

2024

ANNUAL REPORT



Building Financial Freedom



OUR PURPOSE

Building Financial Freedom

We believe in financial freedom.

This belief drives our commitment to serving members with knowledge and opportunities to build financial freedom.





Leadership

BOARD OF DIRECTORS

Rick Blumenfeld

Board Chair

Sonia Lewis

1st Vice Chair

Bernadette Austin

2nd Vice Chair

Donald J. Ball Jr.

Treasurer/1st Assistant Secretary

Ryan Larkin

Secretary

Robert Logue III

Director

Jody Porter

Director

Patricia Rodriguez

Director

Terrance Tremelling

Director

Sonbol Aliabadi

Director

Martha Lofgren

Director

Richard SooHoo

Associate Director

Darla Colson

Associate Director

SENIOR EXECUTIVE TEAM

Faye Nabhani

President/CEO

Alexis Fitzpatrick

EVP, Chief Financial Officer

Mike McCarthy

EVP, Chief Technology Officer

Colleen Nerius

EVP, Chief Human Resources Officer

Tiffani Vargas

EVP, Chief Operating Officer

Michelle Bradshaw

SVP, Information Technology

Jennifer Bradstreet

SVP, Enterprise Risk Management

Marleaux Flourney

SVP, Business Intelligence and Data Management

Ken Getz

SVP, Commercial Lending

Gina Olson

SVP, Member Services and Operations

Sun Park

SVP, Internal Audit Executive

Michael Popp

SVP, Real Estate Lending

Allison Yee-Garcia

SVP, Marketing and Communications





Report from the Board Chair & the CEO

SAFE Credit Union is committed to its purpose of helping our members build financial freedom. Whether it's through helping people keep more of their hard-earned money or providing them with personalized financial insights, SAFE has a clear vision that motivates our teams to find new and innovative ways to better serve our members and encourage more people to join SAFE.

In 2024, SAFE continued launching new initiatives to ensure the credit union continues to be a good steward of the money and the trust our members place in us. As the financial services landscape changes, SAFE is rising to the challenge to provide members what they need.

We know that building financial freedom can mean something different for everyone. For a young adult, it may mean saving a little more. For families, it may mean having the ability to meet future college expenses. For others, it may mean the stability that comes from buying a new home or purchasing a new vehicle. For the community, it might mean additional access to grants and donations that support vital programs. We're here to support and guide our members for what's next, no matter their unique vision of financial freedom.

COMMITTED TO OUR FIDUCIARY RESPONSIBILITIES

SAFE's Board of Directors is honored to work with credit union leadership to be strong stewards of members' finances. By following prudent financial principles and moderating risk, SAFE ensures that we are positioned to support future growth while meeting current financial obligations.

The past year saw a challenging economy that included rising inflation and historically high interest rates that put pressure on all financial institutions. SAFE was no exception.

Despite these challenges, we are pleased to report that SAFE ended the year with \$24.6 million in net income, and a solid capital ratio of 9.98%. Part of obtaining these results included mitigating risk associated with lending and borrowing money. SAFE ended the year with \$4.3 billion in assets, meeting our financial responsibilities and growing our capital.

You can learn more about SAFE's 2024 financial results on page six.

NEW SERVICES THAT DIRECTLY BENEFIT MEMBERS

SAFE took great strides in 2024, introducing new products and services that helped members securely save money and provided them with seamless access to their accounts and funds:

- In January, SAFE launched a significant initiative to replace all debit and credit cards with tap to pay technology, which provides greater account security and more fluid transactions. Altogether, SAFE upgraded more than 253,000 cards.
- SAFE launched its Early Payday program in February that provides faster access to directly deposited funds, in some cases by as many as four days.
- Just in time for back-to-school shopping, SAFE introduced Gift Card+. This program offers cash-back discounts by as much as 30 percent when members purchase digital gift cards from select companies through Online Banking and the SAFE Mobile App.
- As part of our effort to improve our member experience, SAFE increased the daily withdrawal and debit card point of sale amounts, creating greater flexibility and addressing a popular request by members.
- SAFE introduced a new online account opening platform that provides a faster and seamless platform for members to open new accounts and for new members to join in minutes.
- To address members' growing needs for smaller loans, SAFE introduced Quick Access loans. This product provides fast access to small loans with friendly terms to help members when they need a bit of extra money to make ends meet. By the end of 2024, SAFE provided \$155,000 in Quick Access loans.
- SAFE introduced a new Medical Professionals homebuying plan, allowing SAFE to directly support members of the health care industry, one of the larger employers in the region.
- In response to the unprecedented wildfires and flooding in various regions, SAFE provided emergency loan relief and special financing options to impacted members.



continued...



HOW SAFE BENEFITS THE COMMUNITY

SAFE believes it is our duty to support the communities we serve. Through philanthropy, volunteering, financial education, and working with community partners, we connect with people from all walks of life to equip them with tools and resources to help them build financial freedom.

In 2024, SAFE shifted its philanthropic efforts to support causes that align with our purpose of building financial freedom. Through supporting nonprofits and initiatives that focus on financial literacy and stability, workforce development, affordable housing, and youth/young adult education, SAFE can truly move the needle on addressing urgent issues within the Greater Sacramento region.

You can read more about our community initiatives on Page 10, but here are some highlights:

- The naming-rights partnership with the City of Sacramento for the SAFE Credit Union Convention Center and Performing Arts District continues to support strong economic development and job growth in the region. A total of 406 performances, business conferences, and other events hosted at the district in 2024 infused \$154 million into the Greater Sacramento region. SAFE further leveraged the relationship by partnering with various performance organizations to provide exclusive, member-value opportunities such as early access and exclusive discounts for concessions and tickets. SAFE is a proud sponsor of this valuable resource that benefits our community.
- SAFE provided a total of \$80,000 to four nonprofits in the 2024 community grant program to support financial education, workforce development, people living in affordable housing, and access to education.
- SAFE employees volunteered over 2,800 hours with nonprofits and other civic organizations within the Greater Sacramento region, helping our communities thrive.
- The Financial Education Team shared financial insights on homebuying, savings, budgeting, and trusts with nearly 4,000 people through webinars, workshops, and Budget Cents events.
- SAFE is in its second year of a partnership with the United Way Capital Region for its Guaranteed Income Program (GIP) by providing banking services to participants receiving a monthly stipend. The money is directly deposited into SAFE checking accounts.

IMPROVING OPERATIONS

As a not-for-profit financial cooperative, it's essential that SAFE continuously evaluates business operations to effectively serve members with quality service and competitive products. We work diligently to improve how we serve members on their preferred platforms as well as focus on growth, efficiency, and positioning SAFE for future success.

Our efforts include analyzing in-person services provided in branches and through the Contact Center. We brought technological improvements to the Contact Center and Live Chat services in 2024 and will continue to do so through 2025. Two branches launched a pilot program that upgrades the member experience by providing more consultative services and enhancing self-service options for everyday transactions.

We also consider changing demographics and how they relate to SAFE's current and potential branch footprint to ensure we are in locations where we can serve the greatest number of current and future members. We fully expect to soon identify areas for future branches that meet business and member needs.

THANK YOU TO OUR MEMBERS

We appreciate all our members who trust us as partners in their financial journey. Thank you for sharing with your friends and family how much you enjoy banking with us, and for your feedback on what we are doing right and can do better. We take your insights to heart and work diligently to exceed your expectations.

It is a huge honor and privilege to serve you in all the ways we can to help you build your own financial freedom.



Rick Blumenfeld
Chair of the Board




Faye Nabhani
CEO and President





Letter from the CFO



As we look forward to SAFE's 85th year, we continue to focus on maintaining a strong financial position to ensure we serve members far into the future. It's important that as we help members build financial freedom, we do the same for the credit union as a whole.

Amid continuing inflation and higher interest rates, SAFE made the calculated decision in 2024 to reduce our overall risk exposure while finding efficiencies in business operations. This strategy resulted in an impressive 34.7% increase in net income year over year, to \$24.6 million, and a solid capital ratio of 9.98%.

The strategy also included plans to reduce deposit and loan portfolios slightly year over year. The credit union ended 2024 with share deposits dipping 1.2% to \$3.9 billion and the loan portfolio reduced 5.3% to \$3.1 billion.

SAFE reined in total assets by a 7.1% reduction year over year to \$4.3 billion.

We strongly believe that these moves will position SAFE for future growth as we navigate a changing economy.

Sincerely,

Alexis Fitzpatrick
Chief Financial Officer





Statements of Financial Condition

Financials (Dollars in thousands)

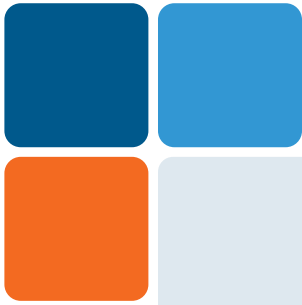
STATEMENT OF FINANCIAL CONDITION

	2024	2023
Cash & Cash Equivalents	\$223,872	\$295,443
Loans Held for Investments	\$3,113,112	\$3,286,300
Total Investments	\$668,000	\$805,014
Other Assets	\$300,435	\$250,617
Total Assets	\$4,305,420	\$4,637,374
Total Share Deposits	\$3,915,375	\$3,964,396
Other Liabilities	\$44,978	\$362,858
Members' Equity	\$345,067	\$310,120
Total Liabilities and Members' Equity	\$4,305,420	\$4,637,374

STATEMENT OF NET INCOME

Interest Income	\$187,432	\$166,311
Noninterest Income	\$67,237	\$63,475
Total Revenue	\$254,669	\$229,786
Dividend & Interest Expense	\$72,264	\$56,584
Interest Expense	\$12,514	\$10,202
Provision for Loan Losses	\$8,107	\$9,980
Noninterest Expense	\$137,223	\$134,790
Total Expense	\$230,108	\$211,556
Net Income	\$24,561	\$18,230





Report from the Audit Committee

It's been a distinct privilege serving as Chair of the Audit Committee.

I'm honored to work with dedicated individuals from all walks of life who have made it their lifelong goal to serve others. At SAFE, it's evident throughout the credit union just how committed everyone is to our purpose of helping our members build financial freedom.

Safeguarding your assets, ensuring a financially sound credit union, and meeting regulatory obligations are the top functions of the Audit Committee. We provide oversight of credit union policies and procedures by reviewing internal operations and monitoring the system of internal controls established by the credit union's management and Board of Directors. For added assurance, we engage with the outside financial audit firm of the credit union for objective review of the organization's financial practices.

Additionally, the committee is responsible for providing the financial results as part of the annual report from the Board of Directors.

During 2024, the Audit Committee engaged Crowe LLP to audit the credit union's financial statements. The committee, in an increasingly complex regulatory and financial reporting environment, provided oversight of the internal audit staff that performs the internal reviews of various credit union operations, and ensured that all internal policies and procedures, governmental regulations, and financial reporting requirements were handled appropriately.

On behalf of the committee, I thank the staff, Board of Directors, and management team for their support. And I thank our members for their continued confidence in the work we do.

With gratitude,

Jody Porter
Chair of the Audit Committee





How We Help Members Build Financial Freedom

Through savings and lending products with competitive rates, cash-back credit cards and gift cards, fee waivers, and the popular Skip-A-Pay program, SAFE offers a multitude of ways we directly help members build financial freedom.

SAVINGS SOLUTIONS

SAFE paid **\$34.6 million** in dividends to members with savings and checking accounts.

28,166 members grew their money faster in SAFE's consumer and business **Money Market accounts**.

Our youngest members saved **\$11.3 million** while learning about banking through 10,943 **kids and youth savings** accounts.

PERSONALIZED SERVICE

Eliminated and reduced over \$500,000 in fees to help members keep more of their money.

Compassionately reached out to 6,299 members affected by wildfires and flooding to offer them **assistance**.

Brought peace of mind to 1,487 members through **asset protection** programs such as Guaranteed Asset Protection, TotalRestart Protection, Mechanical Breakdown Insurance for vehicle loans, and SAFE Payment Protection.

Personally assisted 394,785 callers through the **Contact Center**, 56,366 queries through **Live Chat**, and conducted 1.45 million transactions in **SAFE branches**.

Helped members **avoid \$6.8 million** in **fraud** losses.



FRIENDLY LOANS

Opened the door to homeownership for members through **\$208.0 million** in **mortgages**.

Helped members consolidate debt, pay for home repairs, and pay off bills through **\$30.4 million** in **HELOCs**.

Put over 8,000 members behind the wheels of new vehicles through **\$227 million** in **vehicle loans**.

Provided **\$285,319** in **green loans** to help members save on their utility bills with environmentally friendly home upgrades.

Supported over 500 members in the hardest of times with short-term **loan modifications**, providing nearly **\$1.4 million** of impactful financial relief.

Made the winter holidays brighter for 4,882 members who took advantage of the **Skip a Pay** program to free up **\$2.6 million** for year-end expenses.

Helped members avoid predatory payday lenders and make ends meet with a total of **\$155,000** in **Quick Access Loans**.

Gave **\$2.4 million** back to members when they shopped using the SAFE **cash back credit cards**.

Connected nearly 1,000 **businesses** to over **\$360 million** in loans to help them grow their enterprises and create jobs.



How SAFE Helps the Community Build Financial Freedom

SAFE is committed to helping the communities that support us with services that help all who live and work in the Greater Sacramento region thrive. SAFE provides direct giving and volunteerism to nonprofits, financial education for people of all ages, and scholarships to support students in their education and career journeys. By working with community partners, SAFE provides services to some of the most vulnerable in the community to help them become more self-sufficient.

WHERE WE FOCUS OUR EFFORTS

We focus on philanthropic giving in four key areas that align with our purpose of building financial freedom for our members and the community.

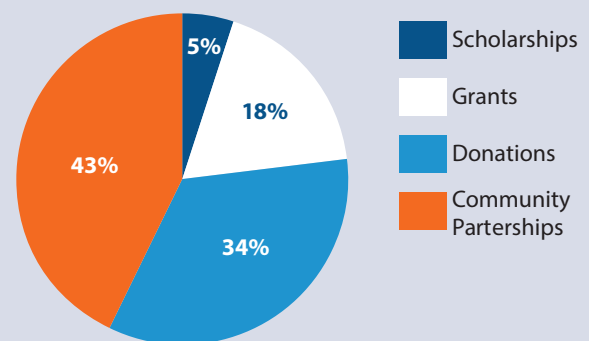
- Financial education
- Workforce development
- Youth/young adult education
- Affordable housing

By focusing our support in these areas, SAFE's philanthropic efforts will help move the needle on many of our community's most urgent needs while lifting individuals to the next levels of their financial journeys.

PHILANTHROPY BY THE NUMBERS

\$437,224

In total philanthropic giving



Percentage of donations tied to purpose of helping people build financial freedom: **69.10%**



SAFE employees volunteer at the Sacramento Food Bank and Family Services.

Community, continued...

BRINGING NO-COST FINANCIAL EDUCATION TO THE COMMUNITY

SAFE understands that financial education is central to our purpose as a not-for-profit financial organization. Every day we see firsthand the benefits for our members to know how to budget, manage debt, and save for the future. SAFE's dedicated team of financial educators provides no-cost financial education services to people of all ages, including young children, teens and young adults, as well as adults served by our community partners.



Area students engrossed in learning about personal finance at a Budget Cents workshop.

Budget Cents

One of our favorite financial education programs is Budget Cents by SAFE Credit Union, an immersive budget simulation experience that introduces teenagers and young adults to the financial decisions they'll make as independent adults. SAFE led 27 Budget Cents events in 2024, reaching 1,274 young people.

Webinars and Workshops

SAFE offers no-cost webinars and workshops on topics that give people knowledge they can use wherever they are on their financial journeys. Topics include first-time homebuying, estate planning, budgeting, debt management, and much more. Webinars can be accessed on safecu.org and SAFE financial educators conduct sessions with employers and organizations in the Greater Sacramento region. In 2024, SAFE connected 2,659 people with financial insights in 244 webinars and workshops.

FINANCIAL EDUCATION BY THE NUMBERS

3,933

Total number of people through financial education programming in 2024

\$35,000

In-kind value of financial education programs



SAFE Credit Union Cordova High School branch students and SAFE staff.

High School Branches

SAFE is extraordinarily proud to support direct financial education, financial services, and work skills through SAFE Credit Union branches hosted at three Sacramento-area high school campuses. The High School Branch program includes a summer internship at SAFE headquarters in Folsom where students who will staff the branches learn banking principles, customer service, job etiquette, and details about SAFE's savings and checking account products. They take this knowledge back to their campus and provide peer service to their classmates as they assist in opening accounts, handling deposits and withdrawals, and sharing a bit of what they've learned along the way.

SAFE hosts the program at Cordova High School in Rancho Cordova, Mesa Verde High School in Citrus Heights and Rio Linda High School.



Community, continued...

WE VOLUNTEER OUR TIME AND EXPERTISE

Supporting our communities by lending our expertise, skills, and time sits at the heart of SAFE's culture. SAFE provides 16 hours of paid time each year to employees to use to support the causes they are most passionate about. Teams use volunteer activities to build camaraderie. Each year, SAFE dedicates an entire month to service — branded Building CommYOUunity Month. Employees and teams fan out to do good works for organizations including food banks, women's shelters, hospice providers, parks, and sweat-equity construction projects.



SAFE employees volunteer their time for various community efforts throughout the year.

VOLUNTEERING BY THE NUMBERS

Total Volunteer Hours in 2024

2,816

Total value to Community

\$90,112



WELCOMING THE UNBANKED AND UNDERBANKED TO SAFE

In 2024, SAFE entered its second year in a partnership with the United Way California Capital Region to support its guaranteed income program. The program provides monthly payments of \$505 to participants selected based on income and other criteria. SAFE works directly with the United Way chapter and participants to provide banking account services. Participants are invited to open a savings or checking account with SAFE where the funds are directly deposited. We believe by welcoming these new members to SAFE, we have the opportunity to build strong and lasting relationships. Since the program launched, participants have opened additional accounts and a few have taken out loans, showing that there is value in extending services to those who have been previously unbanked or underbanked.

"My testimony would just be to let you guys know how thankful I am for this program so far. The extra help has helped my family so much. Because after paying my rent and bills, taking care of my child's needs like getting diapers or any other needed items is not so much of a stress as it was before. I'm able to save a little to put aside for when it may be needed and hopefully eventually be able to get back into school without having to have such a huge worry. Being a new and single parent isn't easy, but you guys have definitely helped take a bit of weight off my shoulders and I very much appreciate that."

—Parris L., Guaranteed Income Program Participant





Notable Achievements

AWARDS AND RECOGNITION

Culture Champion Award

WorkTango

SAFE's culture of celebration and support was recognized by **WorkTango**, a company that provides an employee engagement platform. SAFE received an inaugural Culture Champion Award for employees' widespread use of the platform to send kudos and congratulations to co-workers.

Power 100 List

Sacramento Business Journal

President and CEO Faye Nabhani was featured in the "Power 100" list in the financial services category, showcasing the leaders of largest companies in the Sacramento region.

Diamond Award

America's Credit Unions (formerly CUNA)

SAFE received a **Digital Marketing award** for its campaign for the Level Up Money Market Account, designed to introduce people new to money market accounts to the benefits first-hand. The campaign focused on language and imagery geared toward 18- to 40-year-olds and included digital ads, email campaigns, in-branch digital screens, and featured positions on safecu.org.

C-Suite Awards

Sacramento Business Journal

CFO Alexis Fitzpatrick received a C-Suite Award for her professional experience and community service. She was selected based on her leadership at SAFE where she has taken an active role in leading budgetary strategy and providing financial oversight for the \$4.3 billion credit union. She also was honored for her community involvement with the Sacramento Metropolitan Chamber of Commerce, the American River Parkway Foundation and the Folsom Chamber of Commerce.

40 Under 40

Sacramento Business Journal

VP Communications and Government Relations Micah Grant was included in the 40 Under 40 list of young impactful leaders in the Greater Sacramento Area. The journal recognized his work leading SAFE's government advocacy and his community service, including serving as a school board trustee and a volunteer with the Boys and Girls Club of Greater Sacramento and the Roberts Family Development Center in Del Paso Heights.

Best Credit Union in Folsom, El Dorado Hills

STYLE Magazine

The lifestyle magazine's readers voted SAFE the **best credit union** in the Folsom and El Dorado Hills area. SAFE has a branch location in Folsom that serves the area with complete banking services. Its headquarters are also in Folsom.

Mortgage Professional of the Year

North State Building Industry Association

Senior Mortgage Officer Damian Azimi

received this honor for his work with Sacramento-region builders to help homebuyers secure financing to purchase their new homes. The association awarded Azimi for excelling at cultivating a strong record of buyer satisfaction, excellent communication with builders and industry involvement.





Call Us

Get in touch with a SAFE representative during normal business hours by calling (916) 979-7233 or (800) SEE-SAFE.

Chat With Us

Get answers to your questions without picking up the phone. Chat with a Member Support Representative during normal business hours from safecu.org, Online Banking or the SAFE Mobile App.

Drop Us a Letter

We accept questions, comments, or suggestions at the following address:

SAFE Credit Union
2295 Iron Point Road, Suite 100
Folsom, CA 95630-8765

Stop by a Branch

Find all our branch locations at safecu.org/locations



Insured by NCUA

