



COUNTYFEDERAL
SANTA CLARA COUNTY FEDERAL CREDIT UNION

Annual Report 2022



Message from our CEO

2022 was a year of great transition. As I reflect on the last 12 months, I'd like to say "Thank You" to our members for placing your trust in us as your financial partner. And to our staff and community partners for coming together to overcome changes, adapting to the ever-evolving new normal, remaining focused on serving our members, and giving back to the communities where we live and work.

County Federal is a local, not-for-profit financial cooperative committed to meeting the financial needs of our Member-Owners. We have served our members and community as their trusted provider of financial services for 73 years. We pride ourselves as a place where people from all walks of life can access affordable, quality financial products and services to help them achieve their overall financial goals, objectives, and dreams.

County Federal is well capitalized with plenty of available liquidity to meet members' lending and transactional needs. We continue to manage prudently and conservatively always with long-term financial stability in mind.

Our business model is simple in comparison to larger banks. We provide safe and easy access to checking and savings accounts, individual retirement accounts, certificates, and money market accounts. We also make a variety of loans designed to meet the everyday needs of our members. Whether you're looking to buy or finance a car or home, or you need a personal loan or credit card to help with purchases or debt consolidation – we have a product to meet your needs.

One important distinction between County Federal and many of the banks making headlines in today's climate is that we only serve consumers and we do not accept deposits or make loans to businesses. This means that our deposits are less volatile, and we have a much lower percentage of uninsured deposits than our competitors.

On that note, I'd like to share highlights with you from 2022.

Members First

As businesses moved back to in-person activities and hybrid work models, we were excited to welcome you back and to provide a familiar, convenient location to meet your banking needs. So, in February 2022, we re-opened our 70 West Hedding branch to serve County employees and our neighboring SEG groups. We expanded our service hours and opened for Saturday hours at our Almaden and East San Jose locations. For the past few years, we've planned to downsize our corporate footprint to reduce overhead and optimize our current facilities due to the strategic adoption of our hybrid work strategy for certain back office positions. Those plans were realized during the 4th quarter with the sale of our corporate headquarters building on North First Street in San Jose. We are now utilizing our City Centre location to temporarily house our back office staff while we finalize negotiations for our new corporate headquarters location. Look for an announcement in mid-2023.

As a local, community-focused credit union, we were honored to receive the 2022 Best of the Best Award for Best Loan Experience. Only the highest-performing credit unions using the MemberXP platform are given this honor, and we appreciate your recognition of our commitment to providing you with excellent member service when you come to us for a loan.

During 2022, County Federal provided \$201.8 million in loans to members to consolidate debt, make everyday purchases easier with credit cards, and refinance or purchase cars and homes. In addition, we paid nearly \$1 million in dividends to members on their checking, savings, money market, and certificate accounts.

Community Outreach

It is essential to us that our surrounding communities are also healthy and thriving. As a low-income designated credit union, we are uniquely positioned to positively impact the communities in which we live and work. Our volunteer and give-back efforts through our County Federal Cares initiatives are focused on: Children & Education, Community Health & Well-being, Financial Wellness & Inclusion, and Team Passion & Cultivating the Volunteer Spirit.

In 2022, we raised our total monetary donations over the previous year by 11%. We also had a record year in employee hours donated to serving the community of 2,896 hours. Rain or shine, our team hosted our ever-popular Shred Day and Canned Food Drive, packed grocery deliveries for the homebound, and assembled backpacks with school supplies for local students. Our flagship program, Teddy Bears on Patrol, raised over \$10,000 and donated 600 teddy bears to local law enforcement agencies, school districts, hospitals, and charitable organizations. The purpose of the teddy bears is simple, to provide comfort and friendship to a child in need. In addition, our team donated to over 60 diverse charitable organizations and causes they are passionate about, from pet shelters to schools and community organizations. We awarded nine scholarships, totaling \$9,750, to local students to support their pursuit of secondary education and six grants totaling \$6,000 were presented to Santa Clara County Teachers at the 2022 Santa Clara County Teacher Recognition Celebration.

Looking Ahead to 2023

Over the past five years, County Federal has been guided by our Core Purpose - "Bettering the lives of those who serve the public." During this time, we have provided nearly \$1 billion in loans to members to help finance their needs and dreams, making a positive impact and a difference that matters.

With the pandemic further revealing inequities in housing, education, and food security – we know that as a credit union, County Federal has a vital role in helping our members improve their financial well-being and advance the communities where we live and work.

With this in mind, we redefined our Core Purpose to "Bettering Lives; Enriching Communities." At County Federal, we have always considered our Core Purpose not just in terms of financial goals but in the context of our larger contributions to the community, answering the "why" of what County Federal is setting out to do in the future.

In 2023 and beyond, our team will look at ways to serve our members through enhanced products and services, and opportunities to expand our impact and reach within the community. This includes a new corporate headquarters location as mentioned earlier.

We are excited to start the next chapter of our journey, building upon the strong foundation created over the past 73 years. We are well capitalized, financially strong and have an experienced, knowledgeable and diverse team leading and governing County Federal. I'm glad you'll continue to join us on this journey. Thank you again for trusting County Federal as

your financial partner. We truly appreciate the opportunity to serve you.

Sincerely,



Rebecca Reynolds Lytle
PRESIDENT & CHIEF EXECUTIVE OFFICER

Message from Supervisory Committee

The Supervisory Committee, a volunteer body appointed by the Board of Directors, is entrusted with ensuring the credit union has suitable policies and systems in place to ensure compliance with applicable laws and regulations and adequate safeguards to protect members' assets. This entails conducting ongoing audits throughout the year that ensure internal controls are established and managed in accordance with Federal regulations, State laws, and generally accepted accounting principles.

This past year, the Committee retained a well-respected, independent audit firm to perform an annual financial audit and issue certified financial statements. The firm had no corrective actions or significant findings.

The Supervisory Committee would like to recognize the Board of Directors, County Federal Management, and Staff for their ongoing commitment to serve you, our members. Thank you for your trust and confidence in County Federal.

Sincerely, 

Candace Nisby
CHAIR, SUPERVISORY COMMITTEE

County Federal 2022 Financials

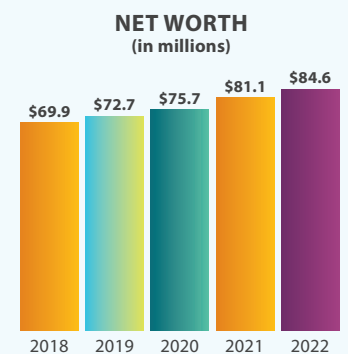
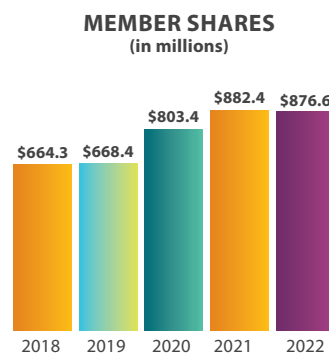
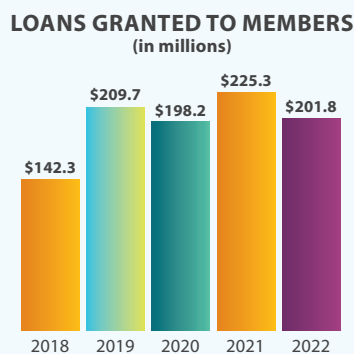
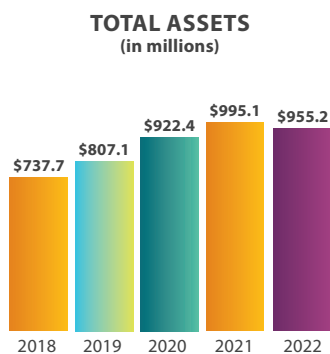
Statement of Financial Condition For the years ended December 31, 2022 and 2021

	2022	2021
Cash and Investments	417,542,674	513,220,668
Loans to Members, Net	514,483,406	450,741,085
Other Assets	23,164,072	31,088,962
Total Assets	955,190,152	995,050,715
Member Deposits	876,631,246	882,376,235
Other Liabilities	24,229,224	35,065,696
Equity	54,329,682	77,608,784
Total Liabilities and Equity	955,190,152	995,050,715

Statement of Financial Performance For the years ended December 31, 2022 and 2021

	2022	2021
Interest Income	26,710,532	20,493,484
Interest Expense	1,542,984	1,602,480
Net Interest Income before Provision	25,167,548	18,891,004
Provision for Loan Losses	1,570,000	(420,000)
Net Interest after Provision	23,597,548	19,311,004
Non-Interest Income	8,246,877	11,505,015
Operating Expenses	28,269,014	25,371,565
Net Income	3,575,411	5,444,454

County Federal - Trusted Since 1950





Branch Locations & Hours

Almaden Branch

5353 Almaden Expressway, Suite 65
San Jose, CA 95118
Monday - Friday 9 am - 5 pm
Saturday - 9:30 am - 2 pm

Campbell Branch - Kirkwood Plaza

1638 W. Campbell Avenue
Campbell, CA 95008
Monday - Friday 9 am - 5 pm
Saturday Closed

East San Jose Branch

255 N. White Road, Suite 112
San Jose, CA 95127
Monday - Friday 9 am - 5 pm
Saturday - 9:30 am - 2 pm

Gilroy Branch

6915 Camino Arroyo, Suite 50
Gilroy, CA 95020
Monday - Friday 9 am - 5 pm
Saturday Closed

West Hedding Branch

70 West Hedding Street (Lower Level)
San Jose, CA 95110
Monday - Friday 9 am - 5 pm
Saturday Closed

Corporate Center Mailing Address

P.O. Box 11024
San Jose, CA 95103

City Centre Office

(No Branch Services)
140 E. San Fernando Street
San Jose, CA 95112

Mortgage Lending

Monday - Friday 9 am - 6 pm
Saturday Closed
408-282-0700/408-282-0742

Consumer Lending

Monday - Friday 9 am - 5 pm
Saturday - 9:30 am - 2 pm
408-282-0700/800-282-6212

Contact Center

Monday - Friday 8 am - 6 pm
Saturday - 9:30 am - 2:30 pm
408-282-0700/800-282-6212

www.sccfcu.org



COUNTY FEDERAL
SANTA CLARA COUNTY FEDERAL CREDIT UNION



EXECUTIVE LEADERSHIP

Rebecca Reynolds Lytle
President & Chief Executive Officer

Joe Bonacci
*Senior Vice President
& Chief Information Officer*

Divine David
*Senior Vice President
& Chief Experience Officer*

Trent McIlhaney
*Senior Vice President
& Chief Financial 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

Elizabeth Trigos-Salinas
Member

John Tran
Member

David Indra
Board Liaison