Thank you for 80 great years!
For 80 years, SAFE Credit Union has provided exceptional experiences and innovative products that help our members enjoy life. That mission born in 1940 on the Sacramento Army Air Depot base continues to guide us to new levels of success. This past year was no different.

For SAFE, 2019 was a strong and successful year that positioned us well for challenges 2020 may bring. SAFE applied its resources of experts and finances to strategies that led to growth in all areas of our business. Popular products such as the Flex Advantage Certificate and Preferred Money Market brought in new, high deposits. A robust local housing market coupled with a low-interest rate environment led to goal-exceeding results for our mortgage team. Businesses continued to receive award-winning service from our Business Banking team. The application of smart strategy with driven staff led to astounding results, growing assets to a record $3 billion.

Of course, one of the major accomplishments of 2019 that will resonate for decades is the partnership with the City of Sacramento for the naming of the SAFE Convention Center & Performing Arts District. The center, featuring completely renovated Convention and Performing Arts Centers, is scheduled to open in late 2020. It promises to be a cultural gem that will be an important part of the Downtown Sacramento renaissance. The relationship goes much further than our name on the building. SAFE is also connecting directly with the city’s 6,000 employees and retirees, providing no-cost financial wellness services through SAFE’s Workplace Financial Wellness program.

OTHER HIGHLIGHTS FROM 2019:

- Welcomed over 28,629 new members to SAFE, bringing total membership to 235,670.
- Launched the SAFE CreditYOUUnion campaign, a bold, inclusive, and award-winning brand campaign that separated SAFE from the cluttered financial advertising landscape.
- Generated $32.8 million in net income, a 13.5% increase over 2018, and increasing members’ equity by 12% to $310 million.
- Improved SAFE’s capital ratio to 10.06%, up from 9.63% in 2018.
- Paid members $16.8 million in dividends, a 72% increase from the prior year.
- Named the No. 1 Credit Union Lender by the Sacramento District of the Small Business Association.
- Honored as one of the Best Places to Work by the Sacramento Business Journal for the second year in a row.
- SAFE CU President and CEO Dave Roughton named Businessman of the Year by the Sacramento Metro Chamber of Commerce.

Looking forward to 2020, SAFE is putting into place new ways to better serve you. We are scheduled to open a new branch in the Land Park neighborhood in May, providing convenience for the 6,000 SAFE members who live nearby. The branch is in The Park, a dynamic shopping center activated by an outdoor food court and renovated Raley’s. We also are proud to open our third student-run high school branch. Cordova High School joins Rio Linda and Mesa Verde high schools in hosting a SAFE branch staffed by students. The Natomas branch will move to a new location this summer that will be more visible and accessible to members.

Also in 2020, SAFE is placing the groundwork for a forward-moving technology solution to provide an improved experience for our members. SAFE contracted with Fiserv to implement its DNA Core system that will revolutionize how we serve you. Once complete in mid-2021, we will be able to provide more personalized, convenient and nimble services.

2020 is also a special year for SAFE as we celebrate 80 years of serving you, our members. It’s been an exciting journey, and we look forward on what we can accomplish, together.

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

With gratitude:

Terrance Tremelling
Chairperson

Dave Roughton
President/CEO
Board of Directors

Terrance Tremelling, Chairperson
Robert E. Logue III, 1st Vice Chairperson
Rick Blumenfeld, Treasurer
James Jefferson, Secretary
Philip A. Meserve, Director
Kathern L. Gaskins, Director
Ronald J. Seaman, Director
Herb Long, Director
John Quattrin, Director
Dylan Gottfried, Director
Jody Porter, Director
Brian A. Bedford, Director
James W. Hopp, Director
Nadder Mirsepassi, Director Pro Tempore

Financials (Dollars in thousands)

STATEMENT OF FINANCIAL CONDITION

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>$368,623</td>
<td>$101,251</td>
</tr>
<tr>
<td>Total Loans</td>
<td>2,454,041</td>
<td>2,462,189</td>
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<tr>
<td>Total Investments</td>
<td>47,253</td>
<td>129,335</td>
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<tr>
<td>Other Assets</td>
<td>215,656</td>
<td>190,954</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$3,085,573</strong></td>
<td><strong>$2,883,729</strong></td>
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<tr>
<td>Total Share Deposits</td>
<td>$2,700,688</td>
<td>$2,483,156</td>
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<tr>
<td>Other Liabilities</td>
<td>74,461</td>
<td>123,823</td>
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<tr>
<td>Members’ Equity</td>
<td>310,424</td>
<td>276,750</td>
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<tr>
<td><strong>Total Liabilities and Members’ Equity</strong></td>
<td><strong>$3,085,573</strong></td>
<td><strong>$2,883,729</strong></td>
</tr>
</tbody>
</table>

STATEMENT OF NET INCOME

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
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<tbody>
<tr>
<td>Interest Income</td>
<td>$106,768</td>
<td>$91,906</td>
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<tr>
<td>Noninterest Income</td>
<td>61,614</td>
<td>55,904</td>
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<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>$168,382</strong></td>
<td><strong>$147,810</strong></td>
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<tr>
<td>Dividend Expense</td>
<td>$16,825</td>
<td>$9,797</td>
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<tr>
<td>Interest Expense</td>
<td>1,971</td>
<td>2,107</td>
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<tr>
<td>Provision for Loan Losses</td>
<td>8,407</td>
<td>6,598</td>
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<tr>
<td>Noninterest Expense</td>
<td>108,345</td>
<td>100,385</td>
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<tr>
<td><strong>Total Expense</strong></td>
<td><strong>$135,548</strong></td>
<td><strong>$118,887</strong></td>
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<tr>
<td><strong>Net Income</strong></td>
<td><strong>$32,834</strong></td>
<td><strong>$28,923</strong></td>
</tr>
</tbody>
</table>

Insured by NCUA
SAFE at a Glance for 2019

Financial Education
Number of users of SAFE’s online Financial Fitness Academy: 4,599
Participants at in-person financial education workshops: 4,499
No-charge financial education workshops: 141
Number of students who gained real-world financial insights through financial literacy events: 1,227
Employers benefiting from SAFE’s outreach: 58

Philanthropy
Our priorities: Education, Health Care, and Military Personnel
$324,000 granted to organizations and students

Mortgages
1,424 total home loans funded
Total value: $568 million

Vehicle Loans
15,396 total loans funded
$409 million total value

Electronic transactions
67 million

Perfect Cents Savings®
79,000 members enrolled
$11 million automatically saved