



2021
ANNUAL
REPORT



**STEP UP
TO BETTER**

WE GIVE

EVERYONE

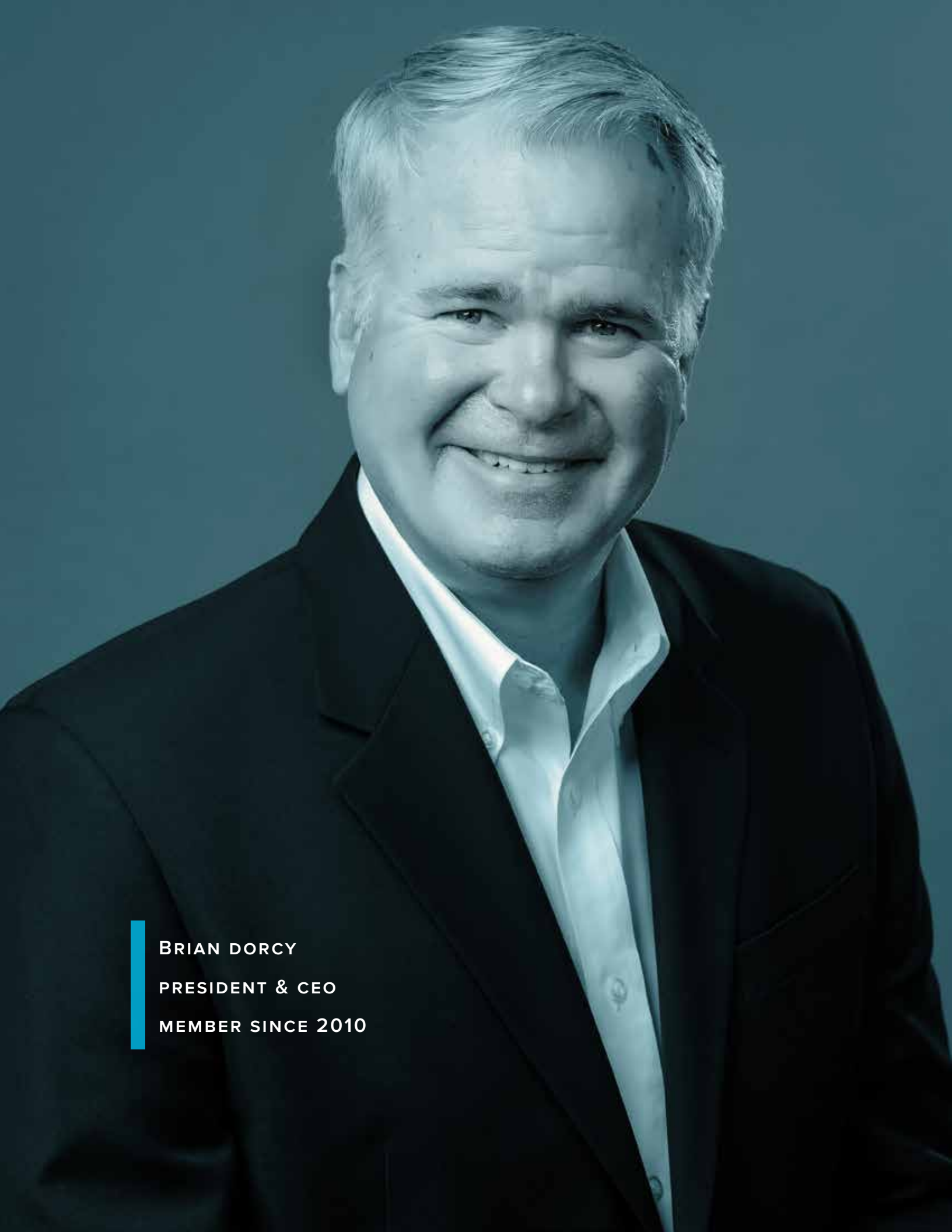
THE CHANCE TO BUILD A

FINANCIALLY STRONGER FUTURE

SO TOGETHER

WE CAN BUILD A STRONGER

COMMUNITY



BRIAN DORCY
PRESIDENT & CEO
MEMBER SINCE 2010

A LETTER FROM

CHIEF EXECUTIVE OFFICER

As I've said before and will say many times again, serving our Members well is Excite Credit Union's highest priority.

One of the major themes of 2021 was the so-called "Great Resignation." Many people, our Members and team members included, took a pause during the pandemic to review what was important for them. It prompted many employers to re-think how they supported their employees. A great Member experience flows from a great team member experience and we took big steps to greatly enhance both.

Last year, Excite continued to ensure our Members were provided the best experience by addressing the needs of our team members. In addition to improved benefits, we rolled out a new leadership development program and formalized several professional and personal development programs to better support employee goals. As a result, our employee engagement scores stood at 88% at the end of 2021 – 11% higher than our industry's benchmark.

As a Member, you also saw significant enhancements in our outreach to you. We introduced a new mobile branch in North Carolina, which allows us to provide convenient financial services to previously underserved areas or during times of natural disasters. We launched the popular payments app, Zelle, which should make transferring money between your friends, family, and colleagues much easier. We also launched a new Customer Relationship Management (CRM) system to ensure that Members will receive near-seamless service regardless of who you are talking to in our organization.

Finally, we opened our new headquarters in south San Jose which will position us to quickly grow to meet increased Member and team member needs.

We continued to march forward by strengthening our support for our community. The Excite Foundation received 501(c)(3) status in 2021 and has begun a pilot Child Savings Account (CSA) program with the Franklin-McKinley School District in San Jose, CA. The CSA has shown to greatly improve the chance of a child living in a low-income area to attend college and earn a degree. The pilot program funded 626 savings accounts for first grade children and we plan to build upon that work in 2022.

Throughout 2021, our deposit growth increased by over \$47 million and total assets increased by over 6%, to over \$666 million. Loan demand continued to be strong during 2021 as we funded over \$216 million in new loans to Members in our communities. We ended the year with \$416 million in total loans while maintaining a healthy, below average, delinquency ratio of 0.41%. We grew our Membership base by over 2%, resulting in a year-end total of 42,628 primary Member accounts!

Looking back, I reflect on the previously unimagined challenges and achievements made in our communities and across the nation in 2021. Through speaking with Members, employees, and business partners, it becomes more apparent that the only way through difficult times is by working together.

Members are why we exist; they are the heart of this credit union and our highest priority. Our doors are open for every Member. Our team members are here to help every Member. We wouldn't be in business without you. And from the bottom of my heart, I want to thank you for your continued visits, phone calls, and wonderful support.

A LETTER FROM

CHAIR, BOARD OF DIRECTORS

If 2020 was a lesson in crisis management, 2021 was a test of our resilience as an organization. Wave after wave of COVID-19 variants pummeled society and we all quickly learned to adapt and overcome. Regardless, we were able to continue to provide a high level of service to our Membership and the communities we live in.

Excite Credit Union was able to exceed our giving levels from the previous year to step up and help our community battle back from the effects of the continuing pandemic restrictions. In all, we were able to provide financial assistance to 41 local non-profits totaling \$245,079 - an increase of 49% from 2020's giving total.

Beyond these efforts, we also committed to become a vital financial resource in our community by earning the Community Development Financial Institution (CDFI) and NCUA Low-Income Credit Union (LICU) designations. These designations provide us with powerful financial tools that will greatly increase our ability to provide loans to people in communities that aren't well-served by traditional banking institutions.

We are also honored to have received the Juntos Avanzamos designation from Inclusiv, a non-profit dedicated to help low- and moderate-income people and communities achieve financial independence. This designation demonstrates our commitment to serving and empowering Hispanic consumers.

In order to strengthen our resilience as a financial organization, I am pleased to also inform you of our efforts to improve our organization through new technology. In 2021, we engaged with a number of fintechs, firms focused on optimizing specific aspects of banking, and have begun to see positive results from just our first couple of projects. These collaborations already look so encouraging that I look forward to reporting greatly enhanced financial strength to you next year as a result of these partnerships!

We ended 2021 with over \$666 million in assets – an increase of \$42 million from 2020 – and maintained our capital ratio at 7.97%. The capital ratio is a vital measurement of a credit union's financial stability and ours shows we are well-capitalized.

On a final note, it is the responsibility of the Board of Directors to ensure that actions taken by the credit union are done with sound judgment, for the Members benefit. This 2021 Annual Report is prepared in accordance with policies, laws, and regulations; and they prove Excite Credit Union is safe, financially sound, and well-positioned for the future.

On behalf of the Board of Directors, I want to acknowledge the Excite Team for their continued dedication to serving Members during this years-long public health crisis. I am also deeply grateful to you – our Member – for your continued support during 2021 and the unexpected challenges it has brought. It is our hope that 2022 brings expanded opportunities for us to grow and to help our Members and our communities based on the seeds of success sewn in 2021.



DONNA RHODY

CHAIR, BOARD OF DIRECTORS

MEMBER SINCE 1990



A LETTER FROM

CHAIR, SUPERVISORY COMMITTEE

The Supervisory Committee acts independently for the Board of Directors and Excite Credit Union management. We serve as an oversight committee whose duty is to monitor, evaluate and assure our Members that the Credit Union is soundly managed through the quality of operations, accuracy of records, and the protection of Member assets.

We are committed to serving Members by maintaining the trust you have in the Credit Union. Our dedication to integrity and efficiency is resolute.

The CPA firm Turner, Warner, Hwang & Conrad AC serves as our internal audit agency. The Committee also meets regularly with state and federal examiners to ensure all laws and regulations are enforced.

The Committee meets monthly. One of our annual responsibilities is to hire an outside, independent auditor to examine the Credit Union's financial statements and operations. In 2021, we engaged RSM US LLP to audit the financial statements. Their thorough examination produced a set of audited financial reports which are available for Members to view upon request.

We would like to thank the Board of Directors, management, and team members for their ongoing commitment to quality and Member service. The team atmosphere has created a family that serves our Members and community well.

DEVIN MCALPINE

SUPERVISORY COMMITTEE CHAIR

MEMBER SINCE 1987

STATEMENT OF FINANCIAL CONDITION

AS OF DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
Cash and Investments	\$215,089,420	\$159,738,839
Loans to Members	415,684,104	431,021,114
Allowance for Loan Losses	(2,396,620)	(3,180,248)
Net Loans	413,287,484	427,840,866
Property and Equipment	18,852,144	14,549,342
Federal Share Insurance	5,649,231	5,122,464
Other Assets	13,228,219	16,978,236
TOTAL ASSETS	\$666,115,498	\$624,229,748
LIABILITIES AND EQUITY		
Accrued Expenses and Other Liabilities	\$2,487,998	\$3,093,156
Borrowed Funds	–	5,000,000
Total Liabilities	2,487,998	8,093,156
Member's Deposits	612,839,092	565,556,817
Retained Earnings	50,788,408	50,579,775
Total Equity	663,627,500	616,136,592
TOTAL LIABILITIES AND EQUITY	\$666,115,498	\$624,229,748

This is an unaudited report. For a complete auditor's report and opinion, please contact us.

STATEMENT OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
INTEREST INCOME		
Interest from Loans	\$ 17,406,244	\$ 18,910,412
Income from Investments	1,625,846	968,396
TOTAL INTEREST INCOME	19,032,090	19,878,808
INTEREST EXPENSE		
Dividend Expense	1,821,091	2,846,382
Interest on Borrowings	–	58,156
TOTAL INTEREST EXPENSE	1,821,091	2,904,538
NON-INTEREST INCOME		
Non-Interest Income	8,209,019	8,851,124
PROVISION FOR LOAN LOSS		
Provision for Loan Loss	1,265,563	2,801,023
OPERATING EXPENSES		
Compensation and Benefits	11,195,890	11,357,984
Office Operations	5,840,347	5,581,942
Office Occupancy	1,450,914	1,818,963
Professional and Outside Services	1,136,672	1,195,533
Marketing	1,118,929	1,231,688
Loan Administration	1,103,710	1,038,060
Other Expenses	386,143	382,116
TOTAL OPERATING EXPENSES	22,232,605	22,606,286
NET INCOME		
Income from Operations	1,921,850	418,084
Non-Operating Income	80,000	194,585
NET INCOME	\$2,001,850	\$612,669

This is an unaudited report. For a complete auditor's report and opinion, please contact us.



A NEW HEADQUARTERS

Every action Excite Credit Union takes is built on giving everyone one a chance – no matter the zip code.

Back in 2018, Excite leadership and its Board of Directors understood that as our community was growing, so too was our need for a larger headquarters. We needed a hub to share socially-conscious ideas, partner with community leaders, and train a new generation of people-helping-people.

But it wasn't that easy.

We knew we wanted a location central to the areas we serve, even considering parts of Wilmington, NC. And the team member experience was integral; a tech-focused, open space environment, designed for lots of conversations and happier workdays. Also, having a headquarters in a neighborhood with actual member-neighbors was essential.

Our analysis landed us in south San Jose; central to the counties we serve, our target market, and it offers future growth opportunities in east San Jose.

In October 2019, we sold our Almaden headquarters with an agreement to stay at the location through the end of August 2021. In January 2020, thanks to Donna Rhody, we found and secured our new Bernal location.

Then the pandemic happened.

Four months after the sale, we were facing a world with peak commercial values, material supply chain issues, contractors and interior design groups with staffing challenges, PG&E committed to battling natural disasters, and a delayed city permit process. But the glass is always half full, right?

We had a location. We had some time. And, most importantly, we had a unity of purpose. We knew we were not going to make the August 2021 move out date, so we needed to be resourceful. Items were moved to storage and remaining HQ team members were temporarily moved to our Curtner branch. With all the problems we were facing, we knew working shoulder-to-shoulder with the people of the community and putting our trust in them was the only investment that mattered – and it paid dividends.

We broke ground on our new headquarters on January 4, 2021.

Our contractors, designers, and city officials ensured us this project was a high priority for them because our purpose of building a stronger community resonated. Through supply chain issues, the building was remodeled. Through staffing issues, the interior was redesigned. Through hard work, a community project came together.

The doors opened at our new headquarters on Bernal Road in December 15, 2021.

A LETTER FROM

VP OF COMMUNITY RELATIONS

Our name change to Excite Credit Union in 2018 wasn't just a name change. It marked a new beginning for the (then) 66-year-old credit union. As we celebrate our 70th anniversary, we are pleased to see our impact on many people of many backgrounds.

Our Members reflect the diversity of their regions. In California, we are 41% Hispanic, 34% Caucasian, 15% Asian and 10% other ethnic minorities. In North Carolina, we are 70% Caucasian, 19% African American, 5% Hispanic and 6% other ethnic minorities.

But, really... who are we? In the 1950's, people joined because they worked for General Electric. Today, our new Members are people who enjoy our products and services, or are people who believe in the work we are doing in the community. People want to be part of the credit union movement and the principles Excite represents – concern for community, diversity and inclusion, and financial education.

In 2021, we made an impact in the communities we serve by contributing to non-profits most impacted by the pandemic and by tremendous wealth disparity in our regions. This resulted in record donations of \$245,079 to 41 different organizations. We delivered financial capability training to the clients of those same organizations that received our funding support. Last year, 2,933 individuals from 28 organizations attended training sessions – an increase of 78% from the prior year.

Excite team members are catching the wave of community engagement as well. Last year, 70% of our team members took advantage of our donation match and/or our volunteer time-off programs to contribute to non-profits of their choice.

And we wanted to do more; so we did.

We formed the Excite Foundation, a 501(c)(3) non-profit charity, that will allow our Members, corporations, or foundations to contribute to our work. In 2021, Excite Foundation launched the College in My Future children's savings program in San Jose, providing \$50 to open college savings accounts for all 626 first grade children in the Franklin-McKinley School District.

We also earned three important designations that reflect our track record and capability of supporting low and moderate income Members as they seek to build financially stronger futures. The first, noticing that over 60% of our loans go to low and moderate income Members, the US Department of Treasury recognized Excite CU as a Community Development Financial Institution (CDFI). This designation allows us to apply for federal grant funding each year to increase our lending efforts to those who need it most. The second, we were also designated as a Low Income Credit Union (LICU) by our regulator, the CA Department of Financial Protection and Innovation. This status recognizes that over 50% (54.27% in fact) of our Members qualify as low-income. As an LICU, we are eligible for additional capital support and grant programs. The third, in recognition of our proven track record of serving Hispanic Members, we were designated a Juntos Avanzamos ("Together We Advance") credit union.

Not only are we the only credit union based in Silicon Valley to achieve all three of these designations – we are the only one to achieve even one of these designations!

We are proud to say that our products, services and engagement in the community have changed with you and for you so, together, we can build a financially stronger future for our Members and communities.



JOHN HOGAN

VP OF COMMUNITY RELATIONS

MEMBER SINCE 2019

COMMUNITY IMPACT




COMMUNITY
DEVELOPMENT
FINANCIAL
INSTITUTION

\$245,079
IN DONATIONS MADE
↑ TO **41** ORGANIZATIONS
IN THE COMMUNITIES WE SERVE
(UP FROM \$163,950 IN 2020)

2,933
PEOPLE
WHO RECEIVED FINANCIAL
LITERACY TRAINING
FROM **28** DIFFERENT
NON-PROFITS
(UP FROM 1,650/17 IN 2020)

70%
OF TEAM MEMBERS
DONATED TO OR VOLUNTEERED
WITH NON-PROFITS
(UP FROM 25% IN 2020)

\$50,000 IN
FUNDING SUPPORTING THE
COLLEGE IN MY FUTURE LAUNCH
CONTRIBUTING TO COLLEGE SAVINGS
ACCOUNTS FOR **626** FIRST GRADE
STUDENTS IN SAN JOSE 

And we formed the Excite Foundation!
Learn more on the back cover.

MOBILE BRANCH



In 2021, we stepped up our philosophy of people helping people by launching our first mobile branch.

Dedicated to serving the Wilmington, NC region, our new mobile branch will focus on bringing banking to the underserved populations, providing financial wellness to our neighbors, and make banking inclusive (as it should be). The mobile branch is fully equipped to handle opening memberships and deposit accounts, applying for loans, and making cash deposits and withdrawals with the onsite ATM. It's an initiative of putting words into action by visiting neighborhoods face-to-face, building bridges hand-in-hand, and creating relationships heart-to-heart.

STEP UP

TO THE MOMENT

EVERYTIME

MEMBER EXPERIENCE

“We live by a simple, yet powerful, statement: step up to the moment, every time. To us, stepping up means we meet our Members needs in life by being as relatable, empathetic, inclusive, and authentic as possible. It’s about having human heart when helping another by treating them the way they want to be treated. As a community, we win when we can share the joy of achieving goals we couldn’t achieve alone. Stepping up is a commitment each team member makes, regardless of individual job, title or location.”

Richard Walter
VP of Retail Experience
Member Since 2019

“This is my fifth auto loan. That shows that my experience has been incredible with Excite Credit Union.”

T. Pham

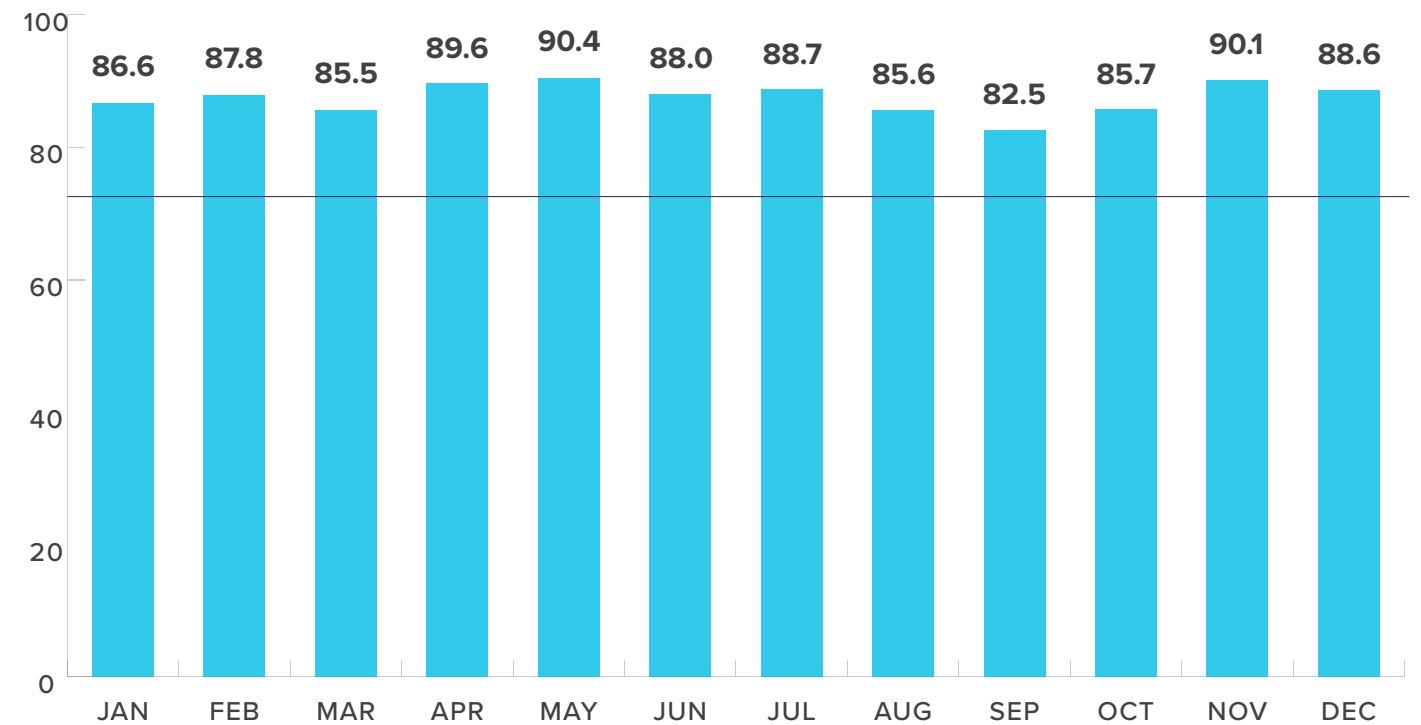
“A wonderful team! I love the friendliness and courteousness... it’s always a pleasure. Thank you!”

Anonymous

“I was amazed at the personal treatment I received. I was treated with respect and kindness in a way that you don’t see very often anymore. I’m very pleased with all of your services and employees. I will recommend Excite to all of my close family and friends! Thank you for a most enjoyable experience!”

M. Christie

NET PROMOTER SCORE



Net Promoter Score (NPS) is a Member loyalty and satisfaction measurement. Our total NPS score for 2021 was 87.1. The financial industry average is 77. Not only did we pass the industry average by 10 points, we improved over last year’s score by 9.5 points!

EMPLOYEE SPOTLIGHT

Carol Gamez

42 YEARS

Aggie Gore

41 YEARS

Pam Hodgin

35 YEARS

Nikki Aughe-Johnson

34 YEARS

- Carla Lewis 29 YEARS
- Mignonne Abbott 27 YEARS
- Yolanda Camacho 27 YEARS
- Tasha Johnson 25 YEARS
- Susan Wells 23 YEARS
- Dianne Hinkle 22 YEARS
- Kimberly Wolf 22 YEARS
- Margaret Wong 22 YEARS
- Starla Stobaugh 21 YEARS
- Yen Dinh 21 YEARS
- Sargis Moghadas 20 YEARS
- Linda Cline 17 YEARS
- Traci Zuberbier 15 YEARS

YOUR VOLUNTEER

BOARD OF DIRECTORS

DONNA RHODY	CHAIRPERSON, 26 YRS
SURYA TURAGA	VICE CHAIRPERSON, 17 YRS
ALAN HANSEN	TREASURER, 7 YRS
RALPH FINELLI	SECRETARY, 36 YRS
BARBARA ALUMBAUGH	DIRECTOR, 48 YRS
CHRIS EKREN	DIRECTOR, 27 YRS
MARK HANSON	DIRECTOR, 8 YRS
MIKE KIERNAN	DIRECTOR, 8 YRS
ALAN RABY	DIRECTOR, 8 YRS

YOUR VOLUNTEER

SUPERVISORY COMMITTEE

DEVIN MCALPINE	CHAIRPERSON, 26 YRS
LAURA GOLDING	MEMBER, 20 YRS
DEEPIA BANSAL	MEMBER, 11 YRS
MIKE UHRI	MEMBER, 8 YRS
KIM CAMPBELL	MEMBER, 4 YRS

“

**MEMBERS ARE
WHY WE EXIST.
THEY ARE THE
HEART OF
EXCITE.** ”

BRIAN DORCY, PRESIDENT & CEO

STEP UP



GET INVOLVED