

2018 ANNUAL REPORT

**BETTERING THE LIVES OF THOSE
WHO SERVE THE PUBLIC**



COUNTY FEDERAL

SANTA CLARA COUNTY FEDERAL CREDIT UNION

A Message from the County Federal's CEO

2018 was an exciting year. It was a year of change and discovery for County Federal, our team, our board and for me personally as your new CEO. We welcomed many new County Federal team members, one new Board Member and one new Supervisory Committee Member. County Federal is now over 51,000 members strong and growing.

2018 was also the first full year of our new five-year strategic plan. We have set a course over the next five years, focused on our core purpose of "Bettering the lives of those who serve the public." We believe strongly in this mission and to accomplish it, we have set our priorities to build a high-performing team, a strong infrastructure, maintain our financial performance and stability, and provide an awesome member experience.

During 2018, we have invested heavily in modernizing the credit union with specific emphasis on implementing technology that keeps our vital member information safe. We are also investing in the development of our people to build strong skills and capabilities, in the tools and technology we need to have to achieve our desired financial results, sustain those results and continue to improve upon them over time. We are building and strengthening the core foundation of County Federal - our people and our processes - in order that we continue to deliver an exceptional member experience and grow the credit union, not only in new members, but also by increasing the business we do with our existing membership.

We all share one fundamental belief that County Federal exists to better the lives of those who serve the public. Our whole team is passionate about our core purpose and are working together to deliver on that mission.

In 2018, we provided \$142.4 million in loans to members – loans to buy cars, to purchase and refinance their homes, to easily access home equity for large purchases and home improvements, loans to make everyday

purchases easier with personal loans and credit cards. We paid over \$2.1 million in dividends to members on their checking, savings, money market, and certificate accounts. We also opened a new full-service ATM at our corporate headquarters location to better serve our members in San Jose.

Our County Federal Team is passionate about social responsibility and serving our community. In 2018, County Federal employees personally donated 1,038 hours giving back to our community. To highlight just a few of our community organizations, we supported Volunteer Income Tax Assistance (VITA) which provides free tax preparation to low-to-moderate income households; our annual "Teddy Bears On Patrol" program, which has been a time-honored holiday tradition at County Federal for the past 21 years. In 2018, we delivered over 2,100 new stuffed animals to local law enforcement agencies and school districts, who provided these bears to children in need. We supported the Health Trust Food Basket, Family Giving Tree, Chamberlain's Children Center and the annual Santa Clara County Teacher's Appreciation event. County Federal supported more than 45 different community organizations and donated more than \$65,000 back into our community. We believe investing in and supporting our community is another way we invest in bettering lives and the well-being of our members.

Looking forward, County Federal will continue to focus on our core purpose by using our resources wisely, building our high performing team, elevating our brand and offering value-added products and services that continue to enhance, enrich and empower our member's lives. On our future horizon is a new home banking and mobile platform to be launched in 2020. You will hear more about this in the coming months.

We thank you for placing your trust in County Federal.



Rebecca Reynolds Lytle
President & CEO

A Statement from the Supervisory Committee

The Supervisory Committee of Santa Clara County Federal Credit Union 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.

This past year, Turner, Warren, Hwang & Conrad (TWHC) completed a financial audit 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.

The Supervisory Committee ensures that the financial statements fairly present, in all material respects, the financial position of the Santa Clara County Federal Credit Union. We appreciate the guidance of the Board of Directors and the ongoing support and commitment of the County Federal staff.



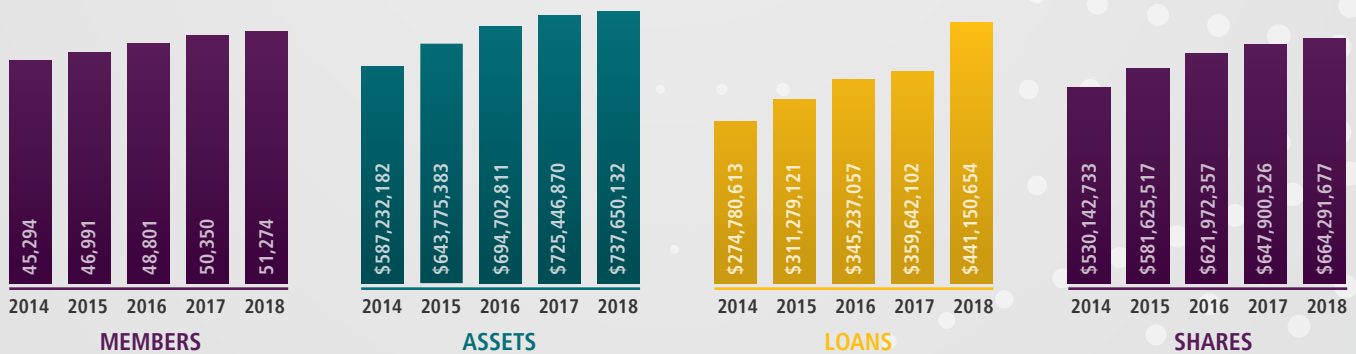
Traci Hess, Chairperson

County Federal 2018 Financials

STATEMENTS OF FINANCIAL PERFORMANCE For the years ended December 31, 2018 and 2017		
	2018	2017
Interest Income	24,565,820	22,475,529
Interest Expense	2,140,631	1,864,945
Net Interest Income	22,425,189	20,610,584
Provision for Loan Losses	2,114,149	2,371,640
Net Interest Income after Provision for Loan Losses	20,311,040	18,238,944
Non-Interest Income	6,786,763	7,068,169
Operating Expenses	25,286,828	21,504,537
Net Income	1,810,975	3,802,576

STATEMENTS OF FINANCIAL CONDITION For the years ended December 31, 2018 and 2017		
	2018	2017
Cash and Investments	261,911,703	333,913,580
Loans to Members, net	440,252,036	357,211,758
Other Assets	35,486,393	34,321,532
Total Assets	737,650,132	725,446,870
Member Deposits	664,291,677	648,900,526
Other Liabilities	7,287,042	10,285,431
Equity	66,071,413	66,260,913
Total Liabilities and Equity	737,650,132	725,446,870

A LOOK AT COUNTY FEDERAL'S GROWTH OVER FIVE YEARS



County Federal 2018 Highlights

Now Serving
51,274
Members

1,038
Community Service
Hours Donated

\$2.1
MILLION
Share Dividends
Paid to Members

\$142.4
MILLION
In Loans Provided
to Members

Board of Directors & Executive Leadership Team

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*

Jennifer Montero
*Senior Vice President &
Chief Administrative Officer*

Marilyn Avalos
Chief Executive Assistant

BOARD OF DIRECTORS

Peter Ng
Chair

Juan Ledesma
Vice Chair

David Indra
Secretary & Treasurer

Deborah Baker
Director

Dave Cameron
Director

Eric Goodrich
Director

Jose Luis H. Pacheco
Director

SUPERVISORY COMMITTEE

Traci Hess
Chair

David Indra
Member

Lesha Luu
Member

Candace Nisby
Member

Maria Oberg
Member

Branch Locations & Hours

CORPORATE CENTER

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

Almaden Branch*

5353 Almaden Expressway, Suite 65
San Jose, CA 95118

Campbell Branch*

Kirkwood Plaza
1638 W. Campbell Avenue
Campbell, CA 95008

City Centre Branch

140 E. San Fernando
San Jose, CA 95112

East San Jose Branch*

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

Gilroy Branch*

6915 Camino Arroyo, Suite 50
Gilroy, CA 95020

West Hedding Branch

70 West Hedding Street (Lower
Level inside the County Building)
San Jose, CA 95110
Hours: Mon - Friday 9 am - 5 pm

HOURS

Mon - Thurs 10 am - 5:30 pm
Friday 10 am - 6 pm
*Saturday 10 am - 2 pm

Empowering our
members' financial lives.
www.sccfcu.org

