



SAFE
CREDIT UNION

2025

Annual Report

For
What's
Next.



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

The SAFE Credit Union Board's and Executive Leadership team's passion to deliver value to members and give back to the community drives everything SAFE does.

BOARD OF DIRECTORS

Rick Blumenfeld
Board Chair

Martha Lofgren
1st Vice Chair

Bernadette Austin
2nd Vice Chair

Donald J. Ball Jr.
Treasurer

Ryan Larkin
Secretary

Sonbol Aliabadi
Director

Sonia Lewis
Director

Robert E. Logue III
Director

Patricia Rodriguez
Director

Terrance Tremelling
Director

Richard SooHoo
Associate Director

Darla A. Colson
Associate Director

SENIOR EXECUTIVE TEAM

Faye Nabhani
President and 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 Flournoy
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 and the CEO

For 85 years, SAFE has been a trusted institution, supporting members

through life's twists and turns and investing through philanthropy and service in the Sacramento region. SAFE has had the honor of helping generations of members save for their futures, experience freedom in their first vehicles, move into forever homes, and prepare for peaceful retirement. SAFE's greatest pleasure is when longtime members open accounts for their own children and grandchildren, sharing the legacy and benefits of being a SAFE member with the next generation.

In 2025, SAFE thoroughly lived its purpose of helping members and the community build financial freedom through products and services that support daily life and fuel tomorrow's dreams; innovative ways for members to easily and quickly access their accounts from anywhere, anytime; and purposeful community engagement that lifts people through scholarships, grants, philanthropic giving and partnerships. SAFE remains and always will be committed to operating in a spirit of high touch service, friendly knowledgeable employees, caring community partnerships, and continuous improvement.

In this report, you'll learn many of the ways SAFE, as a not-for-profit financial cooperative, serves its members, the community, and ensures the fiscal soundness of the business.

FOCUS ON FIDUCIARY RESPONSIBILITIES

Members depend on SAFE to be a good caretaker of their resources. The Board of Directors and executive leadership work closely to set priorities, goals, and expectations for each coming year with an eye on being smart stewards of members' trust and funds.

In 2023, SAFE launched a three-year strategic plan focused on increasing opportunities for SAFE to bring more value to members. The Plan's objectives

and initiatives focus on accomplishing this by growing membership through enhanced digital and in-person experiences, operating more efficiently, innovating products and services that matter to members, fostering an excellent workplace, and focusing its community impact in areas that align with SAFE's purpose to build financial freedom. By focusing on key areas that bring positive change and measurable achievements, SAFE has seen growth and solid improvements in its overall financial standing, the convenience offered for member banking needs, and the positive impact in our community.

In 2025, SAFE continued on an upward trajectory in its financial position by steadily improving its capital ratio, to 10.37% in 2025, up from 9.98% in 2024 and 8.67% in 2023. This achievement was driven by carefully managing operating expenses, eliminating redundancies, capitalizing on internal synergies, leveraging technology, and quickly adapting to economic shifts and market realities.

A higher capital ratio signifies the fiscal soundness of the credit union and drives SAFE's value to members by enabling lower or eliminated fees, innovative investments that help members connect with the credit union and their money more easily, and new products and services. It also positions SAFE to be an impactful community partner and corporate citizen through giving.

There are more details of SAFE's 2025 financial results on **Page 9**.

FOCUS ON SAFE MEMBERSHIP

The Board and executive leadership work on behalf of all SAFE members—it is the members' credit union, after all. SAFE members are the heart and soul of the enterprise, and as a cooperative, their needs are taken into consideration with every decision. Among SAFE's

Report From the Board Chair and the CEO, continued

highest priorities is the value it returns to members. This return is not measured solely by dividends paid on accounts, but by the overall financial advantage members receive compared to other financial institutions in the region. That advantage includes more competitive deposit and loan rates, higher earnings on savings, fewer and lower fees, and access to programs and personalized support designed to help members thrive financially. More details are available on 2025 results on **Pages 12 and 13**.

In 2025, SAFE made targeted efforts to welcome more members through a variety of promotions and expanded access to accounts.

- **Expanded checking account access to children as young as 6:** To help families have educational conversations around money and prepare the next generation for a lifetime of healthy financial habits, SAFE expanded checking account access to younger kids. This game-changing initiative helps children learn how to manage money with a trusted partner and gives parents peace of mind with full account controls through the SAFE Mobile App and Online Banking services.
- **Refer a Friend Program:** A portion of SAFE's membership increase in 2025 was a result of member referrals. As SAFE members referred their friends, family, and colleagues to experience the benefits of being a SAFE member, thousands of new members joined the cooperative.

SAFE also implemented upgrades that help members connect with the credit union and their money faster and more efficiently.

- **Introducing Olive:** To save members time, SAFE launched a new virtual automated phone banking assistant, Olive. Named after one of the very first members of SAFE, Olive reduces the amount of time to access phone banking services from minutes to seconds. Members use voice prompts to get the

information they need, conduct banking services, and connect directly to a SAFE Contact Center representative. This fundamental change allows SAFE representatives to have more meaningful and impactful conversations with members, building stronger relationships and elevating the level of service provided.

- **ATM improvements:** SAFE completed a multi-year project to update all existing ATMs to increase security and offer expanded services, such as letting members choose specific denominations for cash withdrawals, choosing a preferred language, and highly secure tap-to-access technology.
- **Digital Banking update:** SAFE also updated its Online Banking and SAFE Mobile App to make it even easier for members to quickly access their accounts and the information and services they are looking for.

FOCUS ON THE COMMUNITY

For 85 years, SAFE has been a strong supporter of the communities members call home. SAFE supports communities of all backgrounds through philanthropy, direct giving, grants, employee volunteerism and scholarships. SAFE's local impact is compounded by beneficial partnerships with community organizations, providing tools and resources to help their constituencies grow and prosper.

In 2025, SAFE fully embraced philanthropic pillars that focus on areas of community growth and support that align with SAFE's purpose to help people build financial freedom. The pillars are: financial education, workforce development, youth/young adult education, and affordable housing. Some of the ways SAFE supports these areas are through an annual grant program, volunteerism, board service, and community collaboration.

Report From the Board Chair and the CEO, continued

2025 highlights include:

- Awarded a total of **\$80,000** in grants to Improve Your Tomorrow, City of Refuge, Zion Girls Leadership Academy, and the California Asian Pacific Chamber of Commerce in support of programs that serve more than **15,000** Sacramento-region residents.
- SAFE employees collectively volunteered more than **1,500** hours to organizations, giving their expertise and time to benefit others.
- Connected with over **14,000** people to support their financial wellness and effective money management practices through free financial education resources.
- SAFE's sponsorship of the SAFE Credit Union Convention and Performing Arts District supported a total economic impact of nearly **\$158 million** driven by more than **1.14 million** attendees at over **400** events and performances. SAFE's sponsorship connects the credit union to its members and the community and meaningfully contributes to the economic growth and sustainability in the Sacramento region. This financial commitment extends through 2044.

FOCUS ON CONNECTION

SAFE continuously seeks ways to connect with members and the community, to share its story and provide quality services. In 2025, SAFE introduced new ways to build meaningful connection.

- **New branch for Granite Bay:** In early 2025, SAFE announced it would open a new branch in Granite Bay at a more visible and easily accessible location. The branch, which opened in February 2026, marks a new era for banking at SAFE, providing a more consultative approach that invites members to

bank at their pace by sitting with a SAFE expert to explore the next steps in financial journeys or drop by for a quick transaction at a secure indoor ATM. The branch also builds connection with community through the Financial Freedom Hub, a meeting space available to local business and nonprofit organizations to conduct meetings and gatherings.

- **New advertising campaign:** SAFE launched a new campaign designed to deepen connection with members by acknowledging the emotions, challenges, and milestones that shape their financial journeys. Through empathetic messaging and distinct visuals, the SAFE. For What's Next. campaign brings SAFE's purpose to life and reinforces that members are supported, understood, and never navigating their next step alone.
- **Employee synergies and skills:** To build teamwork, resource efficiency and effectiveness, SAFE relocated its Contact Center to its Corporate Office in Folsom. This allowed for significant technological improvements, expanded camaraderie, and enhanced use of SAFE's physical assets. SAFE believes in supporting its employees in having the skills and knowledge to effectively help members build financial freedom while providing career advancement opportunities through impactful training. In 2025, SAFE provided more than 11,000 hours in workforce and leadership training.

FOCUS ON THE FUTURE

SAFE's Board of Directors, focused on responsible stewardship and the continued delivery of value to members, moved forward at the end of 2025 with a proposed combination with BECU, one of the nation's most respected and successful credit unions. Subject to required regulatory approvals and a favorable SAFE member vote following member review of the proposed

Report From the Board Chair and the CEO, continued

combination, the combined credit union would serve approximately 1.8 million members across more than 80 physical locations and manage nearly \$34 billion in assets, supported by combined capital of over \$4 billion and a projected capital ratio over 12%. The Board's decision to move forward with the proposed combination was a result of careful consideration, research, and due diligence.

This recommended combination of two financially strong credit unions would unite their independent focus on bringing value to members and supporting their communities to a single collective force.

The proposed combined credit union is expected to:

- Leverage expanded scale and capital strength to significantly increase the value and returns delivered to members, while enabling continued investment in technology, capabilities, features, and products that make banking easier and more accessible.
- Increase credit availability and provide more competitive loan options for members across a broader range of needs.
- Expand small business lending and overall access to credit to support local businesses and communities.
- Attract additional members by expanding geographical reach, increasing community presence, and enhancing the credit union's ability to connect with individuals and businesses that can benefit from membership.
- Offer expanded products and lower fees by leveraging economies of scale to reinvest efficiencies back into improved and more competitive member offerings.

See **Page 11** for more details on how members and the Greater Sacramento community would directly benefit from the combination.

The Board and SAFE leadership are committed to ensuring that members are included, heard, and respected. Members can expect to receive informative updates about the combination and instructions on how to participate in the member vote well in advance. SAFE will encourage member engagement and participation in the process by inviting members to ask questions and discuss the combination directly with the Board of Directors and SAFE executive leadership. Members will be able to access additional information about the proposed combination at safecu.org/combination and will have the opportunity to submit public comments through the NCUA website.

THANK YOU!

SAFE, its Board of Directors, executive leadership and entire workforce appreciate members' trust and loyalty over the past 85 years. SAFE remains steadfastly committed to putting members' needs first and foremost, building meaningful connections, and supporting the community through partnerships and collaboration.

Thank you for being a part of the SAFE community. It is an honor and privilege to serve you to help you build financial freedom.



Rick Blumenfeld
Board Chair



Faye Nabhani
President and CEO

Letter from the CFO



SAFE entered 2025 with a clear focus on strengthening the overall business, maintaining disciplined asset growth, reducing expenses, driving operating efficiency, and continuing to build our capital base. Through a thoughtful and targeted approach, SAFE successfully achieved each of these important objectives.

SAFE ended the year with \$4.4 billion in assets, reflecting modest year-over-year growth. Net income increased nearly 16% compared to the prior year, reaching \$28.5 million, and SAFE further strengthened its financial position by increasing its capital ratio to 10.37%.

As SAFE navigated a challenging economic environment marked by inflation and sustained higher interest rates, leadership remained focused on improving operating efficiency and the disciplined stewardship of resources. SAFE ended the year with a 77.3% efficiency ratio, a significant improvement from 82.9% in 2024, reflecting meaningful progress in cost management and operational effectiveness. This improvement was driven by nearly a 1% reduction in expenses, achieved through innovation, efficiency initiatives, and proactive actions to adapt to evolving economic and market conditions.

SAFE also improved its Return on Assets (ROA) to 0.66%, further demonstrating effective use of the organization's assets to deliver value on behalf of members.

For 2026, leadership remains committed to maintaining a strong financial foundation, operating with discipline, and honoring the trust members place in SAFE to be thoughtful, responsible stewards of their money.

Alexis Fitzpatrick

Executive Vice President, Chief Financial Officer

Statements of Financial Condition and Net Income

STATEMENTS OF FINANCIAL CONDITION

	2025	2024
Cash & Cash Equivalents	\$354,607,503	\$223,872,232
Total Loans	\$3,121,600,930	\$3,113,111,708
Total Investments	\$595,027,404	\$668,000,230
Other Assets	\$318,601,612	\$300,435,440
Total Assets	\$4,389,837,449	\$4,305,419,610
Total Share Deposits	\$3,946,599,864	\$3,915,374,432
Other Liabilities	\$46,430,536	\$44,978,016
Members' Equity	\$396,807,049	\$345,067,162
Total Liabilities and Members' Equity	\$4,389,837,449	\$4,305,419,610

STATEMENTS OF NET INCOME

Interest Income	\$183,501,010	\$187,432,179
Noninterest Income	\$60,440,696	\$67,236,732
Total Revenue	\$243,941,706	\$254,668,911
Dividend Expense	\$67,118,985	\$72,264,408
Interest Expense	\$261,665	\$12,513,426
Provision for Credit Losses	\$11,658,836	\$8,106,658
Noninterest Expense	\$136,434,965	\$137,222,992
Total Expense	\$215,474,451	\$230,107,484
Net Income	\$28,467,255	\$24,561,427

Report from the Audit Committee



Safeguarding members' assets, ensuring the credit union's financial soundness, and meeting regulatory obligations are among the Audit Committee's core responsibilities. The committee provides oversight of credit union policies and procedures through its review of internal operations and by monitoring the system of internal controls established by management and the Board of Directors. For additional assurance, the committee engages with the credit union's independent external audit firm to opine on the financial statements, and provide an objective review of SAFE's financial practices.

Additionally, the committee is responsible for reporting financial results as part of the Board of Directors' annual report to members.

During 2025, the Audit Committee engaged Crowe LLP to audit the credit union's financial statements. In an increasingly complex regulatory and financial reporting environment, the committee also provided oversight of the internal audit function, which performs reviews across various credit union operations. The committee worked to ensure that internal policies, and procedures, regulatory requirements, and financial reporting standards were designed, followed and maintained.

The Audit Committee thanks the staff, management team, and Board of Directors for their continued support and collaboration. The committee also extends its appreciation to SAFE's members for their ongoing confidence and trust.

With gratitude,

Darla Colson
Chair of the Audit Committee

How the Combination Between SAFE and BECU Would Benefit SAFE, Its Members, and the Community

The combination would ensure SAFE’s ability to provide strong long-term member value, financial stability, and growth opportunities for members, employees, the organization, and region. The combination would bring scale and capital that ensures SAFE would be a thriving credit union helping members build financial freedom far into the future.

VALUE AND BENEFITS FOR SAFE MEMBERS

Upon completion, the combination would bring elevated value and enhancements that support members in their financial journeys. Some of the BECU offerings that would be incorporated in the new, combined entity are:

- Fewer and lower fees to members through the adoption of BECU’s fee structure.
- BECU **Reprice Program** automatically reduces interest rates on credit cards, personal loans, home improvement loans, vehicle, boat and RV loans when a member’s credit score improves.
- The **Member Advantage Program**, designed to deliver added value to engaged members by offering higher checking and savings rates and rebates on select ATM usage, provided at least one transaction is completed each month.
- **First Time Homebuyers Grant** funding for qualifying members when buying their first home. The program gives up to \$8,000 for closing costs and requires as low as a 1% down payment.
- Significant enhanced **business banking** programs, including account analysis and sweep services.
- **Video banking** services, in addition to phone and digital banking services, increasing convenience for members.
- Free 1:1 **financial health check** with a certified financial coach to create a financial pathway to freedom.
- Extensive **trust services**.

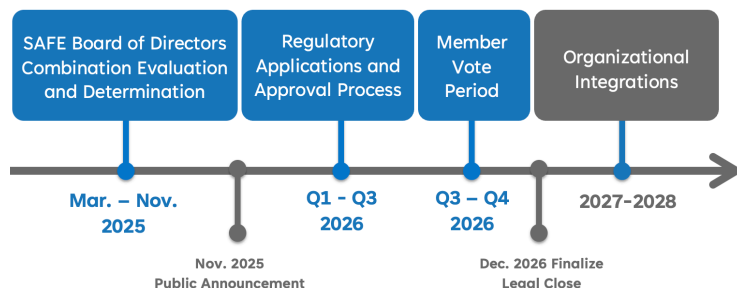
VALUE AND BENEFITS FOR THE COMMUNITY

BECU has demonstrated a strong, sustained commitment to community support through a wide range of philanthropic efforts. Relative to SAFE’s historical approach, BECU has operated at a meaningfully larger scale, creating the potential for expanded community impact over time.

As a combined credit union, SAFE and BECU would build on SAFE’s strong tradition of giving back by protecting and significantly expanding community support in the Sacramento region. BECU has committed to honoring SAFE’s current community commitments, approximately \$500,000 each year, so the support our communities rely on will continue without disruption. In addition, shortly after the combination is completed, BECU plans to make an initial \$1 million investment immediately in the community. This signifies their long-term commitment to the region. While future investments will be guided by local needs, members can be confident that, together, community giving would be about three times greater than what SAFE provides today, every year.

In addition, during the first year, BECU has committed \$500,000 to a first-time homebuyer grant program, which would become a cornerstone offering for SAFE members and reinforce long-term support for housing access in the region.

COMBINATION PROPOSED TIMELINE



How SAFE Helps Members Build Financial Freedom

Every day, SAFE puts its members' needs and financial goals first and foremost, shaping each product and delivering every service with its purpose in mind: helping members build financial freedom. Here are some of the ways SAFE supported members on their financial journeys in 2025.

SAVING FOR THE NEXT BIG THING

- Paid **\$67 million** in dividends to members with savings and checking accounts, rewarding them for savings and checking accounts.
- Delivered **\$1.6 million** in cash-back rewards to members when they shopped using their SAFE Visa® Cash Back credit cards.
- More than **3,000** members grew their money faster in SAFE's consumer and business Money Market accounts.
- SAFE's youngest members saved almost **\$1 million** while learning about banking with support of their parents through kids and youth savings accounts.
- Nearly **3,000** children as young as 6 opened checking accounts, providing opportunities for them to learn how to budget, manage money, and make transactions just like their parents do with secure tap-to-pay cards.
- Delivered nearly **\$38,000** in cash back to members who participated in SAFE's Shopping + program, giving a little breathing room to household budgets.

MEETING OUR MEMBERS WHERE THEY ARE

- Helped members keep more of their money by waiving, eliminating and reducing fees by more than **\$1.3 million**.
- Provided peace of mind to nearly **3,000** members through asset protection programs for vehicle loans.

- Provided in-person quality service to around **377,000** callers through the Contact Center, **75,000** queries through Live Chat and through **1.3 million** transactions in SAFE branches.
- Welcomed more than **30,000** new users to the SAFE Mobile App and Online Banking, where they can easily and securely access funds and banking services from anywhere, anytime.

FUNDING A BRIGHTER FUTURE

- Opened the doors to homeownership through nearly **\$154 million** in mortgages.
- Helped members consolidate debt, pay for home repairs, and pay off bills through more than **\$70 million** in home equity lines of credit (HELOCs).
- Put more than **8,000** members behind the wheels of new vehicles through nearly **\$221 million** in vehicle loans.
- Provided upward of **\$400,000** in eco-friendly loans to help members save on utility bills with energy efficient home upgrades.
- Helped members avoid predatory payday lenders when facing emergencies with a total of **\$124,000** in Quick Access Loans.
- Connected hundreds of local businesses to **\$358 million** in loans to help them grow their enterprises and create new jobs.

SAFE. For What's Good.

As a not-for-profit financial cooperative, SAFE lives the power of collective impact each day. SAFE is committed to sharing the principles of collaboration, support, and philanthropy to strengthen communities and make life a bit easier for people. In 2025, SAFE integrated its community impact work with a broader message and a new statement: For What's Good. This is more than a slogan. It captures the very essence of the spirit of SAFE's commitment to do what's good for the communities served.

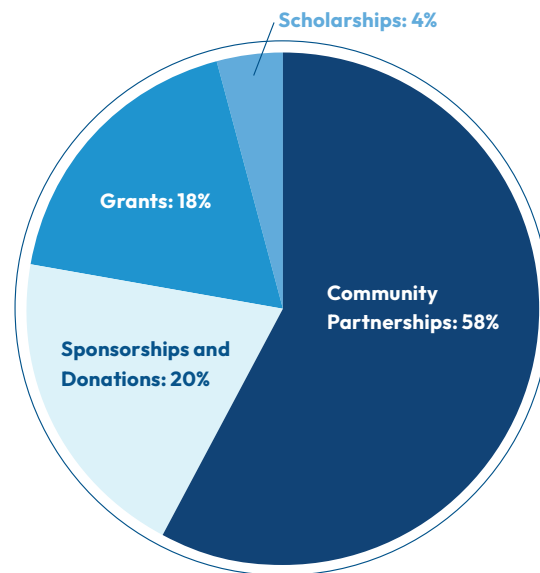
OUR FOCUS

SAFE focuses its philanthropic giving in four areas that align with its purpose of building financial freedom, lifting people to the next level of their financial journeys, and positively addressing the region's foundational needs.

- Financial Education
- Workforce Development
- Youth/Young Adult Education
- Affordable Housing

SAFE'S GIVING BY THE NUMBERS

\$446,000 in total philanthropic giving



SHARING OUR TIME AND EXPERTISE

SAFE believes in helping the community by showing up and helping people where they are. SAFE's robust volunteer program encourages employees and teams to share their time with local nonprofit organizations to help them with their missions. SAFE leaders also lend their expertise and insights by serving on boards for Greater Sacramento Economic Council, chambers of commerce, and numerous community and nonprofit organizations.

VOLUNTEERING BY THE NUMBERS

Total Volunteer Hours in 2025

1,500+

Total Value to the Community

\$52,000

EMPOWERING THE NEXT GENERATION

SAFE is deeply committed to helping younger generations obtain financial knowledge and gain a secure foothold to propel them on their financial journey. SAFE provides teens and young adults with the tools and resources they need to instill financial confidence that can lead to brighter futures, including impactful financial education, scholarships, and internships that teach banking basics and workplace skills.

- **Budget Cents by SAFE Credit Union:** In 2025, SAFE led dozens of Budget Cents events, reaching nearly 2,000 young people. SAFE financial educators provide hands-on budgeting lessons in this immersive and engaging simulation that introduces teenagers and young adults to financial situations they'll face as they move into adulthood.
- **Scholarship program:** In 2025, SAFE expanded its scholarship program to graduating high school seniors and community college students. Recipients could use the funds for community college, a four-year university, or trade school. SAFE awarded five \$4,000 scholarships to help members on the next step of their education journeys.
- **High School Branch and Internship Program:** In 2025, students from Cordova High School in Rancho Cordova and Mesa Verde High School in Citrus Heights attended SAFE's summer internship program. For more than 15 years, SAFE has worked with select high schools to bring financial education and workforce development skills to students through the credit union's high school branch and internship program. During the summer, a cohort of students learned banking and business basics as well as workforce skills. During the school year, the interns serve as financial



Budget Cents Workshops



Interns Join the Volunteer Efforts at St. John's Program for Real Change

For What's Good, continued



Mortgage Department Serves Sundaes to Kids at Shriners' Hospital

education experts to their peers, helping them connect with the credit union and learn budgeting basics.

- **Zogo:** In 2025, more than 5,000 SAFE members took foundational financial lessons on Zogo. SAFE offers access to Zogo at no cost for its members as another way to help people learn effective money management. This financial education app is made for all ages, including kids, who can access the useful bite-sized lessons as well.

FINANCIAL EDUCATION FOR ALL

Financial needs change through life, and SAFE is here to help people through every stage with helpful information they can use to prepare for the next step in their journey.

Webinars and workshops: In 2025, SAFE financial educators reached more than 4,500 people in more than 250 webinars and workshops. SAFE offers no-cost webinars and workshops on topics that address real-world situations and decisions, such as buying a first home, vehicle buying tips, funding higher education, preparing for retirement, and setting up trusts. SAFE holds workshops for the public, as well as with community partners and local employers who participate in SAFE's Workplace Financial Wellness Program.

Perfect Cents Podcast: In 2025, SAFE's podcast had nearly 2,500 downloads. The Perfect Cents Podcast explores financial insights and connects with business leaders and nonprofit champions providing on-demand, timely and local insights for SAFE members and the public.



Employees Filled Backpacks for the Sacramento Receiving Home



CHAT WITH SAFE

SAFE members can get answers to questions without picking up the phone. SAFE Member Support Representatives are available during normal business hours from [safecu.org](https://www.safecu.org), Online Banking, or the SAFE Mobile App.

CALL SAFE

SAFE provides member service and support through its automated phone system 24 hours a day. Members can also reach a SAFE representative during normal business hours by calling **(916) 979-7233** or **(800) SEE-SAFE**.

STOP BY A BRANCH

Members can find all our branch locations at [safecu.org/locations](https://www.safecu.org/locations).

DROP SAFE A LETTER

Members are invited to send questions, comments, or suggestions to the following address:

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



SAFE
CREDIT UNION



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