

2020 ANNUAL REPORT

Better Together. Stronger Together.



COUNTYFEDERAL

SANTA CLARA COUNTY FEDERAL CREDIT UNION

Message from our CEO

We started 2020, our 70th year, celebrating our successes, planning for growth, and focusing on launching a new home banking and mobile platform that would allow us to better serve our members. Back then, no one knew how much our lives would be changed by the COVID-19 pandemic, and the impact it has had on our members, community, and team. The pandemic, coupled with Bay Area wildfires, and instances of racial injustice and civil unrest, has served to further uncover preexisting inequities in housing, education, and food security. It has also led to financial insecurity across all members of our community.

Yet, in these challenging times, we have adapted and remain committed to supporting our members and our core purpose of “Bettering the lives of those who serve the public.” Never has this been more relevant.

Providing Support Through 2020

For our Team:

At the beginning of March 2020, we seamlessly moved 100% of our back office staff to remote work, enabling us to maintain full service to our members as the Bay Area imposed the first shelter in place order. As we adapted to our new work environments, we continued to prioritize our employee’s well-being by providing resources and support to help ease the transition as the lines between home and work became more blurred.

In our corporate office and branches, we enhanced

cleaning protocols, distributed personal protective equipment and supplies, rolled out social distancing measures, and quickly implemented new County requirements. This included temporarily closing our City Centre and West Hedding locations to comply with reduced capacity requirements. We have greatly appreciated your continued understanding and support of the changes needed to keep everyone safe.

For our Members:

Emergency Relief Loan – COVID-19, Bay Area Fires

True to our core purpose, we stepped up and implemented multiple financial relief initiatives to minimize financial hardship for our members due to the pandemic. We waived penalties and fees, deferred and reduced loan payments, helped to refinance loans, granted payment extensions, and created a special Emergency Relief Loan. Our team has worked tirelessly to bring these critical relief initiatives to our members. During 2020, County Federal provided \$763,150 in emergency loans to assist our members impacted by COVID-19 with immediate cash needs. Additionally, we supported hundreds of members with deferring payments on loans totaling more than \$31.2 million.

New Online and Mobile Banking

In August, we completed one of our major strategic initiatives, and launched our new Online and Mobile Banking platform. Our new platform allows our members to easily manage their finances without ever leaving their homes. Members can deposit checks, pay bills and transfer funds anytime, from anywhere. In addition, this new platform allows us to scale for future enhancements.

Loans & Dividends:

In 2020, we provided \$198.2 million in loans to members – loans to make everyday purchases easier with credit cards, to buy cars, and to purchase and refinance homes. We paid

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over \$1.8 million in dividends to members on their checking, savings, money market, and certificate accounts.

For the Community:

Educational Scholarships

In June, we awarded \$9,750 in educational scholarships to student members pursuing secondary education at universities, community colleges, technical and trade schools. Recipients were judged on community involvement, academic achievement, extra-curricular activities, and essay response. We are proud to support and invest in these deserving individuals especially during a time when their pursuit of learning has been disrupted and their celebration of their achievements may have been different than they imagined.

Giving Back

The volunteer spirit at County Federal remained strong in 2020. We were able to continue with our philanthropic endeavors and managed to still facilitate some of our biggest community-serving events, such as Volunteer Income Tax Assistance (VITA), Shred Day, our Back-to-School Backpack Drive, and of course, Teddy Bears on Patrol. In 2020, County Federal employees personally donated 1,360 hours to organizations such as the The Jerry Larson FOODBasket – The Health Trust, packing and sorting groceries (socially distanced, masked, and gloved) for delivery to homebound members of our community. In total, County Federal supported over 55

organizations and donated more than \$21,000 back into our community.

Looking Ahead to 2021

The New Year has ushered in a renewed commitment to making County Federal financially stronger and continuing to help our members through fiscal uncertainty. We are also focused on staying connected to and giving back to our community, improving our products and services to meet our member's changing needs, embracing diversity, and adapting our workplace culture to fit the new normal.

Throughout our 70-year history, the bond between County Federal and its members has remained strong, and together, we have weathered many storms. Thank you for your continued trust and support as we navigate this new era. County Federal has never been more committed to our core purpose of Bettering the Lives of Those Who Serve the Public and creating shared success for all.

With Warmest Regards,



Rebecca Reynolds Lytle

PRESIDENT &

CHIEF EXECUTIVE OFFICER

County Federal 2020 Highlights

Community Impact



\$21,000
in Donations

Supported 55
Organizations



1,360
Volunteer Hours Donated



Recognized for
largest
percentage of year
over year growth in
contributions



9 Scholarships
Awarded
Totaling
\$9,750

Donated 768
Teddy Bears
for use by local
first responders

Message from Supervisory Committee

The Supervisory Committee is comprised of five volunteers, appointed by the Board of Directors. The primary purpose of the Supervisory Committee is to ensure that the credit union's financial statements are prepared in conformity with generally accepted accounting principles and its management practices and procedures are sufficient to safeguard members' assets.

To accomplish this responsibility, the Supervisory Committee has determined that the credit union's internal controls are established and maintained to achieve financial reporting objectives, compliance with Federal and State regulations and policies established by its Board of Directors through a series of various audits throughout the year. This past year, Carroll & Associates, LLC completed the

annual financial audits of the credit union. The Supervisory Committee, and County Federal's Management and Board of Directors reviewed this audit and found no discrepancies in financial statements or processes.

We appreciate the guidance of the Board of Directors and the ongoing support and commitment of the County Federal staff.

Sincerely,



Candace Nisby
CHAIR, SUPERVISORY COMMITTEE

County Federal 2020 Financials

Statement of Financial Condition

For the years ended December 31, 2020 and 2019

	2020	2019
Cash and Investments	464,142,577	278,311,126
Loans to Members, Net	429,851,617	499,805,033
Other Assets	28,390,073	28,980,301
Total Assets	922,384,267	807,096,460
Member Deposits	803,389,128	668,425,233
Other Liabilities	38,654,422	65,932,031
Equity	80,340,717	72,739,196
Total Liabilities and Equity	922,384,267	807,096,460

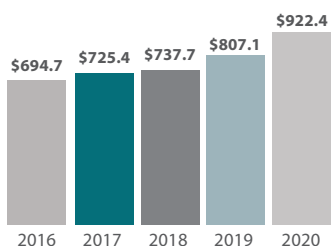
Statement of Financial Performance

For the years ended December 31, 2020 and 2019

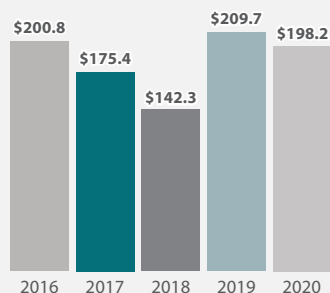
	2020	2019
Interest Income	25,172,749	28,463,706
Interest Expense	2,540,928	3,197,660
Net Interest Income before Provision	22,631,821	25,266,046
Provision for Loan Losses	1,430,000	1,400,000
Net Interest after Provision	21,201,821	23,866,046
Non-Interest Income	6,991,677	6,501,549
Operating Expenses	25,261,516	27,609,021
Net Income	2,931,982	2,758,575

**Serving
51,035
Members**

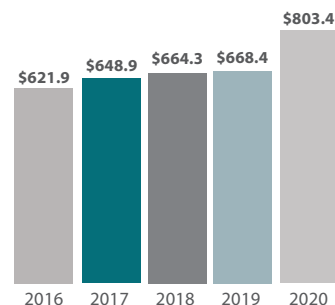
TOTAL ASSETS
(in millions)



LOANS GRANTED TO MEMBERS
(in millions)



MEMBER SHARES
(in millions)





Branch Locations & Hours

CORPORATE CENTER

1641 N. 1st St., Suite 170
San Jose, CA 95112
(408) 282-0700 / (800) 282-6212

Contact Center

Monday - Friday 8 am - 6 pm
Saturday 9:30 am - 2:30 pm

Almaden Branch

5353 Almaden Expressway, Suite 65
San Jose, CA 95118

Campbell Branch

Kirkwood Plaza
1638 W. Campbell Avenue
Campbell, CA 95008

East San Jose Branch

255 N. White Road, Suite 112
San Jose, CA 95127

Gilroy Branch

6915 Camino Arroyo, Suite 50
Gilroy, CA 95020

HOURS

Monday - Friday 9 am - 5 pm
Saturday Closed

*City Centre and West Hedding
Branches are temporarily closed.*

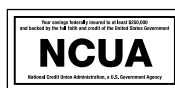
City Centre Branch

140 E. San Fernando
San Jose, CA 95112

West Hedding Branch

70 West Hedding Street
(Lower Level)
San Jose, CA 95110

www.sccfcu.org



EXECUTIVE LEADERSHIP

Rebecca Reynolds Lytle
President & Chief Executive Officer

Joe Bonacci
Senior Vice President & Chief
Information Officer

le-Chen Cheng
Senior Vice President & Chief
Financial Officer

Divine David
Senior Vice President & Chief
Experience Officer

Jennifer Montero
Senior Vice President & Chief
Human Resources Officer

BOARD OF DIRECTORS

Peter Ng
Chair

Jose Luis H. Pacheco
Vice Chair

David Indra
Secretary & Treasurer

Deborah Baker
Director

Dave Cameron
Director

Traci Hess
Director

Juan Ledesma
Director

SUPERVISORY COMMITTEE

Candace Nisby
Chair

Lesha Luu
Member

John Toan Tran
Member

David Indra
Board Liaison