“Improve each member’s life by delivering valuable financial services.”

Star One’s Mission Statement
Star One Credit Union is one of Silicon Valley’s largest, member-owned financial institutions. We’ve been serving Santa Clara County for over 64 years with more than 113,000 members worldwide. With assets over $10.1 billion, Star One is ranked 17th in total assets among over 5,700 credit unions nationally.

Star One is a credit union focused on members. Our mission is to improve each member’s life by delivering valuable financial services. This year that focus became greater and we found that in unprecedented times, staff and members are stronger together. Star One members can find security in that strength.
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The mission of Star One is focused squarely on members, and this year, we never wavered from the goal of improving each member’s life by delivering valuable financial services. As ever, our strategy has been to use a sensible approach in managing the Credit Union, and not react rashly to external factors. The Board of Directors come from various backgrounds, and they apply their decades of experience to be unpaid volunteers helping Star One to remain one of the most successful credit unions in the nation.

As challenging as 2020 was, we are confident members can feel secure about their deposits at Star One. Through the decades, we have weathered many economic storms and are well-positioned to do so again.

It was important in 2020 to not only continue delivering the financial needs of our members, but to do so with the excellent service members expect. We happily report that members remain satisfied, according to surveys conducted throughout the year. Raddon Financial reported that member satisfaction is at 98%. And we continue to monitor and enhance our performance through other metrics, such as our Quality Member Surveys and Mystery Shopper Program.

The current world situation required us to be responsive and flexible to meet members where they were. Our popular in-person financial education workshops, some of which were previously reserved to full capacity, were promoted online and through email, and conducted via live online webinars. This allowed members to attend conveniently from wherever they were.

In February, we expanded our field of membership and welcomed people living, regularly working, and attending school in several Santa Clara-neighboring counties to join us. New members from Alameda, Merced, Monterey, San Benito, San Joaquin, San Mateo, Santa Cruz, and Stanislaus counties in California can now sign up for membership and open money market savings accounts. We hope that those who’ve never belonged to a credit union before will fully take advantage of the benefits of the credit union model. These include profits going back to the members in the form of low rates on loans, higher-than-average interest on deposits, and convenient remote and digital banking services to enhance their lives.

The needs of the community organizations we support only increased during this extraordinary year. In this Annual Report, we highlight Second Harvest of Silicon Valley, a wonderful local organization. Our giving did not end there. We are honored and proud to support 52 organizations in Santa Clara County, to whom we contributed a total of $750,000 in 2020.

Under the unique conditions of 2020, the Star One staff stepped up and made a stellar performance for the Credit Union. We pulled together as a team, accomplishing remarkable things and continuing to ambitiously expand our offerings in this unimaginable time, while our members patiently showed support through many changes. On behalf of the Board, we look forward to an even brighter year being stronger together.
In 2020, we faced some of the biggest challenges in the Credit Union’s history. Despite these difficulties, Star One employees adapted, overcame and persevered. Star One continued to focus on our mission of improving each member’s life by delivering valuable financial services.

As an essential business, our objective was to keep members and staff safe while providing the same level of service our members expect. We kept our branches and back office open, following the guidelines set by local, state and federal governments. Many of our staff worked from home, teaming up with in-office employees to expertly serve members. Our front-line staff also performed well, showing both the dedication and agility to meet members’ needs. The patience and cooperation demonstrated by members provided additional help during a difficult time.

In response to COVID’s devastating effect on the financial security of many families, Star One provided deferred payment plans on our consumer and real estate loans. Plus, anyone affected by the California wildfires could apply for a disaster loan. We all had to adapt to a new way of banking, with a new set of rules, intended to keep everyone safe and healthy. To help members, Star One also made other accommodations, including the waiver of loan payment late fees, out-of-network ATM charges and other account maintenance fees.

As the economy weakened, mortgage rates dropped to unprecedented levels. Members and non-members sought mortgage loans with Star One in record numbers. To help first-time home buyers, Star One offered special low down-payment options, reduced Private Mortgage Insurance (PMI) premiums, flexible loan terms, and appraisal-fee refunds of up to $500. We also offered a maximum real estate loan amount of $5 million, which was especially helpful for the Bay Area market.

Existing mortgage members had an additional advantage: instead of refinancing, they could use Star One’s Mortgage Rate Modification program to reduce their rate without going through the whole refinance process. For a limited time, we further reduced the already competitive rate and the low one-time fee, making this already popular program even more valuable.

We granted more loans in 2020 than any previous year. Real estate loans totaling $1.366 billion, and $17 million of automobile and other consumer loans were granted. Charge-offs remained low at .004%. Savings, checking and other deposit accounts grew to $8.63 billion. Members opened 7,014 new memberships.

We began offering innovative ways to transfer money and make payments. Members can now initiate one-time same-day transfers to domestic financial institutions, giving them a great option to transfer up to $25,000 at no additional cost. Zelle® was introduced as a new way for members to send, receive, and request money quickly, safely, and securely through Star One’s Mobile Banking App. And in the fall, contactless cards were rolled out, offering members yet another convenient option to pay with a Star One Visa debit or credit card. Contactless cards allow members to quickly and easily pay with a simple tap wherever contactless cards are accepted, all with the same secure technology of chip cards to protect members. Expanding the products and services we offer members is important, although keeping the security of our members’ personal financial information safe is paramount.

Star One has always relied on our members to be the best advocates of the value we have to offer. So we were happy to announce we can now welcome more of our members’ friends, coworkers, and family from the counties that neighbor Santa Clara County. As we grow, one of our chief goals is to bring even more value to the members we serve. And this year, we are proud to report that CUNA, the largest credit union trade organization, estimates we provided, on average, $1,270 in direct financial benefits to each member household for the 12 months ending in September 2020. We look forward to providing even higher levels of service and value to all Star One members, in 2021 and beyond.
Star One achieved another strong year financially. The Return on Assets for 2020 was 0.71%. Our Net Worth ratio remains strong at 11.26%. Our federal regulator considers a credit union with a ratio of 7.00% or higher to be well-capitalized.

Star One’s total assets, excluding borrowed funds, increased during the year by 15.35% from $8.65 billion in 2019 to $9.98 billion in 2020. Borrowed funds decreased $175 million to $245 million in 2020. Star One does not borrow funds to leverage earnings, but rather to mitigate the interest rate risk associated with long-term fixed-rate member mortgages held in our portfolio.

Membership increased 2.82% to 113,393. 7,014 new members joined Star One during 2020. More than 59% joined from our community charter, another 31% joined through family members, while 10% joined through member companies. Over the past few years we have seen very strong growth in new members coming from Santa Clara County.

Deposits grew $1.16 billion, up 15.52% from $7.47 billion in 2019 to $8.63 billion in 2020. Checking increased 27.3% to $522 million. Money Market Savings Accounts grew 15.5% to $7.28 billion. Certificates of Deposit grew 15.84% to $395 million. Star One continues to pay higher deposit rates than most other financial institutions and does so without the “gimmick” products many other institutions offer.

Loans grew 5.59%, to $4.56 billion. Auto loans decreased, down -5.98% or $17.1 million. Consumer loan growth was -7.10%. Consumer loan delinquency remained low at 0.28% in 2020. Many new and existing members took advantage of Star One’s low real estate loan rates as home prices continue to increase. Total first real estate loans increased 8.07%, up $279.1 million for the year. Our loan portfolio continues to perform much better than other credit unions and banks both locally and nationally with a net charge-off to average loans ratio of .01%. Our investment portfolio provides strong returns while maintaining safety and security. Star One does not invest in subprime debt.

Membership increased 2.82% to 113,393. 7,014 new members joined Star One during 2020. More than 59% joined from our community charter, another 31% joined through family members, while 10% joined through member companies. Over the past few years we have seen very strong growth in new members coming from Santa Clara County.

Star One continues to thrive and provide valuable financial services to our members throughout California and the nation. Our loyal membership and their extensive use of products, services and automated delivery channels provide the resources for Star One to be one of the most successful credit unions in the nation.
FINANCIAL INFORMATION

ASSETS

Loans to Members (45.2%)
Federal Agency Collateralized Mortgage Obligations (1.8%)
Money Market Mutual Funds (1.0%)
Other Investments (0.7%)
Corporate Credit Unions (0.5%)
Federal Agency Mortgage Backed Securities (27.3%)
Federal Agency Securities (15.8%)
Other Assets (7.7%)

SAVINGS

Money Market Savings (84.4%)
Certificates (4.6%)
IRA (4.6%)
Checking (8.4%)

LOANS

Real Estate 1st (81.9%)
Real Estate 2nd (6.0%)
Visa (0.9%)
Auto (5.9%)
Participation Loans (0.1%)
Other Consumer Loans (1.3%)
Investment Property (3.9%)

FINANCIAL HIGHLIGHTS

TOTAL ASSETS
IN MILLIONS

TOTAL SAVINGS
IN MILLIONS

TOTAL LOANS
IN MILLIONS

2016 2017 2018 2019 2020

$8,821 $8,979 $9,548 $9,074 $10,227

$5,864 $6,563 $6,838 $7,468 $8,626

$11,642 $13,857 $13,956 $14,521 $14,563
### Year End Summary

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>$10,227,496</td>
<td>$9,073,632</td>
<td>12.7%</td>
</tr>
<tr>
<td>Member Savings and Certificate Accounts</td>
<td>$8,626,413</td>
<td>$7,467,766</td>
<td>15.5%</td>
</tr>
<tr>
<td>Loans to Members</td>
<td>$4,562,598</td>
<td>$4,221,231</td>
<td>6.6%</td>
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<tr>
<td>Delinquent Loans</td>
<td>$2,767</td>
<td>$2,980</td>
<td>-7.1%</td>
</tr>
<tr>
<td>Member Equity</td>
<td>$1,222,575</td>
<td>$1,105,161</td>
<td>10.6%</td>
</tr>
<tr>
<td>Cash and Investments</td>
<td>$5,300,454</td>
<td>$4,504,544</td>
<td>17.7%</td>
</tr>
<tr>
<td>Dividends Paid to Members</td>
<td>$80,819</td>
<td>$130,588</td>
<td>-38.1%</td>
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</tbody>
</table>

### Statement of Financial Condition

#### Assets

<table>
<thead>
<tr>
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<th>2019</th>
<th>% Change</th>
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<td>Cash and Investments</td>
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<tr>
<td>Loans to Members</td>
<td>$4,562,598</td>
<td>$4,221,231</td>
<td></td>
</tr>
<tr>
<td>Less: Allowance for Loan Losses</td>
<td>($8,659)</td>
<td>($5,322)</td>
<td></td>
</tr>
<tr>
<td>Land, Building &amp; Equipment</td>
<td>$12,841</td>
<td>$13,411</td>
<td>-4.4%</td>
</tr>
<tr>
<td>Accrued Interest Receivable</td>
<td>$22,252</td>
<td>$24,693</td>
<td>-10.3%</td>
</tr>
<tr>
<td>Deposit-Share Insurance Fund</td>
<td>$64,588</td>
<td>$57,476</td>
<td>12.7%</td>
</tr>
<tr>
<td>All Other Assets</td>
<td>$273,422</td>
<td>$157,599</td>
<td>71.8%</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$10,227,496</strong></td>
<td><strong>$9,073,632</strong></td>
<td></td>
</tr>
</tbody>
</table>

#### Liabilities & Member Equity

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<tr>
<th></th>
<th>2020</th>
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<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member Savings and Certificate Accounts</td>
<td>$8,626,413</td>
<td>$7,467,766</td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$7,254</td>
<td>$6,601</td>
<td>9.8%</td>
</tr>
<tr>
<td>Borrowed Funds</td>
<td>$244,800</td>
<td>$419,400</td>
<td>-43.2%</td>
</tr>
<tr>
<td>Regular Reserves</td>
<td>$56,851</td>
<td>$56,851</td>
<td>0%</td>
</tr>
<tr>
<td>Undivided Earnings</td>
<td>$1,094,869</td>
<td>$1,055,678</td>
<td>3.6%</td>
</tr>
<tr>
<td>Unrealized Gain (Loss) on Investments</td>
<td>$89,087</td>
<td>$23,956</td>
<td>267.2%</td>
</tr>
<tr>
<td>OCI Derivative Market Gain/(Loss)</td>
<td>$13,169</td>
<td>$2,167</td>
<td>416.7%</td>
</tr>
<tr>
<td>Accumulated Other Comprehensive Income</td>
<td>($31,401)</td>
<td>($22,491)</td>
<td></td>
</tr>
<tr>
<td>Accrued Liabilities</td>
<td>$126,454</td>
<td>$74,704</td>
<td>69.4%</td>
</tr>
<tr>
<td><strong>Total Liabilities &amp; Member Equity</strong></td>
<td><strong>$10,227,496</strong></td>
<td><strong>$9,073,632</strong></td>
<td></td>
</tr>
</tbody>
</table>
The Supervisory Committee’s primary responsibility is to assure that Star One has effective internal operating controls and that the Board of Directors’ plans, policies and procedures are being properly administered by management. The 2020 internal audit programs consisted of an extensive evaluation of internal procedures and policies as well as the hiring of outside audit firms to provide third-party evaluations of selected Star One business practices.

Internal controls are in place to ensure the Credit Union’s assets are protected and to verify the accuracy and reliability of Star One’s accounting data. They also promote operating efficiencies, provide safeguards against fraud, and ensure compliance with prescribed managerial policies, established procedures, and applicable regulatory requirements. During 2020, the Supervisory Committee directed a comprehensive ‘risk-based’ audit program. Specific audit techniques and methods were applied to operating processes selected for their risks across all of the Credit Union’s products and services. The Supervisory Committee contracted with specialized external firms to perform independent reviews.

Based on the reports from ongoing internal audits and the audits performed during the year by third-party firms, the Supervisory Committee reports that Star One is operating in a sound manner. Moreover, the Credit Union’s internal controls are effectively maintained to reasonably ensure that the Board of Directors’ plans, policies, and procedures are being properly administered, and that the financial results are fairly and accurately represented in communications to the members.

“During 2020, the Supervisory Committee directed a comprehensive ‘risk-based’ audit program. Specific audit techniques and methods were applied to operating processes selected for their risks across all of the Credit Union’s products and services. The Supervisory Committee contracted with specialized external firms to perform independent reviews.”

Christina Goeas
Chair
The entire Star One family, from employees to management and Board, recognizes the importance of contributing to the community we serve and being a strong corporate citizen. Through direct financial donations and other in-kind contributions and by participating in local public service activities, Star One is an active partner with these organizations throughout Santa Clara County:

- Acknowledge Alliance
- Alzheimer’s Association
- American Cancer Society
- American Diabetes Association
- American Heart Association
- Animal Assisted Happiness
- Assistance League of San Jose
- Auxiliary of the Good Samaritan Hospital of Santa Clara Valley
- Avenidas
- Bill Wilson Center
- Cake4Kids
- California Veteran’s Connection
- Cancer CAREpoint
- Canine Companions for Independence
- Child Advocates of Silicon Valley
- Citizen Schools
- Community Health Awareness Council
- Community Services Agency
- Crohn’s and Colitis Foundation of America
- Cystic Fibrosis Research, Inc.
- Downtown Streets Inc.
- Family Giving Tree
- Family Supportive Housing, Inc.
- Friends of Stevens Creek Trail
- Happy Hollow Foundation
- Health Trust: Meals on Wheels
- HomeFirst
- Jacob’s Heart Children’s Cancer Support Services
- Leukemia and Lymphoma Society
- LifeMoves
- Lucile Packard Foundation for Children’s Health
- Marine Toys for Tots
- Martha’s Kitchen
- Morgan Autism Center
- NAMI Santa Clara County
- NephCure Kidney International
- Operation: Care and Comfort
- Pancreatic Cancer Action Network
- President & Board of Trustees of Santa Clara College
- Rebuilding Together Silicon Valley
- Sacred Heart Community Services
- San Andreas Regional Center
- Santa Clara Women’s League
- Saratoga Area Senior Coordinating Council
- Second Harvest of Silicon Valley
- Stanford University - Prostate Cancer Center
- Sunday Friends
- Sunnyvale Community Services
- The Tech Interactive
- The Tower Foundation of San Jose State University
- Veterans Memorial & Support Foundation of Los Gatos
- West Valley Community Services
Since 1997, Star One has partnered with Second Harvest of Silicon Valley to help provide over 750,000 meals to our community. This year, as COVID-19 impacted families around the county, Second Harvest called on all partners, emphasizing that “Unprecedented times require the unparalleled support of our community.” Since the pandemic, the number of clients they served each month doubled to over 500,000 people in May of 2020.

For the fiscal year 2019/2020, Star One gave Second Harvest $130,000 in Corporate Donations. Employees donated an additional $1,075. These contributions provided 262,150 meals to families in need.

The strength of the families and individuals in our community inspires us to continue serving. Through the decades, and especially this trying year, Star One stands with the community and is committed to helping families and individuals to thrive.

COMMUNITY HIGHLIGHT

We feel happy and fortunate that we can get delicious and healthy food to cook with, even when we don’t have money to buy it. Having meals like these makes my mom feel more hopeful and less worried about putting food on the table or my unemployment.

Tuyet
Client

SECOND HARVEST of SILICON VALLEY
Board of Directors
Doug Flowe
Chair
David Daggett
First Vice Chair
Jeff Gaut
Second Vice Chair & Assistant Treasurer
Scott Dunlap
Treasurer
Richard Aochi
Secretary
Patricia Humecke
Assistant Secretary
Martin Eng
Director
Melissa Henck
Director
Triny Lee
Director
Gae Adams
Emeritus Director
Bill Lewis
Emeritus Director

Star One Management
Gary Rodrigues
President & CEO
Margarete Mucker
Executive Vice President Operations
Brian Ross
Executive Vice President Finance & Administration
Kevin Collins
Senior Vice President Loan Services
Vanessa Brosas
Vice President Branch Services
Joe Fagenstrom
Vice President Marketing
Minal Gupta
Vice President Remote Services
Safal Panicker
Vice President Information Systems
Alex Kim
Vice President Audit and Compliance
Russ McAlpine
Vice President Deposit Services
Regina Rutledge
Vice President Human Resources
Ann Sebastian
Vice President Controller
Kathy Sullivan
Vice President Real Estate Lending

Supervisory Committee
Christina Goecas
Chair
Brian Lawler
Secretary
Ponprom (Mel) Flynn
Member
Krishna Marella
Member
Cyrus Tabari
Member

Board/Supervisory Committee Associates
Jim Barnhart
Tyler Brock
Milan Gandhi
Madelaine Kolda
Kristen Mank

STAR ONE CREDIT UNION ANNUAL REPORT 2020
Star One Information

De Anza Branch | Cupertino
10991 N. De Anza Boulevard, Cupertino, CA 95014

El Camino Branch | Palo Alto
3903 El Camino Real, Palo Alto, CA 94306

Blossom Hill Branch | San Jose
1090 Blossom Hill Road, San Jose, CA 95123

Stevens Creek Branch | San Jose
3136 Stevens Creek Boulevard, San Jose, CA 95117

Big Basin Branch | Saratoga
14411 Big Basin Way, Saratoga, CA 95070

Enterprise Branch | Sunnyvale
1080 Enterprise Way, Suite 150, Sunnyvale, CA 94089

Star One Administration Office | Sunnyvale
1306 Bordeaux Drive, Sunnyvale, CA 94089
Phone: (408) 543-5202
Toll-Free: (866) 543-5202
Fax: (408) 543-5203

Mailing Address
PO Box 3643, Sunnyvale, CA 94088

www.starone.org

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