



ANNUAL REPORT

2019



ABOUT US

Excite Credit Union.

Founded in 1952 and stepping up to better every year, we know this community like the back of our coffee fueled hands. It's not about the money; it's about the people the money helps.

We're all about the high-fives when a member reaches a milestone and the smile a kiddo has when making a deposit. The community is our boardroom and community service is our call to meeting.

The mud on our shoes is thick, the tools in our garages are well-used, and our brows are soaked from the sweat of doing the nine-to-five while helping out in our neighborhoods on the weekends.

For us, it's not about stepping up; it's about stepping up to better.

OUR PURPOSE

**WE GIVE EVERYONE THE CHANCE TO
BUILD A FINANCIALLY STRONGER
FUTURE, SO TOGETHER WE CAN
BUILD A STRONGER COMMUNITY.**

OUR PROMISE

**WE TREAT OUR MEMBERS LIKE
NEIGHBORS, NOT NUMBERS, AND
GET THEIR MONEY TO WORK AS HARD
AS THEY DO.**

MESSAGE FROM CEO

We began writing our 2019 Annual Report in early 2020. When the COVID-19 pandemic happened, we changed gears, focusing on understanding and managing the physical, financial, and emotional effects this would have on our Members, employees, and community. Rest assured, Excite is prepared and we are committed to helping everyone we can throughout this crisis. We got this.



STEP UP TO BETTER

Those words are what inspired us to change our name and begin a transformation of your Credit Union for the better. It means stepping up every day to help our Members, employees, and communities live their dreams. On April 2, 2019 Alliance Credit Union officially became Excite Credit Union®.

To separate ourselves from other financial institutions, we had to ask ourselves two questions: what do we do well and what do we need to do better? Our Members have come to rely on us for access to funds, economic mobility, loans to pursue home auto needs, and, of course, financial education. We do this well, which is proven by our base of loyal Members. Our plans for growth involve products driven by these needs, plus innovative technological advancements that help keep us competitive.

We're stepping up by improving our products and by recruiting and training our exceptional team so that they can deliver those products with the skills and efficiencies that best serve our Members.

Our service extends beyond financial needs at Excite. We believe that supporting the communities of our Members and employees is essential to our promise:

“We treat our Members like neighbors, not numbers, and get their money to work as hard as they do.”

2019 Accomplishments

One of the greatest achievements in 2019 was the creation of Step Up Savings. This account was created to help those in our community save for their children's future. A child with even a small savings of \$500 by the time they are 18 are three times more likely to attend and four times more likely to complete college. And so the key feature of this account is deposit matching – every deposit is a step closer to college. We also increased our product offerings for younger Members and promote financial literacy at a young age.

For the first time in this Credit Union's history, Member deposit growth in 2019 led to surpassing \$500M in total assets. This is a testament to the value Excite Credit Union brings to our Members and our communities.

In early 2019, Excite Credit Union was awarded the naming rights for what is now known as Excite Ballpark – Home of

the San Jose Giants, formally San Jose Municipal Stadium.

We expanded our field of Membership to include three additional California counties: San Francisco, Santa Cruz and Monterey. This expansion allows the Credit Union to provide service to an additional 1.3 million new neighbors.

To assist with the expansion and service, we created a Remote Services Department to better serve Members who apply online.

Finally, in the true spirit of a cooperative, Excite Credit Union continues to listen to the needs of Members by providing solutions that help solve pain points. We are proud that amid a great deal of growth, Excite has remained committed to the good of the Members.

**Stepping Up to Better,
Brian J. Dorcy
President & CEO**

MESSAGE FROM BOARD CHAIR

The world is changing, and fast. Understanding and adapting to these changes are important in order to grow and compete. Excite Credit Union® has faced many challenges and opportunities over the past year.

In 2019, the Credit Union renamed and rebranded in order to become more relevant to our Members, teams, and communities. We zeroed in on who we are and recommitted to the constant improvement of our products, services, and opportunities for all. Our purpose stays true to who we are as a Credit Union:

“We give everyone the chance to build a financially stronger future, so together, we can build a stronger community.”

As a purpose-driven organization, we’ve added and improved several products to help our community achieve financial stability. Our Step Up Savings account offers a high interest rate and incentives to promote saving habits. The Step Up Savings account is directed to those community partners who work with foster youth and low income neighbors, a cause close to our values.

2019 brought new connections with local charities, sporting events, and financial education seminars. The San Jose Municipal Stadium was renamed Excite Ball

Park, deepening our relationship with the San Jose Giants and thereby increasing our awareness in the community. We have also partnered with the Wilmington Sharks and are involved with initiatives to support the financial educational literacy in the community.

We also sold and leased back our corporate office at a substantial gain to Excite which enabled us to improve our overall financial condition in 2019.

Going forward, we strive to provide more than just financial services. Through financial education, transparency, and value-based services, Excite delivers solutions that fulfill our Members’ needs today, while helping them set goals for tomorrow.

Thank you for your continued loyalty to Excite Credit Union. It’s an honor to serve as your Board Chair. On behalf of the Board of Directors of Excite Credit Union, I want to thank you for your Membership.

Donna Rhody
Excite Credit Union
Board Chairperson

5 STAR RATING for financial performance



from Bauer Financial

2019 METRICS

MEMBERSHIP **40,515**

 ASSETS grew **6.3%**
\$513,867,600

NET WORTH RATIO increased **9.82%** 

\$428M TOTAL LOAN PORTFOLIO

NET INCOME **\$12.5M**

NET PROMOTER SCORE (NPS),
70 An indicator of loyalty by our Members and how likely they will do business.

COMMUNITY EFFORTS CALIFORNIA

\$2K



\$2,500



\$4K



\$5,000



\$15K



NORTH CAROLINA

\$2,500



\$3K



\$3,500



STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
Cash	\$ 10,646,833	\$ 8,988,380
Investments	56,178,523	25,551,580
Loans to Members	431,275,075	429,537,176
Allowance for Loan Losses	(3,037,124)	(3,120,671)
Net Loans	428,237,950	426,416,505
Property and Equipment	9,146,992	13,681,383
Federal Share Insurance	4,199,573	4,086,853
Other Assets	5,457,728	4,608,837
TOTAL ASSETS	\$ 513,867,600	\$ 483,333,539
LIABILITIES AND EQUITY		
Accrued Expenses and Other Liabilities	3,109,037	2,820,649
Notes Payable	10,000,000	12,500,000
TOTAL LIABILITIES	13,109,037	15,320,649
EQUITY		
Member's Deposits	450,406,530	430,239,515
Retained Earnings	50,352,032	37,773,374
TOTAL LIABILITIES AND EQUITY	\$ 513,867,600	\$ 483,333,539

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

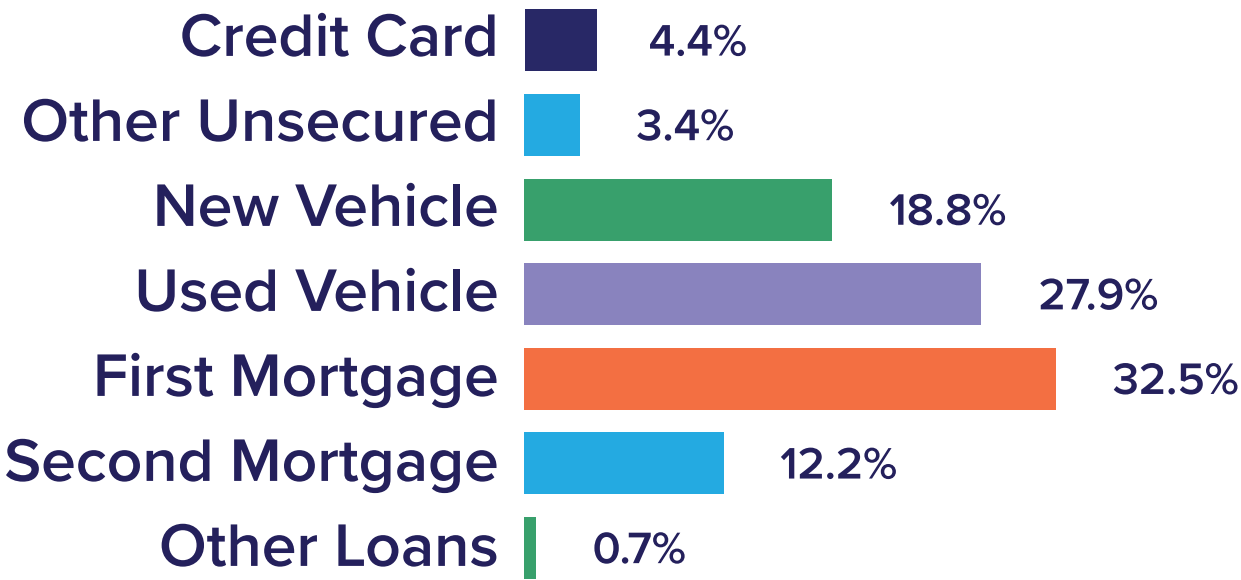
STATEMENT OF OPERATIONS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

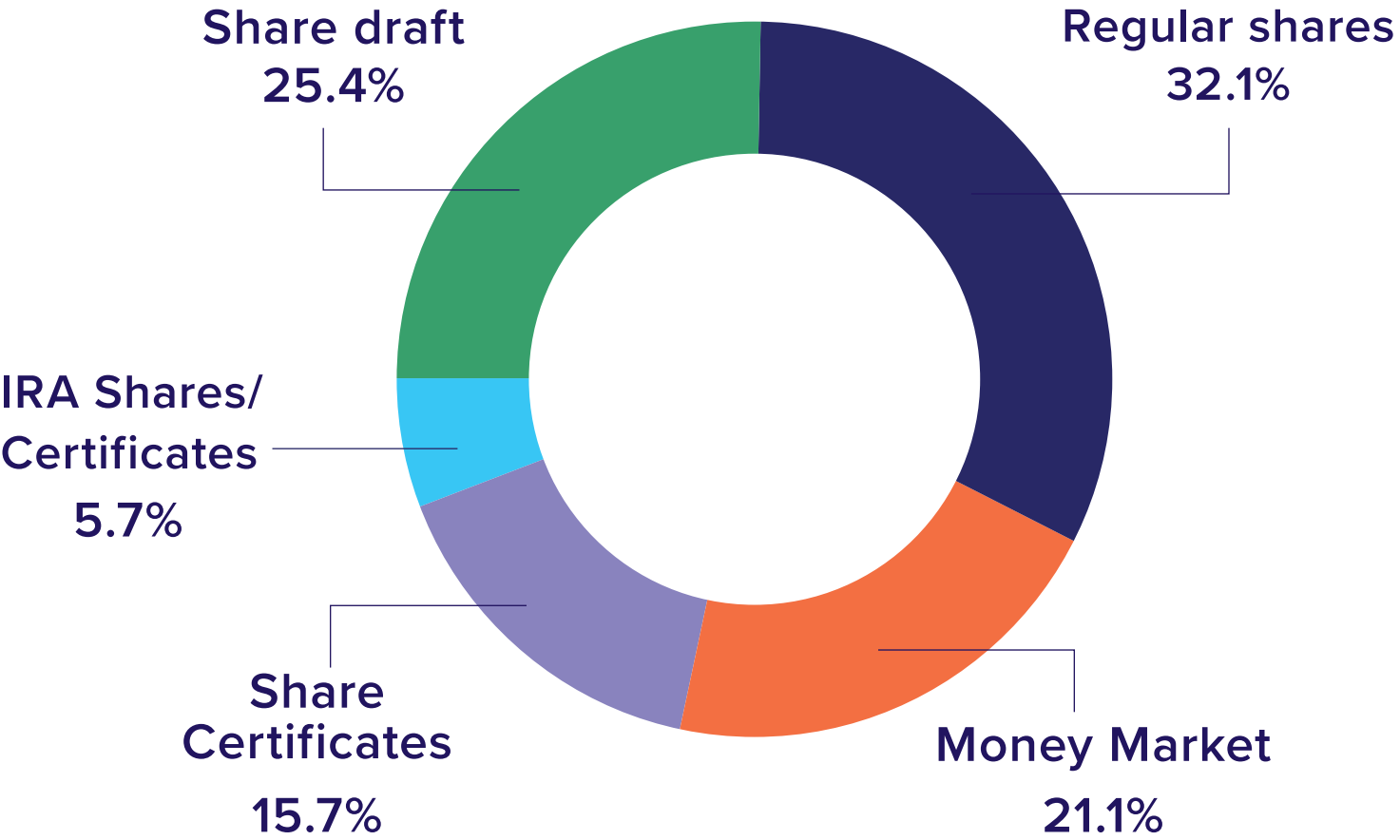
	2019	2018
INTEREST INCOME		
Interest from Loans	\$ 19,084,828	\$ 17,467,442
Income from Investments	798,011	426,397
TOTAL INTEREST INCOME	19,882,839	17,893,840
INTEREST EXPENSE		
Dividend Expense	2,341,347	1,546,141
Interest on Borrowings	49,872	44,961
TOTAL INTEREST EXPENSE	2,391,218	1,591,102
NET INTEREST INCOME	17,491,620	16,302,737
Provision for Loan Losses	3,028,668	2,992,802
NET INTEREST INCOME AFTER PROVISION	14,462,952	13,309,936
Total Non-Interest Income	7,132,441	7,307,197
TOTAL INCOME AFTER DIVIDENDS AND PROVISION	21,595,394	20,617,132
OPERATING EXPENSES		
Compensation & Benefits	\$ 9,914,430	\$ 9,647,103
Office Operations	5,227,254	4,839,449
Office Occupancy	1,420,143	1,283,977
Professional & Outside Services	1,221,987	901,740
Marketing	1,322,149	844,217
Loan Administration	925,260	885,787
Other Expenses	600,744	547,427
TOTAL OPERATING EXPENSES	20,631,967	18,949,699
Income from Operations	963,426	1,667,433
Non-Operating Income	11,532,031	245,453
NET INCOME	\$ 12,495,457	\$ 1,912,886

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**DISTRIBUTION OF
LOANS**



**DISTRIBUTION OF
SHARES**



SUPERVISORY COMMITTEE REPORT

The Supervisory Committee acts independently from 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 firm. 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 2019, 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 staff 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

Volunteer since 1996

STEP *UP* TO BETTER

3315 ALMADEN EXPRESSWAY, SUITE 55 SAN JOSE, CA 95118

EXCITECU.ORG

800.232.8669 | ROUTING NUMBER: 321176804

