



2025
ANNUAL REPORT

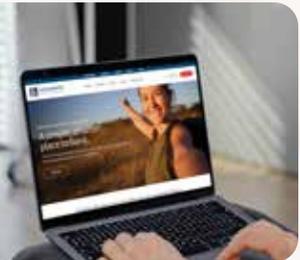
ROOTED IN GROWTH.
BUILDING WITH **PURPOSE.**



SACRAMENTO
CREDIT UNION

OUR MISSION STARTS WITH YOU.

In 2025, Sacramento Credit Union proudly continued our 90-year legacy by delivering value to our members with competitive products, clear financial guidance, improved digital access, and continued investment in the communities we serve. Together, these efforts reflect a thoughtful evolution of growth, helping members move forward with confidence and go further in their financial lives.





2025 ANNUAL REPORT

TABLE OF CONTENTS

OVERVIEW	2
BOARD OF DIRECTORS' AND PRESIDENT'S REPORT	4-5
SUPERVISORY COMMITTEE REPORT	5
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL CONDITION	6
STATEMENTS OF INCOME	7

Forward and Further. An Evolution of Growth.

In 2025, Sacramento Credit Union remained focused on delivering smart, sustainable growth — growth that helps our members improve their financial lives, achieve today's goals, and prepare for a successful future. We proudly continued our 90-year legacy of providing a full range of competitive banking products and services, trusted financial expertise, and the digital access and convenience members expect. Our growth strategy remains straightforward. When members, employees, and our communities thrive, the credit union thrives. Throughout the year, we made intentional strategic investments in our people, our communities, and technology to support consistent and responsible growth.

The member-first philosophy continued to drive balanced growth that served the needs of both savers and borrowers alike. In 2025, it represented a meaningful evolution that elevated outcomes, strengthened relationships, and helped move our members forward and further.



Economic Overview

Economic conditions in 2025 showed signs of gradual stabilization, though many households continued to experience the impact of elevated costs and cautious lending conditions. While inflation moderated, pressures on everyday purchasing power remained very real for many of our members.

In response, Sacramento Credit Union remained fiscally disciplined and member-focused. We offered competitive lending solutions, maintained attractive savings and certificate products, and helped members navigate financial decisions through clear guidance and trusted service — all while preserving the credit union's strong financial foundation.

Employee Training and Success

Our employees remain our most valuable asset. In 2025, we expanded training and development initiatives focused on member service, financial expertise, compliance, and effective use of technology. These investments empowered our employees to better understand member needs and deliver consistent, high-quality experiences across every channel and interaction.

Community Impact

Serving our community remains central to Sacramento Credit Union's purpose. In 2025, we deepened our commitment through investment in programs and partnerships that strengthen the neighborhoods we serve and expand access to financial education and opportunity. We supported 10 local youth sports programs, 29 community and law enforcement events, donated \$35,185 to local charities, launched 4 educational initiatives, and donated 1,943 pounds of food to those in need.

We believe that active community involvement is not only the right thing to do — it is a sound growth strategy that builds trust, and supports long-term sustainability for our members and the credit union.

Technology and Security Enhancements

We continued to invest in secure, scalable technologies that improve efficiency, personalization, and service delivery while safeguarding member information. Ongoing enhancements to fraud prevention, cybersecurity, and system monitoring strengthened our defenses against increasingly sophisticated threats.

SUPERVISORY COMMITTEE REPORT

Safe, secure, & financially sound

The Supervisory Committee meets periodically with management and independent accountants to review their work and to ensure that each party appropriately fulfills its responsibilities.

In addition, the Committee reviews and evaluates the Credit Union's internal policies, controls, and procedures throughout the year to ensure that members' assets are protected. TWHC, a licensed CPA firm, was retained to conduct an audit of the Credit Union's financial statements as of September 30, 2025.

Its examination included a study and evaluation of Sacramento Credit Union's accounting systems, procedures, internal controls and other auditing procedures sufficient to provide assurance that the financial statements are accurate.

Submitted by:
Sophia McBeth-Childs,
Chair Supervisory Committee

In addition, we made significant progress in enhancing the digital member experience. Key initiatives included the launch of a completely redesigned website, improvements to the digital banking functionality and rollout of a streamlined account-opening solution. Together, these enhancements made banking faster, simpler, and more secure for our members.

Financial Performance

Sacramento Credit Union demonstrated robust financial performance for the fiscal year ending September 30, 2025, with strong growth across all key metrics:

- **Net Earnings (ROA):** \$10,432,618, representing 134.39 basis points on average assets of \$776,308,918
- **Net Worth Growth:** Increased by \$10.4 million, or 9.59%, resulting in a net worth-to-assets ratio of 14.59%
- **Deposits:** Grew by \$63.4 million, or 10.12%, with significant growth in term deposits driven by member demand for higher yields
- **Loan Portfolio:** Expanded by 5.47%, led by auto loans and first mortgages. Asset quality remained strong, with delinquency of just 0.04% for loans 60 days or more past due and net loan charge-offs of 0.13%

These results underscore the strength of our balance sheet, the resilience of our business model, and our continued commitment to long-term financial stability.

Looking Ahead

As we look to the future, Sacramento Credit Union remains committed to responsible growth, operational excellence, and delivering lasting value to our members. We are grateful for the trust of our members, the dedication of our employees, and the leadership of our Board of Directors and Supervisory Committee.

Thank you for your trust and membership.

Sincerely,
Les Brown, Chair, Board of Directors
Bhavnes Makin, President/CEO



STATEMENTS OF FINANCIAL CONDITION

SEPTEMBER 30, 2025 AND 2024

	2025	2024
Assets		
Cash and cash equivalents	\$ 71,115,744	\$ 142,246,397
Investments	261,993,083	242,907,857
Loans, net of allowance for credit losses	438,677,930	415,724,563
Accrued interest receivable	2,103,429	2,009,289
Premises and equipment, net	4,828,558	3,480,831
National Credit Union Share Insurance Fund deposit	5,776,730	5,535,343
Right-of-use assets	3,043,818	3,321,143
Other assets	29,557,871	19,965,753

Total Assets \$ 817,097,163 \$ 835,191,176

Liabilities & Members' Equity

Liabilities:		
Members' shares	\$ 689,565,383	\$ 626,170,875
Borrowed Funds	-	89,200,000
Lease Liabilities	3,185,636	3,424,768
Accrued expenses and other liabilities	4,170,336	7,587,763

Total Liabilities 696,921,355 726,383,406

Members' Equity 120,175,808 108,807,770

Total Liabilities and Members' Equity \$ 817,097,163 \$ 835,191,176

1,943
pounds of
food donated



10
local youth
sports supported



\$35,185
donated to
local charities



\$1 Million
in downpayment
support from
grants we support



STATEMENTS OF INCOME

YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
Interest Income:		
Loans	\$ 22,100,528	\$ 19,517,008
Investments and Interest Bearing Accounts	<u>10,046,862</u>	<u>10,879,734</u>
	<u>32,147,390</u>	<u>30,396,742</u>
Interest Expense:		
Members' Shares	10,101,130	8,002,592
Borrowed Funds	<u>458,670</u>	<u>3,526,044</u>
	<u>10,559,800</u>	<u>11,528,636</u>
Net Interest Income before Provision for (Reversal of) Credit Losses	<u>21,587,590</u>	<u>18,868,106</u>
Provision for Credit Losses:		
Provision for Credit Loss on Loans	473,198	540,794
Provision for (reversal of) Credit Loss on unfunded commitments	<u>(30,020)</u>	<u>19,838</u>
	<u>443,178</u>	<u>560,632</u>
Net Interest Income after Provision for (Reversal of) Credit Losses	<u>21,144,412</u>	<u>18,307,474</u>
Non-Interest Income:		
Deposit service charges and related fee income	983,313	1,229,846
Interchange income	2,029,976	1,998,751
Commission income	2,227,397	2,237,340
Gain on sale of loans	-	7,617
Other income	<u>1,364,926</u>	<u>2,381,612</u>
Total Non-Interest Income	<u>6,605,612</u>	<u>7,855,166</u>
Non-Interest Expense:		
Salaries and Benefits	10,269,352	9,616,103
Operations	5,508,518	5,606,772
Occupancy	<u>1,539,536</u>	<u>1,671,758</u>
Total Non-Interest Expense	<u>17,317,406</u>	<u>16,894,633</u>
Net Income	<u>\$ 10,432,618</u>	<u>\$ 9,268,007</u>

BOARD OF DIRECTORS

Les Brown	Chair
Willie L. Southward III	Vice Chair
Aron Brewer	Secretary-Treasurer
Jim Culleton	Director
Ross Huggins	Director
Herman Li	Director
Judy McGarry	Director

SUPERVISORY COMMITTEE

Sophia McBeth-Childs	Chair
Remie Diva	Secretary
Gene Webb	Member
Hannah Gabriel	Member
Karamel Jett	Member

MANAGEMENT TEAM

Bhavnesh Makin	President & Chief Executive Officer
Glenda Kaiser	Chief Financial Officer
Julie Sheperd	Senior Vice President
Tammy Ellis	Vice President, Retail & Operations
Karl Goin	Vice President, Marketing
Aletha Hickey	Vice President, Human Resources

BRANCH LOCATIONS

Elk Grove	8351 Elk Grove Blvd., Ste. 600
Fair Oaks	8100 Madison Ave.
Folsom	1705 Iron Point Rd., Ste. 100
Roseville	5005 Foothills Blvd., Ste. 1E
Sacramento	3660 Bradshaw Road 800 H Street 3102 Arden Way

THANK YOU FOR YOUR MEMBERSHIP.



SACRAMENTO
CREDIT UNION