

ANNUAL REPORT

20 | 22

Growth and Innovation



SAFE
CREDIT UNION

Change. Transformation. Innovation. These words only begin to describe SAFE Credit Union's tremendous experiences in 2022. We positioned ourselves for future growth with a significant system upgrade, welcomed a new President, said farewell to CEO Dave Roughton, and helped our members navigate a rapidly shifting economy with profoundly strong service levels.

Through it all, our conservative business practices put our members' investment and trust in the credit union foremost. This approach to do the right thing by our members ensured that we entered 2023 with strong finances and astute risk management for a sound future.

The system upgrade, completed in April 2022, modernizes the way we conduct business, enhances the tools we use, and allows us to deliver new technology to improve member service with personalized and customized solutions. Together, the new system and our service and commitment to our members will lead to new opportunities for delivering member value, enhancing member convenience, and helping our members build financial freedom.

Also in 2022, CEO Dave Roughton transitioned the role of CEO to President and Chief Credit Officer Faye Nabhani, effective January 1, 2023. Throughout the transition, Faye shared her vision for SAFE, including a reorganization at the senior executive level to better position the credit union for technology advancement and sustainable growth through improved collaboration and alignment among all lines of business.

SAFE continued to grow as a not-for-profit financial cooperative amid these transitions. As both inflation and interest rates rose, SAFE quickly responded to market changes by focusing on increasing deposits through higher-dividend rate savings products. Even in this higher interest rate environment, SAFE saw significant growth in our loan portfolio. Our loan portfolio grew 27% to end 2022 at \$3.1 billion, an increase of \$662.0 million compared to 2021. This growth was fueled by a very high demand for new loans, which totaled \$1.8 billion for the year and helped contribute to our strong financial performance, ending 2022 with net income of \$33.3 million. Altogether, assets grew from \$4.4 billion to \$4.5 billion year over year.

With 2022 representing SAFE's second most profitable year, more opportunities exist to reinvest in our members through innovative products and services and give back to the communities we love and serve.

There was even more to celebrate in 2022.

- SAFE paid members \$10.1 million in dividends powered by higher-dividend rate savings products.
- SAFE moved its West Roseville branch to a new location with improved access and the latest technology.
- The credit union was named a Best Place to Work for the fifth year in a row and received a Corporate Citizenship award for the second year in a row by the Sacramento Business Journal.
- SAFE provided more than \$460,000 to the community through philanthropy, grants, scholarships, sponsorships, and direct giving.
- Following thousands of member surveys in 2022, members' willingness to promote SAFE to their family and friends remained strong and ranked among industry leading levels.

In 2023, SAFE will continue to monitor and plan for our shifting economy. SAFE is a well-capitalized and financially sound credit union. The Board of Directors and management work very hard to ensure SAFE proactively manages the financial risks associated with a constantly changing economic environment. Our strong and diversified member base makes us more resilient than ever.

On behalf of SAFE's leadership, we thank you, our members, for your continued loyalty and support.

With gratitude,



Terrance A. Tremelling

Terrance Tremelling
Chairperson



Faye Nabhani

Faye Nabhani
President and CEO

Board of Directors

Terrance Tremelling, Chairperson

Robert E. Logue III, 1st Vice Chairperson

Jody Porter, 2nd Vice Chairperson

Rick Blumenfeld, Treasurer, 1st Asst. Secretary

Sonia Lewis, Secretary

Bernadette Austin, Director

Donald J. Ball Jr., Director

Ryan Larkin, Director

Trish Rodriguez, Director

Ronald J. Seaman, Director

James W. Hopp, Director Emeritus

James Jefferson, Director Emeritus

Herb Long, Director Emeritus

Phillip A. Meserve, Director Emeritus

Sonbol Aliabadi, Associate Director

Martha Lofgren, Associate Director

Senior Executive Management

Faye Nabhani, President, Chief Executive Officer

Chris Harris, EVP, Chief Strategy Officer

Alexis Fitzpatrick, EVP, Chief Financial Officer

Tiffani Vargas, EVP, Chief Lending Officer

Michael McCarthy, EVP, Chief Technology Officer

Colleen Nerius, EVP, Chief Human Resources Officer

Staci Corral, SVP, Retail Experience

Ken Getz, SVP, Commercial Lending

Gina Olson, SVP, Member Services and Operations

Sun Park, SVP, Enterprise Risk Management & Internal Audit

Allison Yee-Garcia, SVP, Marketing & Communications

Michael Popp, SVP, Real Estate Lending

Financials (Dollars in thousands)

Statement of Financial Condition	2022	2021
Cash & Cash Equivalents	\$202,803	\$560,341
Total Loans	\$3,112,149	\$2,454,451
Total Investments	\$927,018	\$1,192,191
Other Assets	\$266,777	\$236,389
Total Assets	\$4,508,747	\$4,443,372

Total Share Deposits	\$3,965,028	\$4,047,558
Total Liabilities	\$254,442	\$42,206
Members' Equity	\$289,277	\$353,609
Total Liabilities and Members' Equity	\$4,508,747	\$4,443,373

Statement of Net Income	2022	2021
Interest Income	\$116,299	\$98,001
Noninterest Income	\$66,805	\$64,136
Total Revenue	\$183,104	\$162,137

Dividend & Interest Expense	\$10,825	\$12,584
Interest Expense	\$1,476	\$277
Provision for Loan Losses	\$9,270	(\$4,630)
Noninterest Expense	\$128,259	\$119,771
Total Expense	\$149,830	\$128,002
Net Income	\$33,274	\$34,135

Thank you,
Dave Roughton!



SAFE said farewell to CEO Dave Roughton at the end of 2022. Dave served as President/CEO for seven years, after a long career at SAFE that included executive positions such as CFO and COO. His first job out of college was with SAFE Credit Union in the cash vault, and after leaving to earn his MBA, he returned to SAFE to share his insights and leadership. During Dave's time as President/CEO, SAFE saw some of its fastest and largest growth in its 83-year history, doubling in size from \$2.1 billion to over \$4.5 billion, and from 192,000 members to 234,000. Dave led SAFE's momentous investment in the Greater Sacramento region by partnering with the City of Sacramento to secure the naming rights to the SAFE Credit Union Convention & Performing Arts District. Dave also inaugurated diversity, equity, and inclusion initiatives at SAFE; expanded technological solutions benefiting the credit union and its members; and deepened the credit union's influence on the community through expanded philanthropic and advocacy measures. Dave further strengthened SAFE's ties to the regional business community through serving as Chair of the Sacramento Metropolitan Chamber of Commerce and as a board member of the Greater Sacramento Economic Council. He fostered a workplace culture that led SAFE being named a Best Place to Work in the Sacramento region for five years in a row.

Thank you, Dave, for all you did to ensure SAFE remained a fiscally strong credit union for our members!

PHILANTHROPY

\$465,000 in total for community support with an emphasis on our three pillars – education, healthcare, and veterans.

\$94,000 provided in Community Sustainability Grants to eight nonprofits, impacting nearly **6,000 Greater Sacramento residents**.

\$10,000 in scholarships for high school students from lower-income households.

\$20,000 in micro-grants provided to dozens of nonprofits as part of the holiday Joy & Kindness Campaign.

SAFE employees from 40 departments volunteered more than 3,300 hours benefiting 88 organizations.



LENDING

More than **1,900 total home loans funded**

Total value: **\$729.0 million**

17,500 total vehicle loans funded

Total value: **\$579.9 million**

FINANCIAL EDUCATION

103 live financial education webinars that reached **4,622 people**.

6,118 downloads from all **50 states** and **30 countries** of the Perfect Cents Podcast since its launch in October 2021.

3,387 students participated in Bite of Reality fairs brought to them by SAFE Credit Union.



COMMITMENT TO DIVERSITY, EQUITY, INCLUSION, AND BELONGING

Provided cultural intelligence training to all leaders.

SAFE's three current employee resource groups (ERGs) experienced membership growth and influence in the organization. The ERGs are:

- **Black @ SAFE**
- **EmpowHERment**
- **People Like Us (Plus)**

Continued to strengthen recruitment and employee retention initiatives to foster staff diversity.

