

*Board of Directors*

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Vice Chairman

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Secretary//Treasurer

**John Cadwalader**

**Arlene Motter**

**Jim Peterson**

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*Supervisory Committee*

**Al Abaunza**  
Chairman

**Tom Ricci**  
Vice Chairman

**Stanley Tom**  
Secretary

**Thomas Jajeh**

**Patrick Lam**

as of December 31, 2023



# 2023 Annual Report



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## 2023 Chairwoman's Message

### People Before Profits

People before profits...three simple words that guide our business practices and keep our focus on what's most important - strengthening the financial future of our members. 2023 delivered a turbulent economic environment. However, we delivered value to our members by maintaining very competitive loan rates. Additionally, we raised our deposit rates several times, and offered various certificate rate specials, providing competitive value for our members' hard-earned savings.

To further demonstrate our commitment to people before profits, we were recognized for our community giving program by the San Francisco Business Times who named us one of the Top 100 Bay Area Corporate Philanthropists for the 8<sup>th</sup> year in a row. Our contributions are used to help enrich and improve the lives of members in the communities we serve. We are part of an elite group of companies that donate more than 2% of our net earnings to local non-profit organizations.

### Trustworthy Practices

Our capital reserves were 13% at year-end which is among the highest in the industry. It is also almost double the regulatory requirement, upholding our position as a safe and secure financial institution. We continue to evolve and enhance our technologies including fraud detection and prevention, data protection and cyber security tools. We invested time, resources and money into optimizing our technologies to increase agility, reduce complexity, and create better experiences for our members.

### Superior Products

We launched a brand new state-of-the-art online and mobile banking service which delivered a modern user interface and improved functionality. Our 4.8 rating in Apple's app store reflects our members' satisfaction with this critical service delivery channel. We were also extremely proud to partner with BALANCE, a financial fitness provider, to offer free financial counseling for our members, further proving our commitment to financial wellness and education.

### Exceptional Service

We expanded our in-person service to members in the Fresno/Clovis area by opening a new branch in Clovis. The location allows us to provide personalized service to existing and new members in the area. We are also extremely gratified to be honored with a Top Workplace designation for the 5<sup>th</sup> year in a row by the San Francisco Chronicle. We invest in our employees' happiness and work-life balance because we believe happy employees provide the world-class service our members deserve.

### Better Together

It takes an unwavering and resolute team to deliver on our promise to strengthen the financial lives of our members. From our dedicated employee teams to our tenured board of directors and supervisory committee volunteers, I want to express my sincere gratitude for your commitment to our mission. Finally and most importantly, I want to extend my deep appreciation to our members for the loyalty and trust you put in us. We are better together.

*Maria De Martini*

Chairwoman of the Board

## Income Statements

In thousands for the Years Ended December 31,

	<u>2023</u>	<u>2022</u>
Interest income:		
Loans	\$ 49,024	\$ 36,304
Investments and cash equivalents	<u>6,126</u>	<u>5,664</u>
<b>Total interest income</b>	55,150	41,968
Interest expense:		
Members' shares	11,600	3,606
Borrowed funds	<u>3,146</u>	<u>301</u>
Total interest expense	14,746	3,907
<b>Net interest income</b>	40,404	38,061
Provision for credit loss expense:	<u>6,389</u>	<u>3,889</u>
<b>Net interest income after provision for credit loss expense</b>	<u>34,015</u>	<u>34,172</u>
<b>Total non-interest income</b>	<u>9,245</u>	<u>14,295</u>
Non-interest expenses:		
Salaries and benefits	23,082	21,904
Operations	16,241	16,142
Occupancy	<u>2,994</u>	<u>2,706</u>
<b>Total non-interest expenses</b>	<u>42,317</u>	<u>40,752</u>
<b>Net income</b>	<u>\$ 943</u>	<u>\$ 7,715</u>

## Balance Sheets

In thousands, as of December 31,

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 90,266	\$ 50,887
Investments		
Available for sale	275,284	314,703
Other investments	8,617	7,899
Loans, net	1,022,873	997,315
Loans held for sale	-	-
Accrued interest receivable	4,498	3,792
Property and equipment, net	34,535	34,277
NCUSIF deposit	11,403	11,677
Other assets	9,564	8,456
<b>Total assets</b>	<u>\$ 1,457,040</u>	<u>\$ 1,429,006</u>
<b>Liabilities and Members' Equity</b>		
Liabilities		
Members' shares	\$ 1,132,068	\$ 1,173,620
Borrowed funds	139,500	78,000
Accrued expenses and other liabilities	<u>25,093</u>	<u>22,583</u>
<b>Total liabilities</b>	<u>1,296,661</u>	<u>1,274,203</u>
Members' Equity		
Regular reserve	11,926	11,926
Undivided earnings	175,374	179,120
Accumulated other comprehensive loss	(26,921)	(36,243)
<b>Total members' equity</b>	<u>160,379</u>	<u>154,803</u>
<b>Total liabilities and members' equity</b>	<u>\$ 1,457,040</u>	<u>\$ 1,429,006</u>

*This information has been derived from the credit union's annual financial statements. The complete audited financial statements can be obtained directly from the credit union.*

