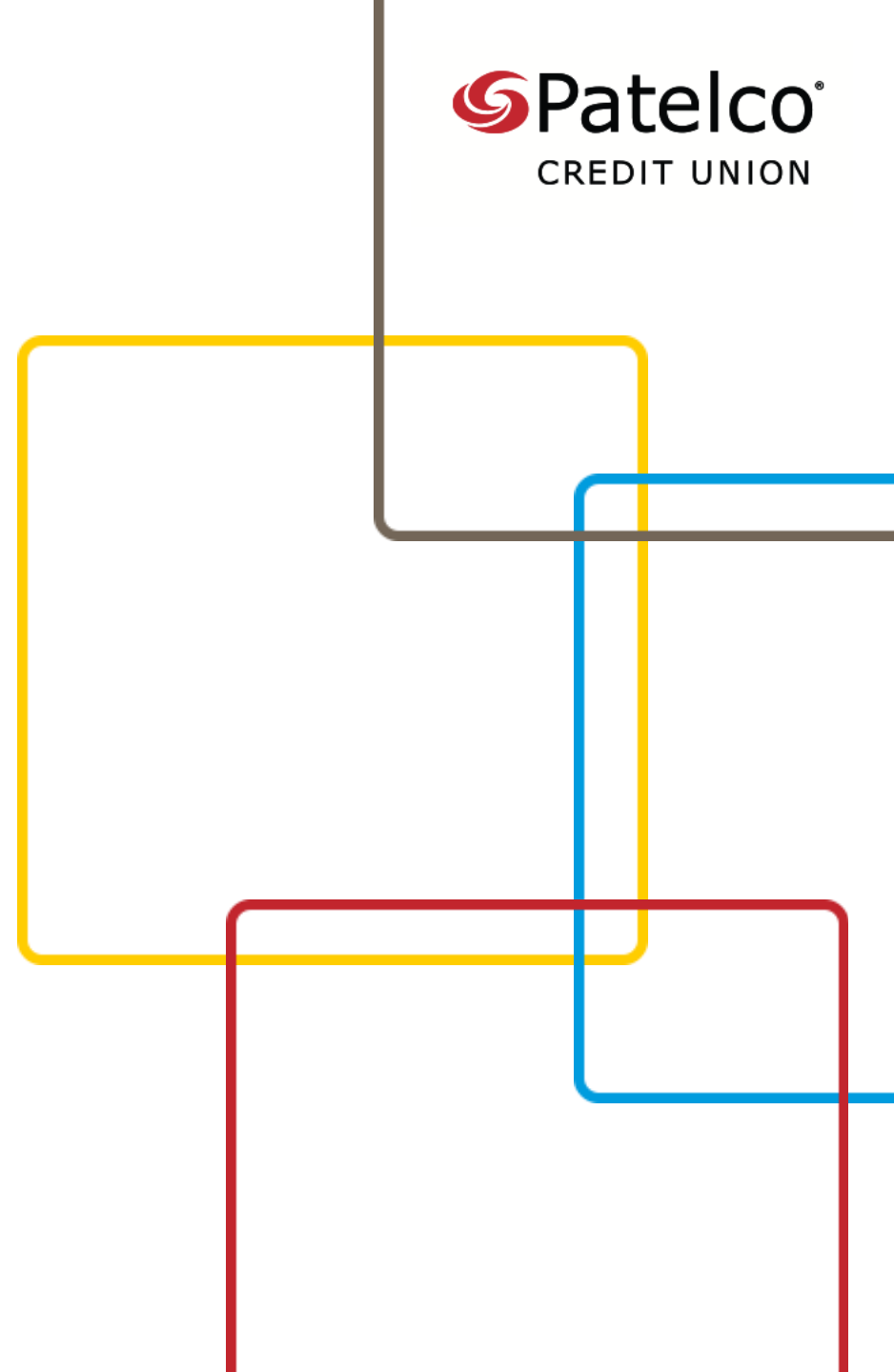


2023
State of the Credit Union



2023 | A Year of Highs and Lows in the World



Our focus is unwavering in taking care of our members during the unpredictable year

Trends, Events, and Situations Impacting Patelco Members



No recession and falling inflation



High interest rates



High food prices persist



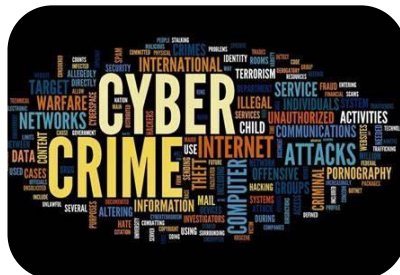
Strong consumer spending



Bank failures



Greater controls over digital identity and privacy



Increasingly aggressive cyber crimes



Devastating overseas wars



News consumption shifts



Sophisticated and aggressive scams

Member Benefits and Value

“Patelco’s relationship with its members is so different from doing business with a traditional bank.

I immediately felt that Patelco’s team really cared.

Each team member I spoke with on various topics took the time to help me by explaining questions and concerns we had.

We’re very grateful.”

2023 By the Numbers

Membership and savings



Total Members
496,307

Membership
Growth
7.22%

In 2023 we helped our members save:

	Q4 2019	Q4 2020	Q4 2021	Q4 2022	Q4 2023
Total CU benefit per member	\$189	\$225	\$234	\$274	\$319
Total CU benefit per member household	\$397	\$472	\$491	\$575	\$669

Plus, members who used Patelco for most of their banking needs **saved \$2,127 in 2023¹**

¹ Q4' 2023 CUNA membership benefits report. Compared to California banks. Loyal members - those who use the credit union extensively - often receive total financial benefits that are much greater than the average. America's Credit Unions estimates that Patelco CU provided loyal high-use member households \$2127 in direct financial benefits during the twelve-month period.

Our solutions *help members...*

Save Money

Helped 1,075 members save \$152,389 of their own money with the Plus Checking account Round-Up feature

Members received a dividend return of \$9.1 million on their Money Market accounts.

29,157 members opened new Money Market accounts with \$888 million in balances

35,069 new Certificate accounts with \$1.6 billion in balances

Our investments team helped 1,776 members with their long-term financial goals

Borrow Responsibly

18,050 vehicle loans

New FI Connect partnership – helped over 300 members save on their EV auto loan

407 loans for a home purchase \$383 million in balances

47 home loans refinanced with \$16 million in balances

1,912 equity lines & loans

10,936 personal loans

Enabled ITIN members to apply for select lending products; expanding the availability of credit in our communities

Mission in action *helps members...*

Improve Financial Wellbeing

Helped ease member stress with 2,843 loan payment deferrals with \$91 million deferred

Made payments more affordable by restructuring 231 loans

Provided rate reductions to 10,122 members for making on-time payments. Enrolled 8,290 new members in LevelUp program

Helped members establish or re-build a positive credit history and score while saving with 821 ScoreUp credit builder loans

Reviewed 9,440 potential fraud cases and prevented over \$8 million in member losses

Manage Debt and Avoid Fees

Members saved with fixed lower rates on 4,156 debt consolidation loans ~ \$55 million balances

Members saved nearly \$2.5 million in overdraft fees thanks to the removal of OD fees associated with unpaid NSF

We reimbursed members over \$727,000 with our Patelco NSF fee cap

2,300 members avoided being overdrawn nearly 21,000 times by leveraging our no-fee Instant BackUp Line of Credit

Switch to save - lower credit card and personal loan rates helped members save ~ \$10 million in interest

Member Advancements

“Patelco has the best service online, and in their branches. I love the informative webinars on retirement, updates on fraud/scams and teaching young people how to be financially responsible.

I’m a member of another credit union, but I’m in the process of moving all my accounts to Patelco. Thank you for the excellent service”

Member Care

Financial wellbeing is at the core of everything we do for our members



Members can rely on Patelco to deliver information on *what matters most*

Monthly Fraud Prevention

Economic Updates

Financial Wellbeing Newsletter

Savings Tips

Digital Updates

Product Updates

DID YOU KNOW? Your Patelco cards come with awesome safety features

Dear Patelco Member,

Ever have that moment of panic where you think you've misplaced your debit or credit card? Or wish you hadn't taken that extra \$200 from the ATM for a night out with friends? Well, you're certainly not alone in experiencing those moments of panic or frustration. That's why we want you to know that Patelco has you covered with Card Management tools in Patelco Online™ and our Mobile App.

- Lock and unlock your card**
Misplace your card? You can lock it on Patelco Online™ and unlock it when you find it.
- Set up Card Alerts**
Receive notifications when certain types of transactions or activities happen with your credit card.
- Set up Card Controls**
Block specific types of transactions based on your preferences. Like transactions that exceed a limit you choose or transaction types (like ATM withdrawals) which can also help you stick to your budget.
- Let us know when you travel**
If you're traveling outside of the area where you normally make purchases, let us know. This will help us monitor your account for potential fraud and will help ensure that you can make transactions.

It's easy to get started:

1. Log in to Patelco Online™ or the Mobile App
2. Go to **Card Services** in the main menu
3. Select **Card Management** and select your card
4. Select **Alerts And Controls**
5. Personalize your preferences to best suit your needs

Set Card Alerts and Controls

Sincerely,

Joshua Garrison
Vice President - Consumer Lending
Patelco Credit Union

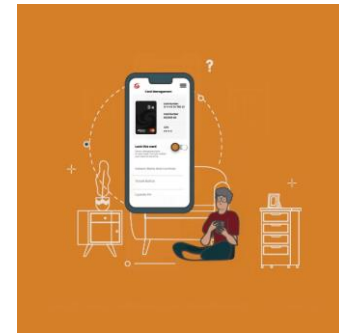
Thank you for being a valued member since January 2020

New financial wellness podcast, "Small Talks for Big Change" launched with over 1,200 downloads in Season 1

Small Talks for Big Change
Episode 10: Unmasking Scams: Defending Your Financial Future

Patelco CREDIT UNION

Insured by NCUA



Protect Yourself from Mobile Payment Scams

How to Set Up Automatic Savings



Protecting Our Members | Trusted Contact

We launched this free service to help our *most vulnerable elder members*

Alarming Elder Fraud Trends

2022 Financial scams cost 80,000 seniors \$3.1 billion but suspected as high as \$11.6 billion¹

Fraud scams are widely underreported – only 1 of 44 cases are reported¹

Trusted Contact Overview

Someone who you can rely on to act in your best interest

Someone Patelco can reach out to as a contact on your account should a situation concerning your welfare arise



Designate a Trusted Contact for your account

Dear RinaSAMPLE,
We care about your financial wellbeing and are now offering a new layer of security to help keep your finances safe – it's called

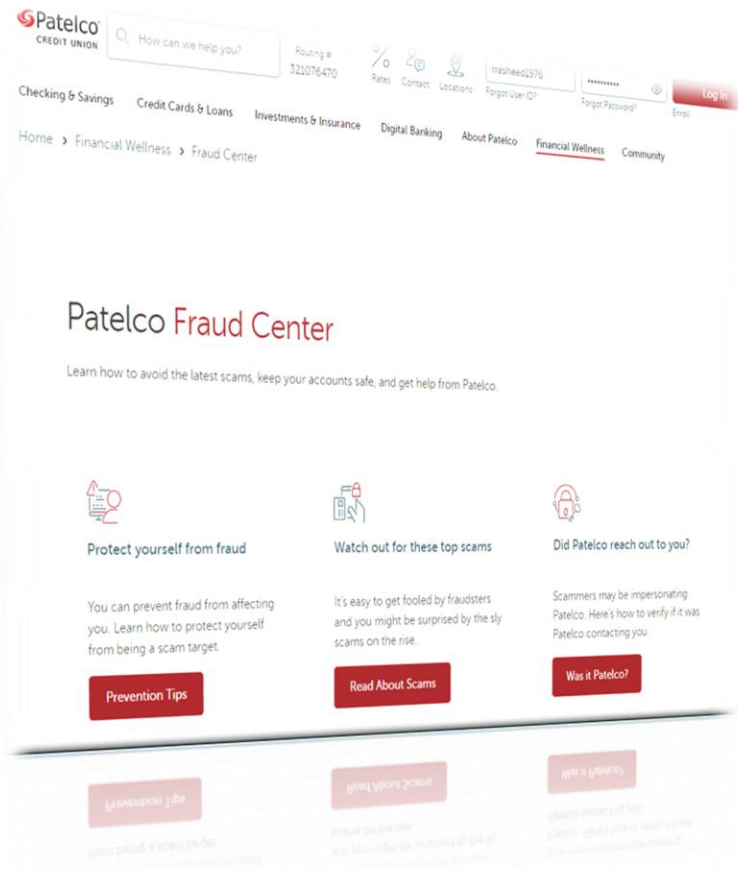
Trusted Contact was launched in March 2023. 1,200 members are currently signed up

Proud to be the *1st Credit Union* to launch this critical service

¹How Many Senior Scams Happen Yearly? [Elder Fraud Statistics 2023] (dataprot.net)

Fraud Fighting Tools

Launched new tools to help members avoid being victims of savvy scammers



Enhanced Fraud Center
patelco.org/fraud



Fraud Protection Booklets
Elder version available

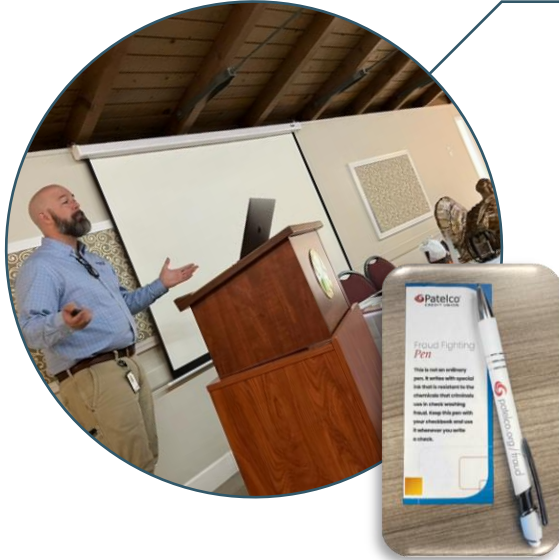
"You guys are easily trusted in the way you lead your members through financial education."

"I like that there are education opportunities, I also just received an offer to do a trust through a Patelco partner which helps me take care of my family. Their fraud support team is super helpful. I have been a member for 30 years!"

"You look out for my financial wellbeing by providing sufficient advice without being intrusive. For example, tips on spotting scams."

Enhanced Fraud Support

Extra services to further protect members



Fraud Protection Seminars

- Conducted in-person seminars at local centers
- Shared insights on what fraudsters are doing and how to avoid it
- Created a safe space to talk about sensitive topics
- Reinforced how to avoid shame after falling for a scam and victim-blaming
- Distributed special check-washing scam prevention pens

"Once again, I would like to express my heartfelt thanks to the Patelco Credit Union fraud team for their exceptional service. Your actions have significantly alleviated the stress and inconvenience caused by this unfortunate incident."



Dedicated Fraud Experience Team

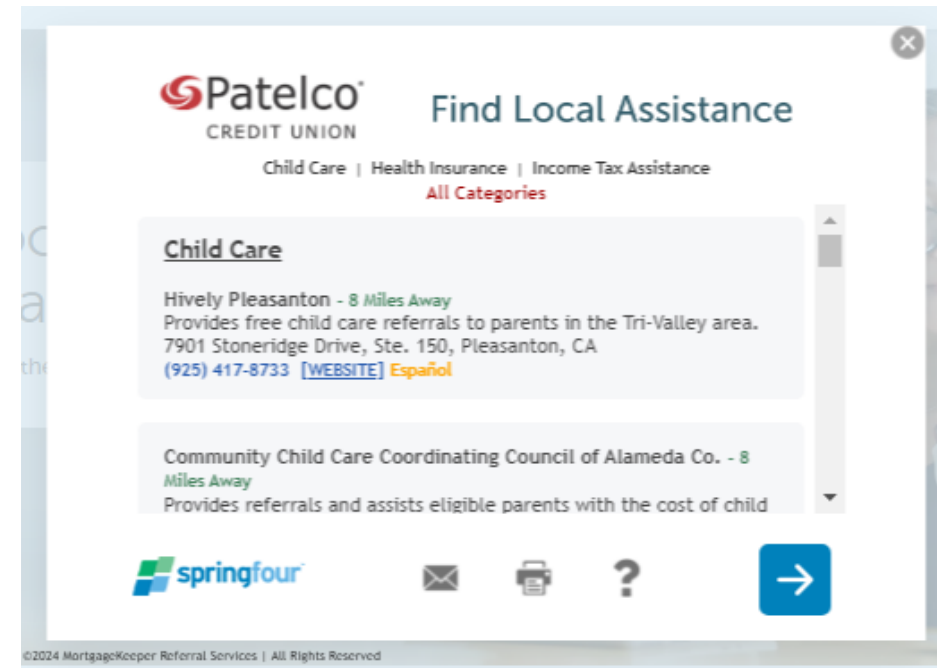
- Supports members with educational information, guidance for victims of fraud or scams, and provides a caring, non-judgmental ear
- Personal, closed-loop outreach
- Appointments are offered on [patelco.org](https://www.patelco.org) for scam advice and consultation

"Brandy, I want to thank you for your comfort & support you provided me today. You made me feel better after this terrible fraud ordeal I went through this weekend. You have provided me such great service...Thank you."

Helping our Members Navigate the Everyday

New Partnership with Springfour connects people to care resources

- Self-service tool at patelco.org to connect members with resources that help with everyday expenses like food, utilities, housing, and healthcare.
- Over 7,700 referrals to local nonprofits provided
- Categories most frequently searched:
 - Heating/Utility Costs
 - Food Savings
 - Employment Services
 - Childcare
 - Income Tax Assistance
 - Health Insurance



Patelco members get free access to a database of trusted nonprofit and government resources

Local and state resources provided to make it easy for our members to find what they need

Supporting Members With Legacy Planning

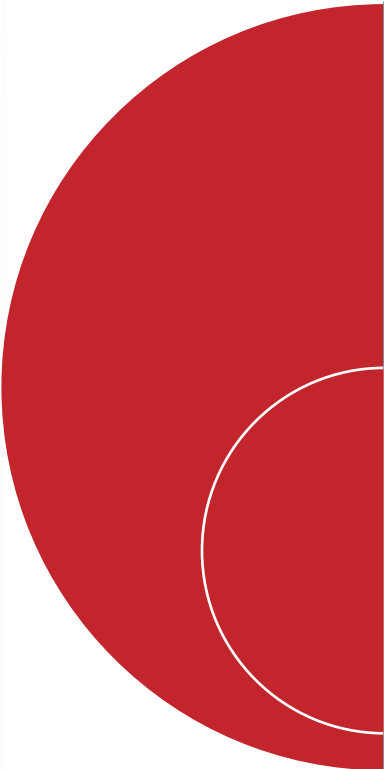
New Partnership with Trust & Will



Our mission is to help ensure our members enjoy lifelong financial wellness

Reality

Patelco Premise



Estate planning and settlement can be overwhelming, complex, expensive

- Everyone should have access to affordable estate planning
- Estate planning doesn't have to be a long, painful process

Only 33% of American adults have an estate plan¹

- We want to educate our members on the importance of putting an estate plan in place for the loved ones left behind
- Members should have access to convenient, online estate planning at a reduced cost with educational videos and articles



Securing your legacy and family's future with an affordable and inclusive solution

Trust & Will delivers 70% cost savings vs an estate planning attorney²
Patelco members get an extra 25% savings

Trust & Will benefit launched May 2023

¹ <https://smartasset.com/estate-planning/estate-planning-trends>

² Trust & Will data

New Credit Card Features

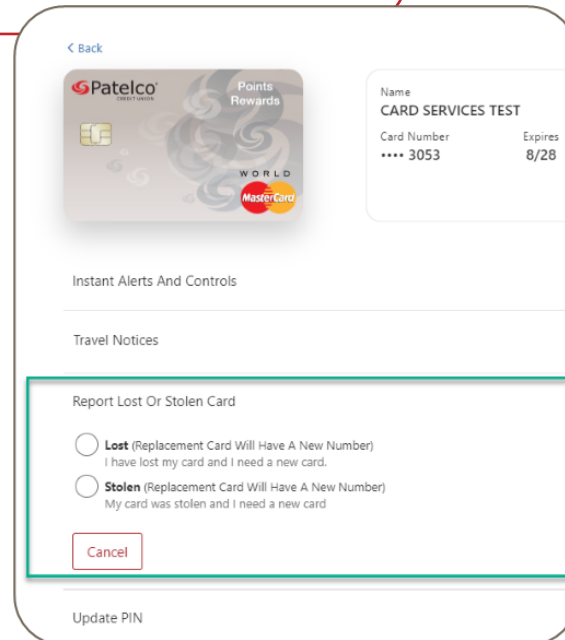
Delivering enhanced protection and benefits to our members

Self-Service Card Management

Greater card control with easy online card management – capabilities included: improved block and unblock a card, reporting a card stolen, setting card and spending alerts or requesting a new card



Over 33K members used the digital self-serve card features



Card Features & Rewards

New purchase and travel-related benefits at no additional cost to members

Plus, thousands of new reward redemption options for members with reward points

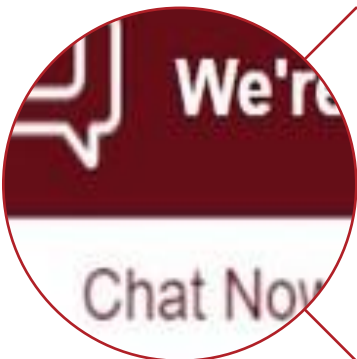


Member Ease

Enhancing the ways our members can connect with Patelco



- Served over 12K members virtually
- Launched Business Banking services pilot, providing additional ways to support the members in our communities



Expanded Chat Capabilities

- Usage grew to 150,000+ member chat sessions with an 80%+ satisfaction rate
- Responded to over 300K member questions

"I haven't found doing business that easy with anyone else!"

"I'm so happy the bot handed me to a real person, very quickly. That avoided any frustration that may have occurred! Nice job!"

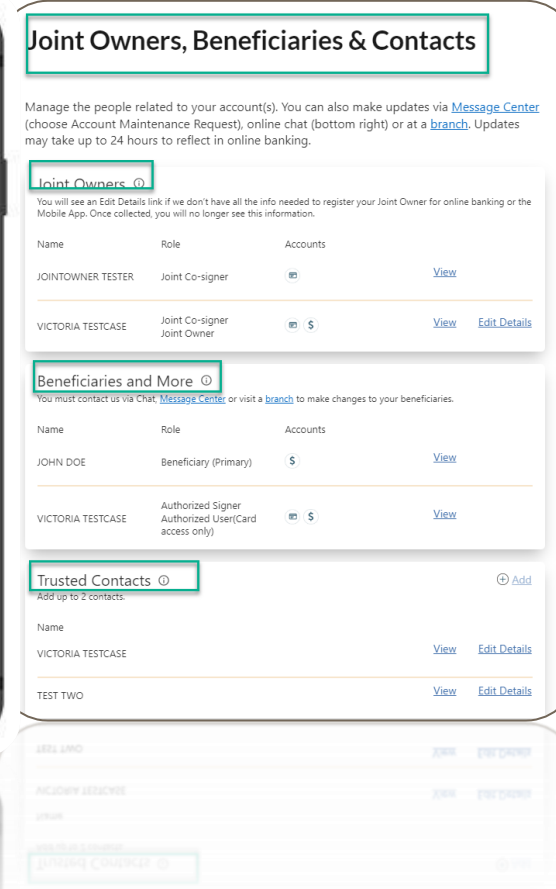
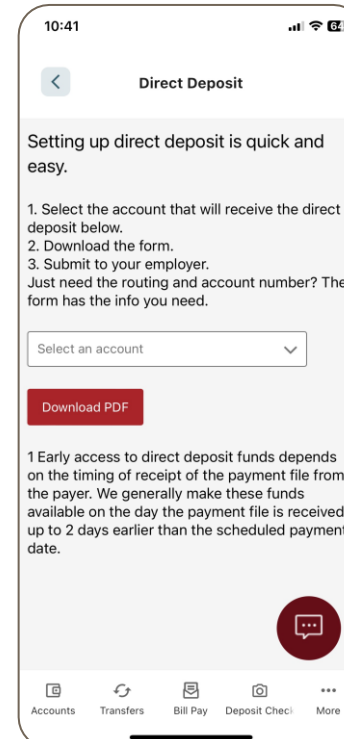
"Love the chat option, no phone calls needed which I love!"

Streamlining Day-To-Day Banking

Digital and online banking enhancements



- Simplified new user registration experience
- Enabled access to the digital versions of credit and debit cards within online banking; offering instant access to card information
- Easy-to-understand transaction descriptions
- Pre-filled Direct Deposit form removes the guesswork for our members
- Joint owners can easily see their accounts with a single Patelco login
- Personalized checking + savings account application experience
- See and easily complete the info for Joints, Beneficiaries, and Trusted Contacts on your accounts

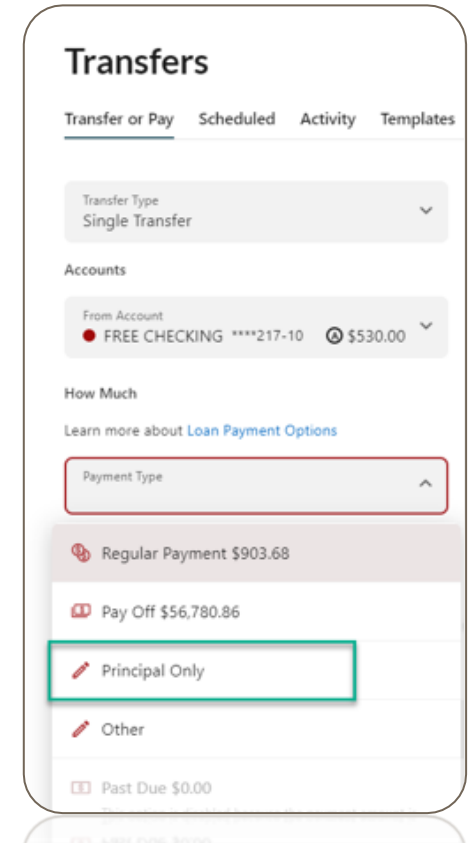
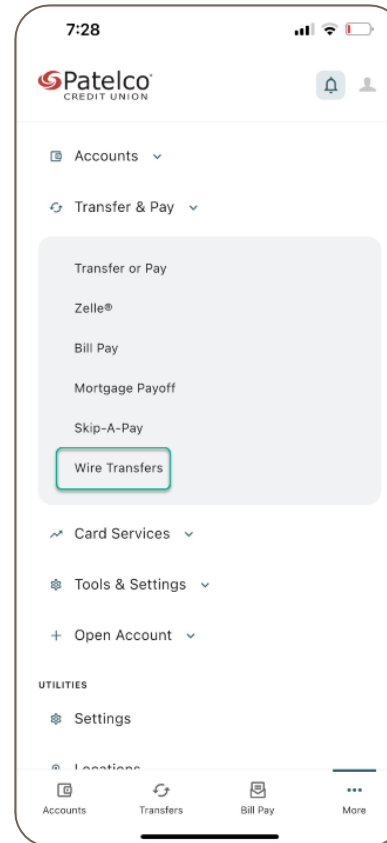


"I have two accounts – one in my name and the other is a joint account. I love that I can see both accounts now with one login."

Making Moving Money With Patelco Easier

Digital and online banking enhancements

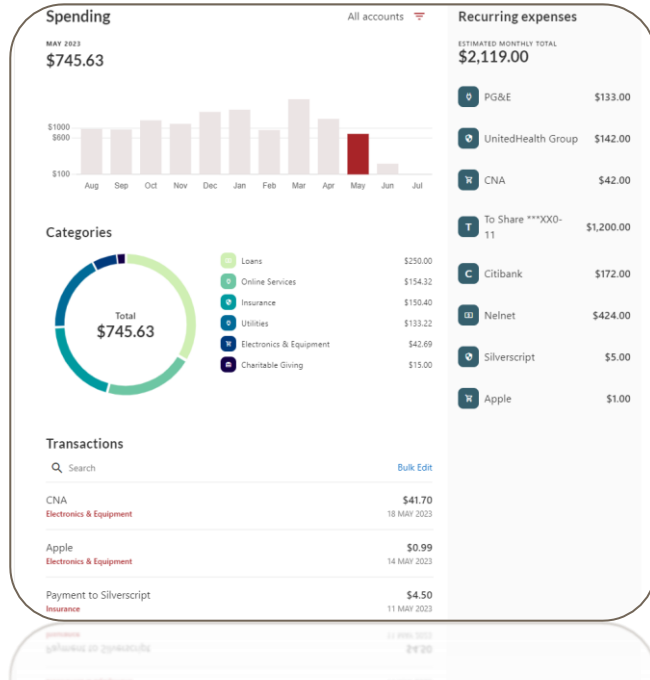
- Self-service wire transfers at our members' fingertips
- Zelle® QR code for instant and effortless money transfers
- Increased Zelle® limits
- Principal-only loan payments from a Patelco account
- Convenient multi-transfer templates allow members to create a transfer preset to perform a group of transactions in one



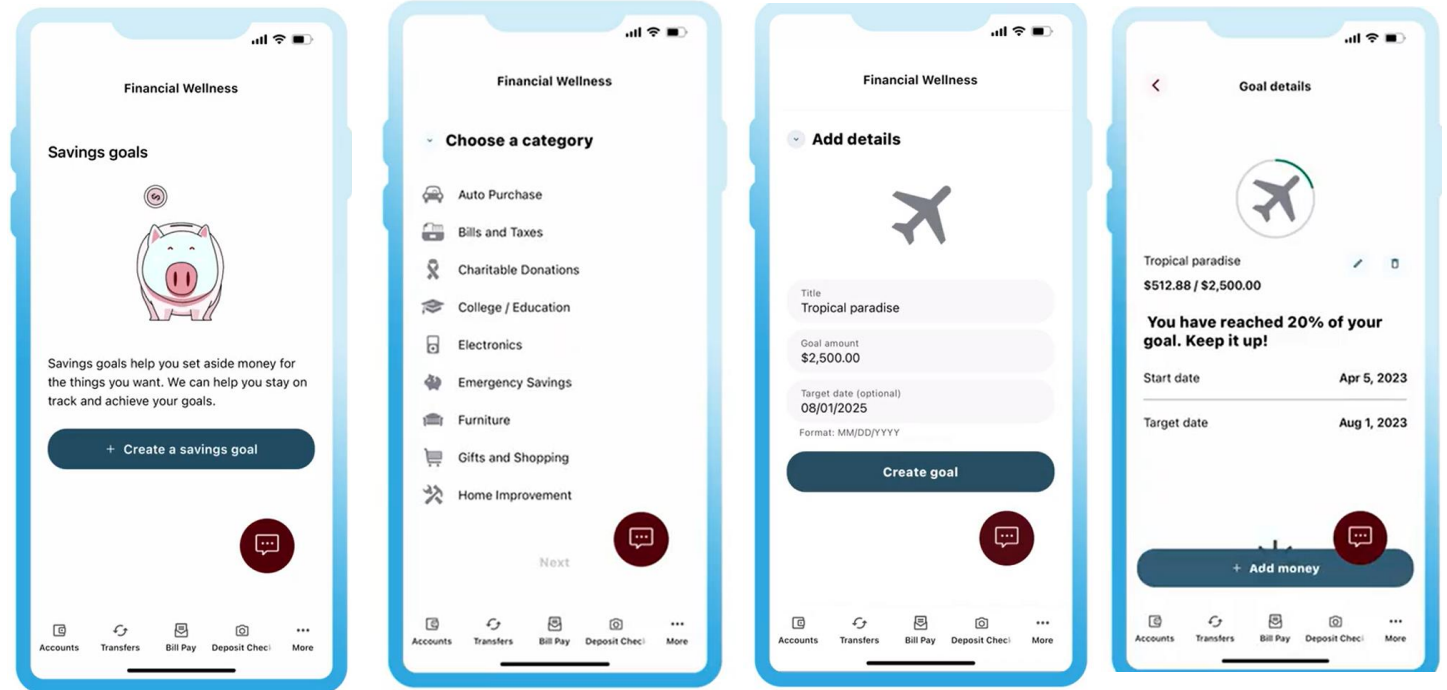
Helping Members Improve Their Financial Wellness

Digital and online banking enhancements

Automatic financial insights provide you with a snapshot of your spending – helping you with budget and save



Savings goals tool to help you set up and easily organize your goals without needing separate accounts. Plus, it tracks your goal progress.



“Great online banking app! So easy. I can understand what I spend on.”

Problem Resolution Improvements

We are at our best when members need us most

- Increased proactive communication to keep members in the know on enhancements and service upgrades
- Updated, streamlined and added communication where it was missing
- Streamlined case management
- Improved first contact resolution and minimized hand-offs
- Focused on faster response times
- Re-engineered key member experiences to reduce stress (e.g. card replacement and fraud)
- Enhanced training on empathy and understanding

Community Impact



Connected To Our Community

Committed to financial education



Educating members and communities

- Held 26 member webinars for over 3,500 in-person attendees
- Conducted 104 financial education workshops, reaching 2,100 community members
- Topics include budgeting, paying down debt, fraud prevention, social security, Medicare, market updates, estate planning, and more
- Sponsored 6 local high schools with our partner Banzai, supporting close to 800 students with nearly 810 hours of education
- BALANCE Hispanic Heritage Forum sharing how Patelco supports Hispanic communities with education and access to bank accounts and credit-building products



Reaching youth in meaningful ways

- Held Bite of Reality Events for Oakland non-profit organizations serving at-risk youth
- Launched a High School Financial Education Program and held 14 presentations on topics such as Intro to Financial Institutions, Budgeting & Saving, Credit, Fraud Prevention and more
- Partnered with 10 local colleges to deliver classroom education and held 1:1 financial coaching on campus

"OMG!

The Patelco Bite of Reality was incredible. It was fun, educational, and insightful."

Financial Wellness Partnerships

Patelco at Work and Community Engagement



We continued to partner with United Bay Area and their network of SparkPoint Centers in NorCal.

Patelco conducted financial education presentations for their low-income clients and students.

We donated to their backpack program drive that supplied over 150 college students with backpacks.

“Thank you for assembling the backpacks with your love and care (and supplies of course)! The work you did at the drive, and the work you do as Patelco, shines throughout our communities.”



Patelco supported new arrival populations that included refugees and immigrants in the community.

Conducted financial education classes for partners at World Relief Sacramento, which supports refugees and other immigrants in vulnerable situations as they rebuild their lives in the United States.

Worked with 12 organizations to deliver education and account opening support in different languages including Farsi/Dari, Spanish, and Cantonese.

Participated in the United in Sustainability (UIS) Summit in Washington, DC. on the importance of financial education for refugees.



Patelco at Work launched 30 new employers contributing to a total of 43,250 reach of employees through the program.

The team conducted over 80 on-sites at company locations, over 50 wellness lunch and learn presentations and held 30 events.

“Patelco has created a phenomenal way for employees to learn how to manage their money. They continually put out new webinars which can be watched live, or the recordings can be watched when convenient. This is a free way to add value to your team! Highly recommended!”



Participated in 61 events across NorCal sharing financial wellness resources to more than 1,500,000 Individuals!

Community members had the opportunity to engage with financial wellness experts and join Patelco at our booth.

We welcomed nearly 900 new members through these efforts.

Genesys Works Partnership

Helping break down economic barriers for students

- Genesys Works is an organization that connects high school and college students from underserved communities to companies in need of talent
- May 2023 – Intern Reflections event for 10 graduating interns held at Patelco
- August 2023 – 11 new interns joined Patelco to support our Member Contact Center (7), Consumer Loan Servicing (1), Operations (2), and Technology (1)
- Interns learned new skills and received meaningful coaching that elevated their confidence while providing quality service to Patelco members



2023 Graduating Interns and Patelco Team Members

Graduate intern reflection:

"This internship has taught me how to manage my money wisely, without it affecting my credit score, which will be invaluable as I move forward into the next stage of my life."

Service In Action



Together We Serve

- Partnered with 35 organizations
- 389 team member volunteers
- 2081 volunteer hours (almost twice as much as last year!)
- Donated over 1,000 socks for homeless families
- Provided 300 toys for the holidays
- Hosted 2 community blood drives
- Packed 1,000 backpacks for kids



Affordable Housing with Habitat for Humanity

- Hosted the Cycle of Hope at HQ
- 100 volunteers spent 750 hours
- New builds include 6 Playhouses!



Children's Health

- Donated \$20K to Children's Miracle Network by giving out Ducks & Horses for \$10 donation
- 95 team members walked or ran in the SacTown Run

Creating Food Security

- Partnered with 15 organizations
- Signed 1,000 holiday cards given with food for home-bound senior citizens



Industry Recognition

Industry Recognition

Proud recipient of accolades confirming our progress, leadership, and excellence



Political Professional of the Year Award Winner!

Flora Nafei | Patelco CU



Best of East Bay 2023 – Everyday
Best Credit Union

Patelco



BEST CREDIT UNION 2023


BEST FOR FULL-SERVICE BANKING



4.3 GBR REVIEW


Diamond Awards

Patelco Credit Union
Patelco Credit Union Card Design



2023 State-Level CUNA Awards

First Place Winner



THE LOUISE HERRING **PHILOSOPHY IN ACTION** MEMBER SERVICE AWARD




Top 100 Bay Area Corporate Philanthropists

66 PATELCO CREDIT UNION
patelco.org



Patelco Credit Union Website Redesign

Patelco Financial Fridays



Patelco CREDIT UNION

4.3 Bankrate Score

Ranked by Bankrate as one of the best credit unions of 2023.



Best Annual Report

Industry Recognition

Best-in-Class Employer



This award recognizes our commitment to supporting *better employee wellbeing* and *building a resilient organizational culture*.



Patelco is proud to be a repeat award winner
Also recognized as best in class employer in 2022

Team Member Highlights

“Every Patelco associate - from the manager to the security guard - I have encountered welcomes me graciously and treats me with respect each time I show up.

And when dealing with finance associates, I get the feeling that they take to heart their "fiduciary" commitment and that means a lot to me.”

Team members Are Highly Engaged

Highest engagement scores in years

Our philosophy & values:



Enhanced team capabilities provide an excellent member experience



Inclusion, belonging, and equity reinforce our reflection of the communities we serve



The financial health and wellbeing of our team is our top priority

Team members are emotionally connected to Patelco, our mission, and our values

Annual Engagement Survey

Team Participation:

93%

Overall favorable:

87%

Proud to work at Patelco:

93%

Trust Leadership Team to lead to future success:

90%

Wellbeing Survey

Team Participation:

81%

Glassdoor

Overall rating: 3.8/5

Culture & values: 3.9/5

Diversity & inclusion: 3.9/5

Comp & Benefits: 3.7/5

CEO Approval: 88%

Recommend Patelco as place to work: 71%

Positive business outlook: 65%

Equipping Our Team Members

to best serve our members' needs



Building our Capabilities

Fraud Prevention & Awareness

Doubling down on our commitment to financial wellbeing, and our responsibility to the communities we serve by building team expertise in Fraud. Award-winning fraud resource centers provide up-to-the-moment realistic, relevant, and reliable tools and resources specific to the latest areas of fraud or financial exploitation.

Member Experience & Service

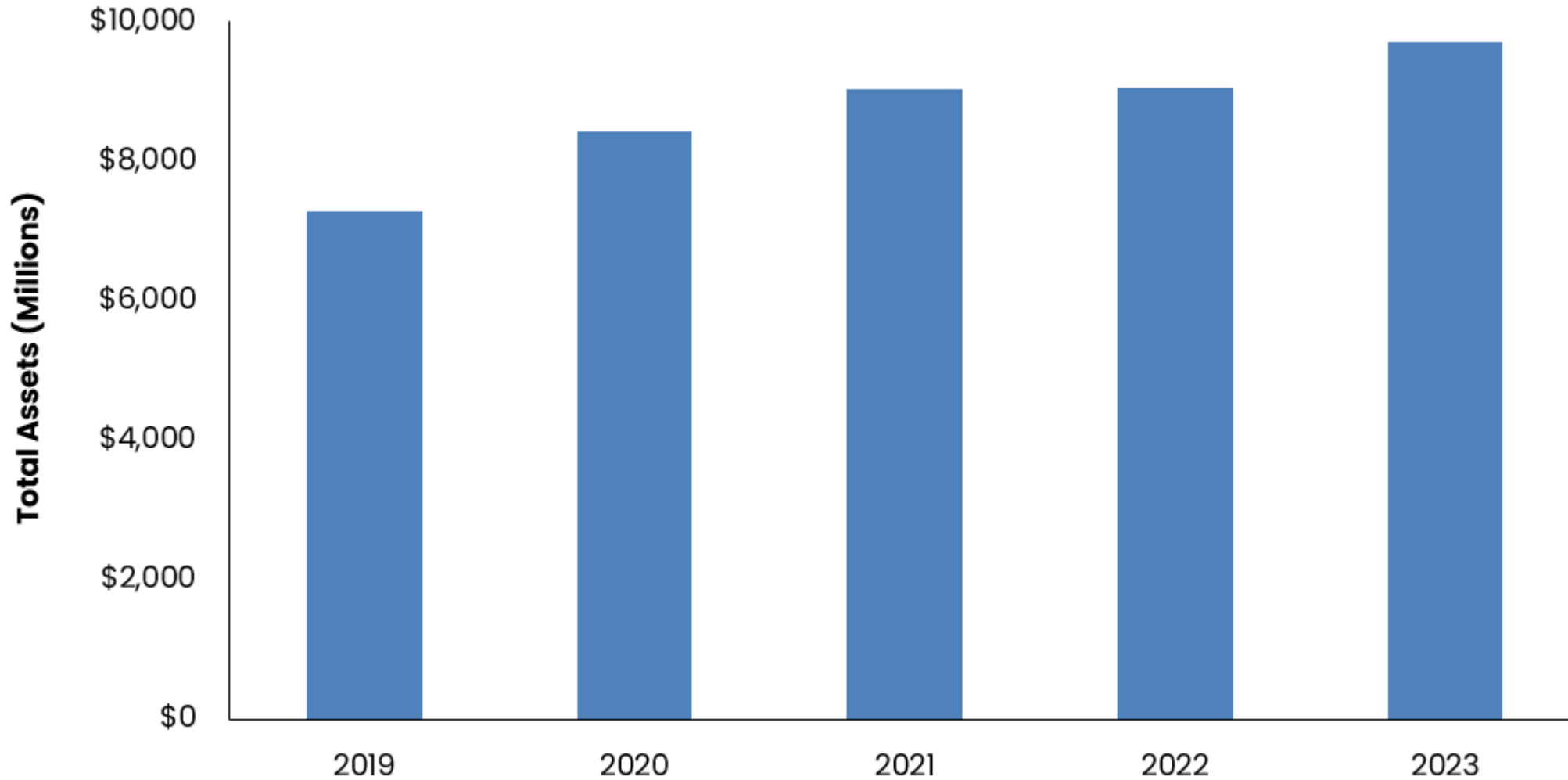
Demonstrating our commitment to service and to meeting our members' needs "in the moment", we provided personal responsibility training for both team and leadership roles, focusing on enhancing our member experience and service skills, such as listening, empathy, and first contact resolution.

Business Banking

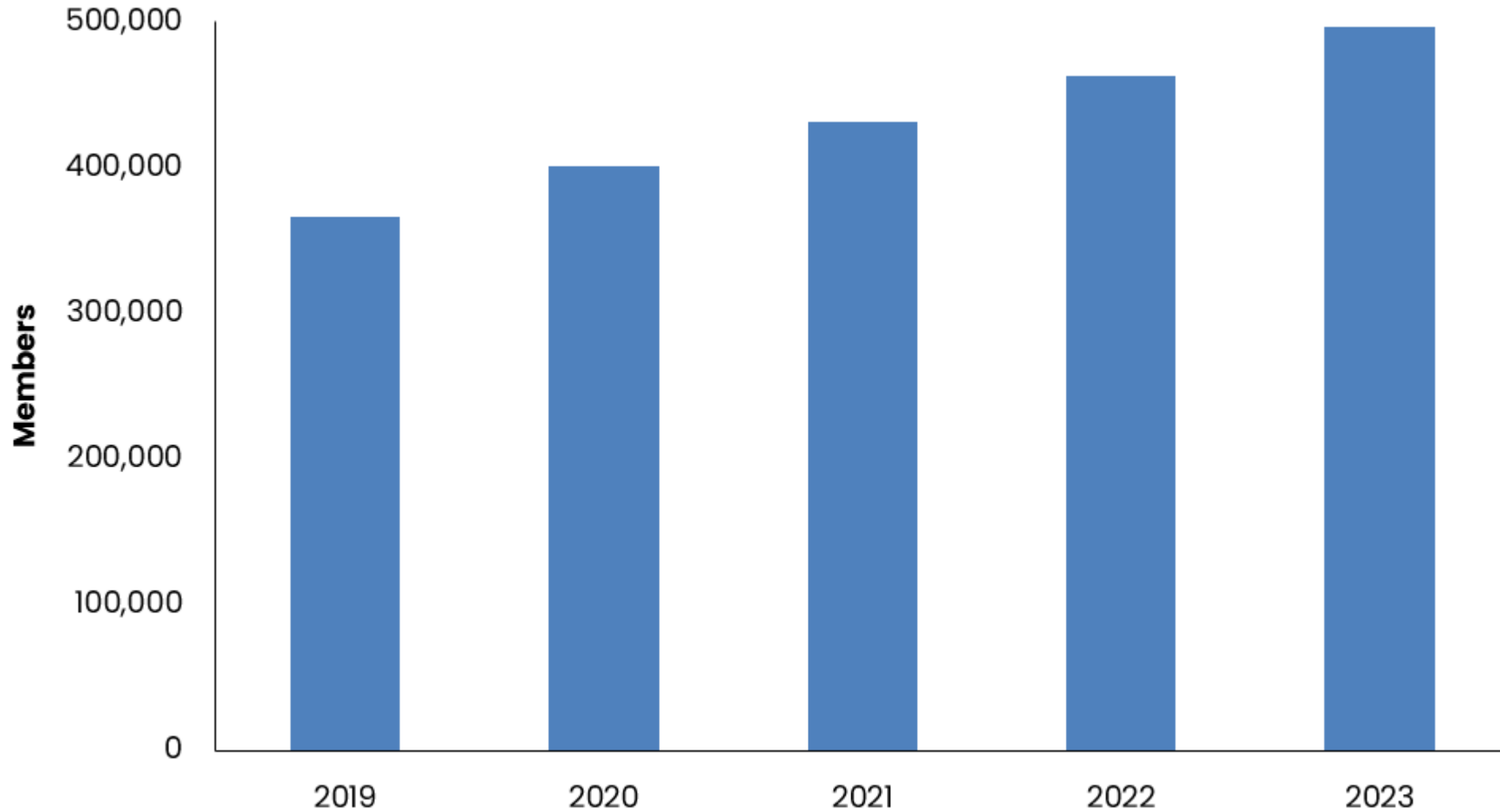
Building team capabilities and skills to support the pilot launch of our newest business division, Business Banking. Providing robust member-centric business banking training to all team members, ensuring that our entire organization can appreciate the unique needs of our business banking members .

Financial Performance

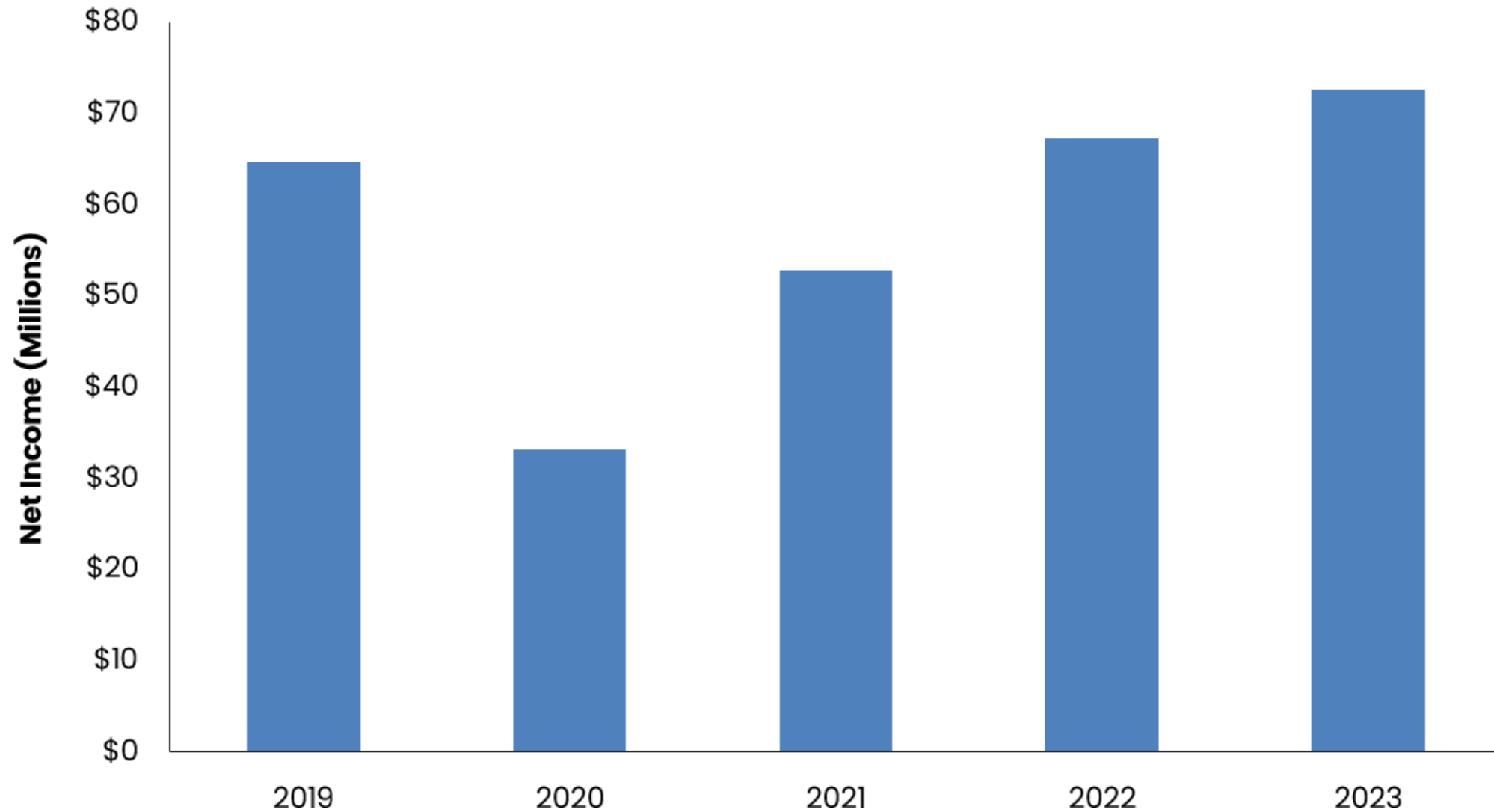
Total Assets



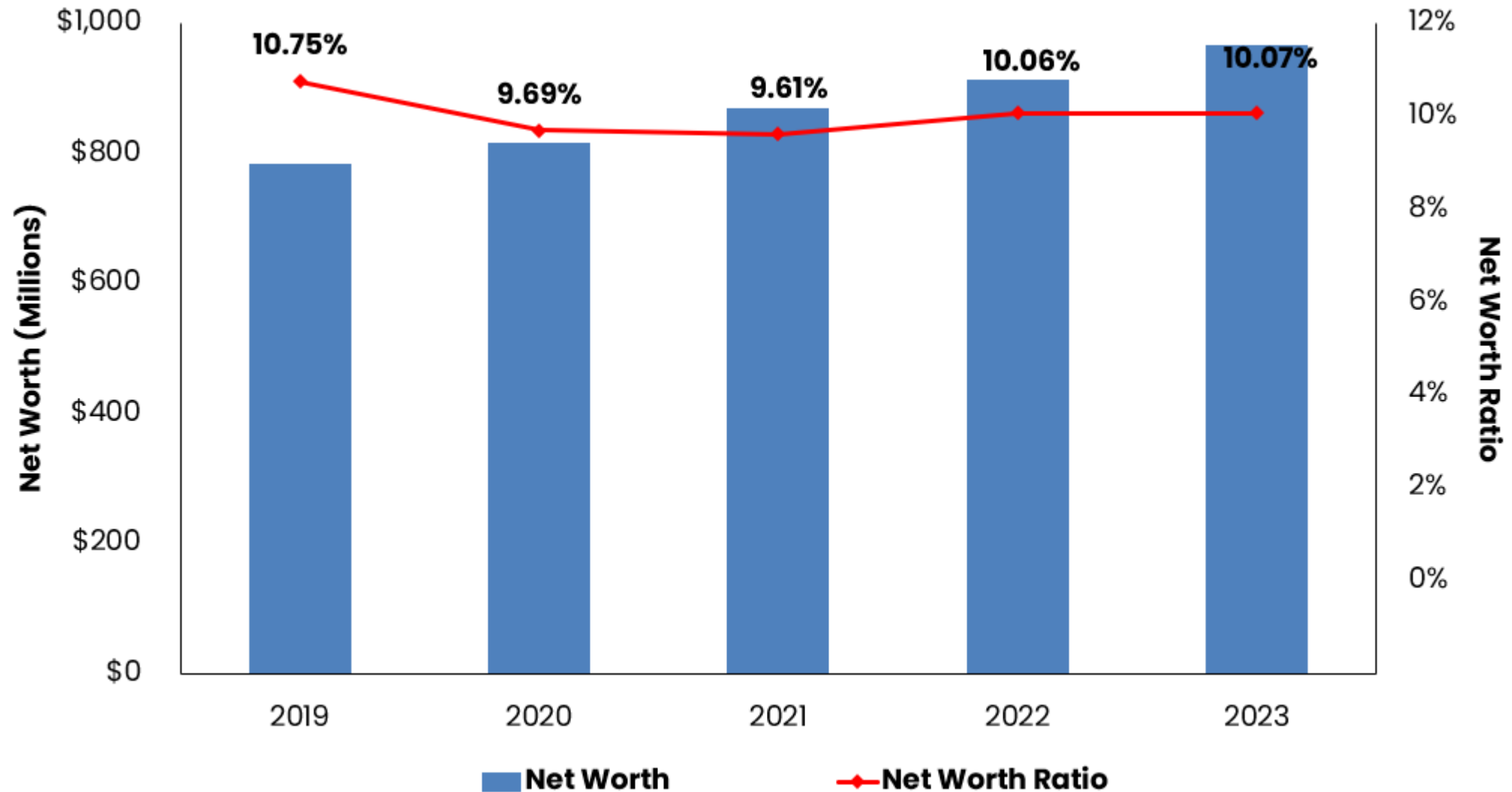
Membership



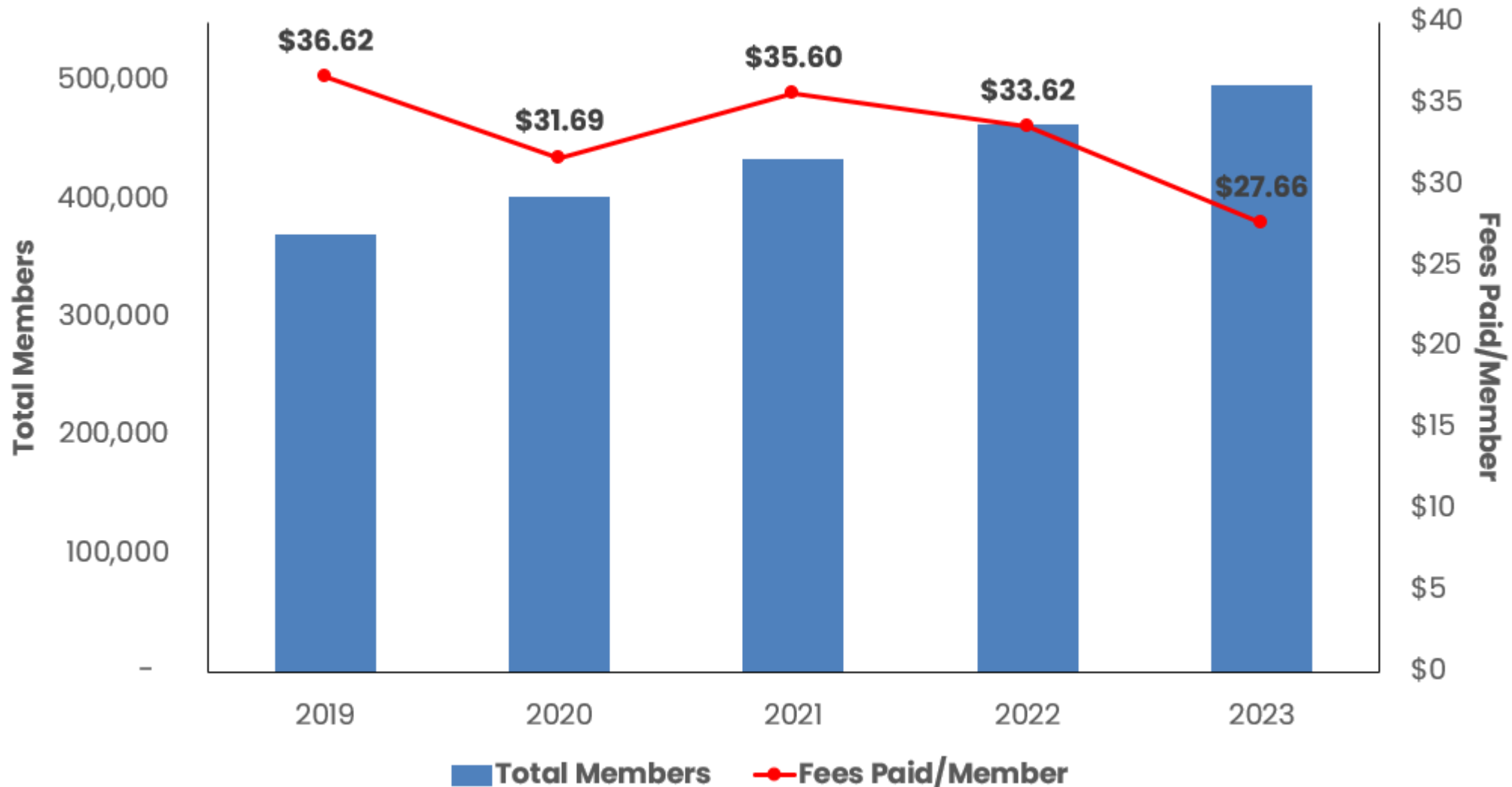
Net Income



Net Worth Ratio



Fees Paid per Member



Industry Comparisons

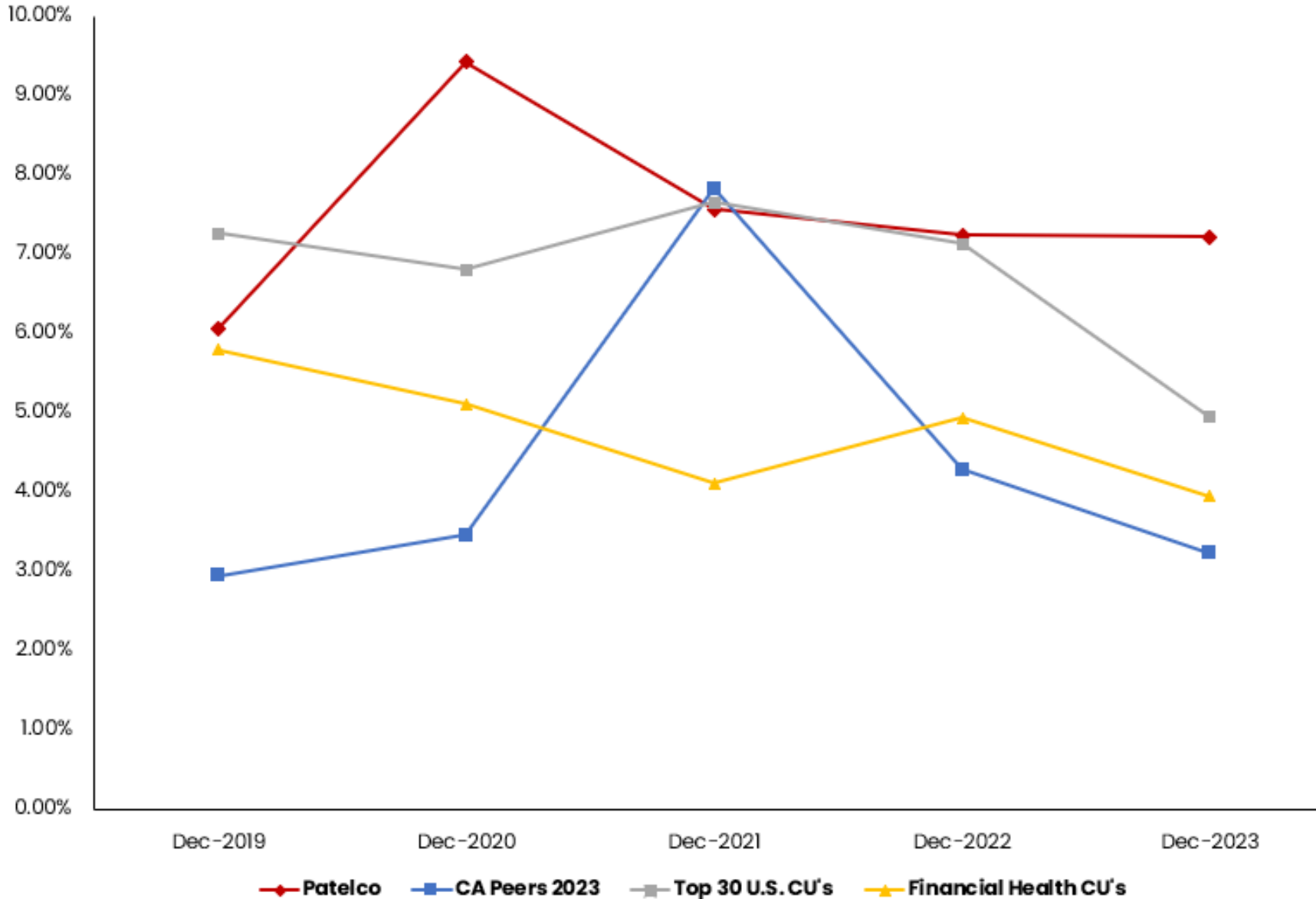
As of December 31, 2023

2023 Industry Comparison

	Patelco	CA Peers	Top 30 U.S. CU's	Financial Health CU's	CA Banks \$1-50B	USA Banks \$1-50B
Interest Income	4.19%	3.76%	4.86%	4.37%	4.71%	5.09%
Interest Expense	1.39%	1.29%	1.67%	1.37%	1.77%	1.83%
Provision for Loan Loss	0.40%	0.35%	0.90%	0.58%	0.09%	0.25%
Net Interest Margin	2.80%	2.48%	3.19%	3.00%	2.95%	3.26%
Non-Interest Income	0.55%	0.81%	1.00%	1.01%	0.64%	0.83%
Operating Expense Ratio	2.17%	2.31%	2.61%	2.82%	2.21%	2.56%
Return on Assets	0.77%	0.64%	0.68%	0.61%	0.63%	1.07%

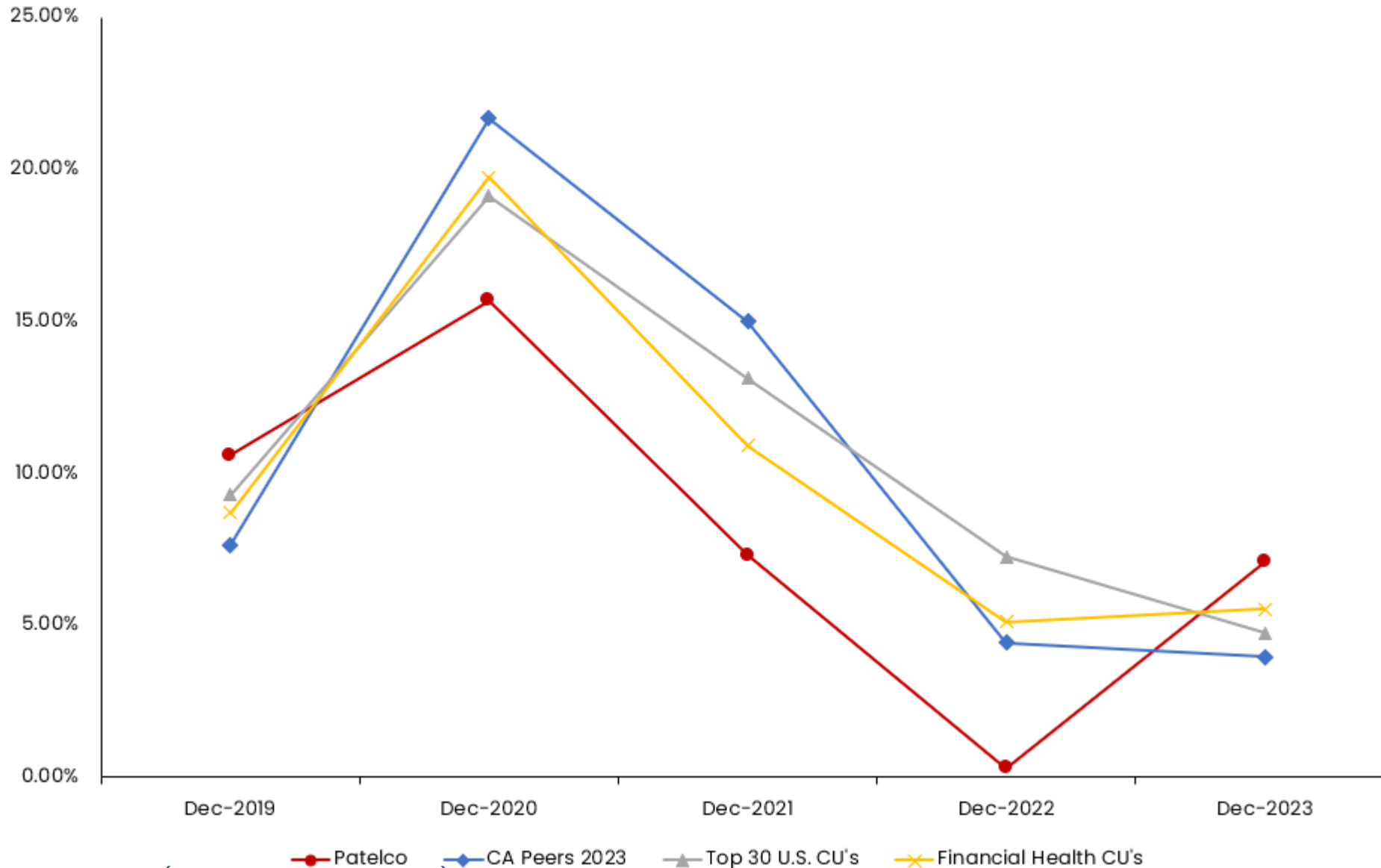
Source: NCUA 5300 (Callahan & Associates)

Membership Growth Comparison



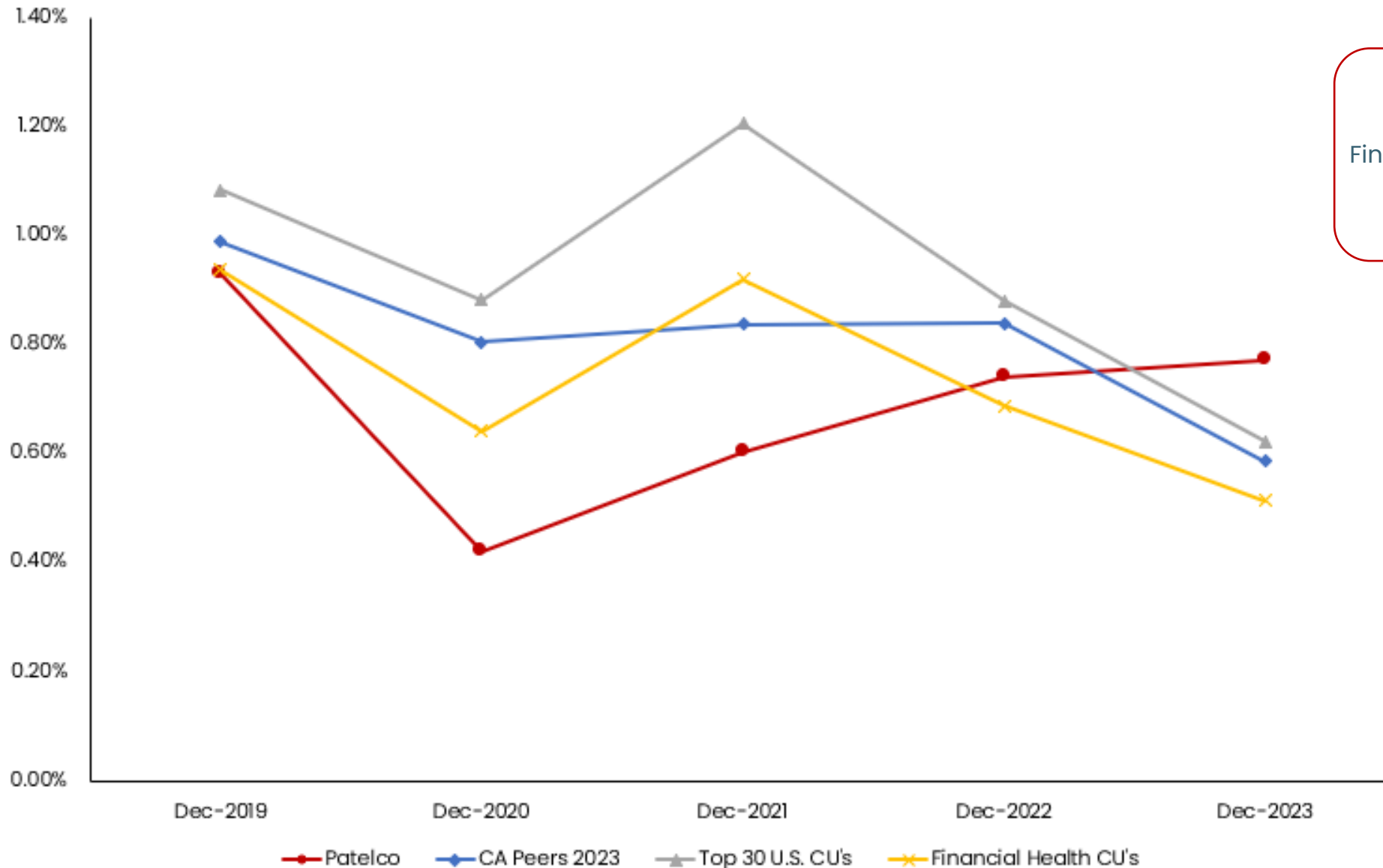
5 Yr. Avg.
Patelco: **7.51%**
CA Peers: **4.36%**
Financial Health CUs: **4.79%**
Top 30 US CUs: **6.77%**

Asset Growth Comparison



5 Yr. Avg.
Patelco: **8.18%**
Financial Health CUs: **9.99%**
CA Peers: **10.53%**
Top 30 US CUs: **10.70%**

Return on Assets Comparison



5 Yr. Avg.
Patelco: **0.69%**
Financial Health CUs: **0.74%**
CA Peers: **0.81%**
Top 30 US CUs: **0.93%**

Thank you



Insured by NCUA | NMLS ID # 506373