue to be below the national average.

Respectfully submitted,

Joseph F. David

Joseph F. David
Chairman

Committee Members

Robert Bregler, Member
Brenda Jimenez, Member

Publix Employees Federal Credit Union

58th Annual Meeting | March 24, 2016

President Joseph David called the 58th Annual Meeting of Publix Employees Federal Credit Union to order at 5:10 p.m. in the meeting room of the Credit Union headquarters.

President David asked if a quorum was present; Executive Vice President Robert Bregler responded that 58 members were present, constituting a quorum. President David then appointed Rhonda Letchworth as Recording Secretary. Lynn Kensingler made a motion to dispense with the reading of the previous meeting minutes, seconded by Barbara Wholuba.

President David then introduced the members of the board who were present: Terry Brigman and Kindle Bowden. Chairman Risener was unable to attend.

President David welcomed everyone to the 58th Annual Meeting. President David stated that the President's message, the Chairman's message, the Report of the Supervisory Committee, and the Credit Committee reports were all located in the Annual Report. President David stated that in 2015 the Credit Union continued to grow and prosper. President David stated that the Credit Union remains very secure and a safe place to keep your money. President David reported the assets have grown to 819 million and 106 million in reserves. The number of members increased to 227,503 in 2015. President David stated the success of the Credit Union is due to your continued support and for that we are grateful.

President David stated that in 2015 the Credit Union's primary goal is to offer our members the latest technology for the services they request. President David also stated the Credit Union has been proactive in creating business in 2015 by hosting numerous car sales throughout the year at most Branch locations as well as the Main Office. President David stated in the coming year the Credit Union will continue to move to roll out EMV for VISA debit and credit card plans. President David also reported the Disaster Recovery test performed in June was a success.

President David stated that in 2015 the Credit Union closed its West Palm Beach and Boca Office offices and moved the staffs to a new office located in Royal Palm Beach. This new office features drive up tellers and a drive up ATM. The lobby also offers the latest technology to service members. President David then stated that the Credit Union also installed an ATM in the Boynton Beach warehouse and it began operation in early 2016. The Credit Union is also in the process of bringing live an ATM at the new Orlando warehouse during the first quarter of 2016.

President David reported the Credit Union continues to do a good job in protecting member information as verified in the last security audit performed by CSI, Inc, as well as audits performed by NCUA and OCM & Co, a new independent auditor. Both gave the Credit Union clean reports. President David also stated that once again the Credit Union received a 5 Star Rating from Bauer Financial.

President David stated that the staff does an exceptional job servicing the members, providing services for all their financial needs as well as combating fraud as it continues to grow. President David stated that the Credit Union continues to compete with other financial institutions by offering the latest technology. President David stated the millennials are embracing the services of Mobile Banking, I Pay, Fl to Fl, Mobile Deposits, and online applications for membership. President David stated that in 2016 the Credit Union will be rolling out the online application to apply for loans.

President David stated that a new department has been implemented in our Jacksonville Branch to take on the consumer credit disputes also known as E-Oscar in order to relieve some of the workload from the Collection Department. President David stated that the Jacksonville Branch has the space to accommodate this new department.

President David asked if there was any unfinished business to be brought before the meeting. There was none.

Under New Business, a report was made on the election of Directors. The Nominating Committee had nominated Terry Brigman, Linda Hall and Jeff Chamberlain for re-election to the board. Since there were no other nominations, Bob Bregler cast one ballot for the election of each Board member to three year terms on the board.

President David then thanked the staff and management for passing all of the recent audits with flying colors in spite of all the new products that are being rolled out and continuing to provide exceptional service to our members.

President David then announced the "Employee of the Year" for the Lakeland Office was awarded to Tabitha Jackson, Lakeland Card Services. Tabitha began her career in 2001 and after a brief absence returned in 2006 where she has been an exceptional employee. She maintains a positive attitude, and handles her position, job duties, members and co-workers in a professional manner. She shows initiative, completes daily task and assignments in a timely manner, and knows how to prioritize not only her duties, but other department duties, to ensure those most critical are addressed and completed in a timely manner. In addition to this, she assist with our ongoing department projects, documentation, training, testing etc. She has a good working relationship with credit union staff and our third party vendors that the Department engages with on a regular basis, and she can be trusted her to handle issues as they arise with these vendors and credit union staff. She is rarely absent, does not request excessive personal time off. She is always punctual. She does not engage in gossip or negativity, is always willing to take on task assigned, and to assist others. She is a team player and an asset to the Card Services Department and to PEFCU, and very deserving of this award. President David thanked Tabitha for her dedication and years of service.

All other offices announced the "Employee of the Year" for their locations and are as follows: Lakeland, Tabitha Jackson, Card Services; Pembroke Pines, Melinda Lemme, Office Supervisor; Jacksonville, Kari Collins, Digital Call Center; West Palm Beach, Keishla Mulero, Teller; Norcross, Amanda Notheis, Senior Loan Officer; Altamonte Springs, Jenifer Bunnell, Teller; Sarasota, Ellen Vail, Member Service Representative; Mableton, Tonya Willis, Isle of Service Representative.

President David then thanked the Board of Directors, the Supervisory Committee, management and staff for another successful year.

There being no further business, Lynn Kensinger made a motion to adjourn the meeting; seconded by Barbara Wholuba. Motion carried and the meeting was adjourned.

Respectfully submitted,

Rhonda D. Letchworth

Rhonda D. Letchworth
Recording Secretary

Traditional Products and Services

Savings Made Easy

Basic Share Account — Holiday Club Account — Special Club Account

Each of these accounts offers you the convenience of Direct Deposit and Payroll Deduction programs which automatically deposit funds from your paycheck into the accounts you designate.

A Checking Account With a Difference

VISA Debit Cards — Free Overdraft Protection — Free Bill Pay

Enjoy ultimate convenience with our Free Checking Account. Save money with no minimum balance or monthly service charge. A VISA Debit Card is available for easy account access.

Investments

Money Market Account — Share and IRA Certificates — Basic and Roth IRAs — PECU Private Client Group — for additional Investment, Retirement, and Estate Planning

Choose from a number of investment opportunities and benefit from exceptional dividends.

Loans & VISA

- New and Used Vehicles
- Property
- VISA Credit Card
 - *ScoreCard Rewards & Cash Back*
- First/Second Mortgages
- New and Used Motorcycles
- Personal Signature
- Share Secured
- Share Secured VISA Credit Card
- Publix Stock Secured
- Publix Stock Purchase
- Charge/Credit Card Payoff
- New and Used Boats and Recreational Vehicles

Electronic Services

- Home Banking
- Mobile Check Deposit
- Online Account Opening
- Live Chat with CU at www.pefcu.com
- PEFCU Card App with Card Alerts
- E-Statements
- Send Money
- CAT (Computer Access by Telephone)
- Free Bill Pay
- Free Mobile Bill Pay

Other Member Service Highlights

- Teller Services
- Group Auto Insurance
- Web Loan Payments
- IRA Service Center
- Safe Deposit Boxes (*available in Lakeland and Jax only*)
- Money Orders
- Wire Transfers
- Signature and Medallion Guarantees
- Monthly Newsletters and Educational Materials
- Cashiers Checks
- Notary Services

Board of Directors

Terry Brigman, *Chairman*
Linda Hall, *Vice-Chairman*
Kindle Bowden, *Secretary*
Johnny Davis, *Member*
Jeff Chamberlain, *Member*
Merriann Metz, *Member*
Jeff Stephens, *Member*

Joseph F. David, *President/CEO*
Robert F. Bregler, *Executive V.P./COO*
Karen J. Boccaleri, *CFO*
Jayne Couch, *V.P. of Collections*
Greg Ellis, *Controller*
Courtney Gallagher, *Department Manager of Member Services*
Nigel Gobourne, *V.P. of Information Technology*
James Harris, *Purchasing Officer*
Kelly Henson, *I/S Manager*
Erika Hernden, *Implementation Director*
Brenda Jimenez, *Loan Supervisor*
Kris Johnson, *Investments Manager*
Sharon Johnson, *Mortgage Manager*
Lynn Kensinger, *V.P. of Lending*
Leila Lee, *Call Center Manager*
Rhonda Letchworth, *Executive Assistant*
Michelle Lindsey, *V.P. of Teller Services*
Debra Lineberger, *Director of Internal Audit*
Mindy Martinez, *Director of Marketing*
Michael Moats, *Director of Compliance*
Robin Murphy, *V.P. of Human Resources*
Shauntel Rivers, *Accounting Manager*
Karen Sullivan, *CIO/CSO*
Kim Williams, *V.P. of Card Services*

Management Team

Branch Managers

Jan Eckstein, *Norcross, GA*
Charlene Eighmy, *Sarasota*
Karen Fleurima, *Pembroke Pines*
Theresa Kline, *Mableton, GA*
Emma Lopez, *West Palm Beach*
Karol Mollé, *Altamonte Springs*
Larry Sale, *Jacksonville*

Lisa Merchant, *Chairperson*
Cindy White, *Secretary*
Meghan Vazquez

Supervisory Committee



Lakeland

Main Branch

3005 New Tampa Highway, Lakeland, FL 33815
Mailing: PO Box 1000, Lakeland, FL 33802-1000
(863) 683-6404 • Toll-Free: (800) 226-6673
24/7 ATM Access

Pembroke Pines

219 North University Drive, Pembroke Pines, FL 33024
Mailing: PO Box 848609, Pembroke Pines, FL 33084-0609
(954) 961-6667 • Toll-Free: (800) 822-4573

Jacksonville

101 Scholars Way, Jacksonville, FL 32216
Mailing: PO Box 8788, Jacksonville, FL 32239-0788
Phone: (904) 725-4662 • Toll-Free: (800) 767-4618

West Palm Beach

11957 Southern Boulevard
Royal Palm Beach, FL 33411
Phone: (561) 832-2629 • Toll-Free: (800) 822-4597

Altamonte Springs

482 East Altamonte Drive, Suite 1010
Altamonte Springs, FL 32701-4604
Phone: (407) 260-1490 • Toll-Free: (800) 822-4756

Norcross, Georgia

59 South Peachtree Street
Norcross, GA 30071-2503
Phone: (770) 613-0452 • Toll-Free: (800) 822-4758

Mableton, Georgia

1025 Veterans Memorial Hwy SE, Suite 630
Mableton, GA 30126
Phone: (770) 281-2553 • Toll-Free: (877) 965-3017

Sarasota "Isle of Service"

Beneva Village, 3430 Clark Road, Sarasota, FL 34231
Phone: (941) 927-5220 • Toll-Free: (877) 231-3428
7 days a week ATM Access • 7:00 a.m.–9:00 p.m.

CAT

(Computerized Access by Telephone)
Lakeland (863) 680-1733 • Toll-Free: (800) 226-7611

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www.pefcu.com

Office Hours

Monday – Friday 8:30 a.m.–5:00 p.m.

1-800-226-6673
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